Annex 2

St Helena Government

Strategic Plan for the SHG Capital Programme (2020-2030)

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Foreword

In 2016, SHG undertook community consultations to identify islanders' aspirations for the future of St Helena. The findings were brought together and issued in 2017 as SHG's 10-Year Plan up to 2027. The plan compiled the aspirations into five development pillars: altogether safer, altogether healthier, altogether a better place for children and young people, altogether greener, and altogether wealthier. The economic aspects of the plan have been elaborated to form SHG's Sustainable Economic Development Plan for the period to 2028. Combined, these documents describe a future state for the social and economic situation in St Helena by 2030.

During the past two years, an Independent Economic Review (IER) was undertaken of St Helena's economic development status and to assess the viability and potential benefits of a refreshed economic development capital programme. The IER provided a bold new long-term vision for the year 2050, with an interim description of the island's economy in 2030. This raised the question: what should a capital programme contain in order to facilitate achievement of the 2030 vision. Answering the question would involve interrogation of the various policies, plans and sector strategies to identify the vital capital interventions required to enable each of the plans to be fully implemented and the 2030 vision to be realised. This Strategic Plan is the response to that question. It identifies clear linkages between infrastructure interventions and the development objectives. But infrastructure alone will not transform the economy, nor will it achieve the five development pillars of the 10-Year Plan. Infrastructure *enables* social development and economic growth, but it is people and their actions that make change happen.

This strategic plan highlights the scale of the challenge to achieving the 2030 vision. It analyses each of SHG's policies and planning documents and extracts the key development objectives that detail what vision 2030 means in terms of the size of population and size of the economy. The plan shows how closely St Helena's population and economic development are linked. There is a mutual dependency between these two: the economy cannot grow without more residents, but more economic opportunities are required to create the conditions for more residents. The analysis shows that the common denominator is the visitor economy; i.e. tourism. St Helena must now make a concerted effort to target specific tourist groups and start increasing the number of visitors. Recent tourism studies provide the direction for these efforts and identify the first tourist groups to be targeted. St Helena must target the low-volume, high-value tourist groups; groups that will spend most on the island and inject monies to begin increasing the size of the visitor economy. This should support an upward spiral of more businesses, more and better paid jobs, more and better quality facilities for tourists, hence more for high-value tourists to spend their money on. More money will be injected into the economy. Greater tax revenues will enable SHG to support further social development activities, making St Helena a better place for children and young people, as well as new residents, to enjoy greener, healthier and wealthier lifestyles.

The IER proposed a visitor economy of £10 million per annum by 2030. The analysis in this Strategic Plan illustrates that this can only be achieved if there is a huge increase in the number of tourists in the coming years. The actions required and the enabling infrastructure to achieve Vision 2030 are described in this document.

Now is the time for action.

Susan O'Bey
Chief Secretary
St Helena Government

St Helena Government
Strategic Plan for the Capital Programme: 2020 – 2030

1 INTRODUCTION TO THE STRATEGIC PLAN

1.1 Aim of the SHG Capital Programme (CP)

Despite completion of the airport and its operationalisation in 2017, St Helena has yet to realise the full benefits in terms of increased economic activity, especially tourism. While tourism is expected to form the backbone of the island's new economy, diversification is vital if St Helena is not to suffer from tourism downturns in the future and/or recurrences of corona-related incidents.

St Helena has made great progress towards self-sufficiency in energy and by April 2022 the island intends to be powered by 100% renewable sources (wind, solar). Global telecommunications will be secured in 2021 by way of a submarine fibre-optic cable. This greatly improved connectivity, together with adequate, reliable and affordable electricity, will make possible new businesses and jobs in new sectors. The need for new skills will lead to inward migration and increasing demand for housing. New businesses and additional housing will increase the demand for utilities and solid waste management. St Helena already suffers frequent droughts and a swift solution to the water supply problem has become a priority.

The development vision for 2030 is for St Helena to have a robust and growing economy, and a growing demand for skilled labour in a range of export-oriented sectors that create wealth for the island. But there are still deficits in certain key infrastructure that need to be addressed in the short-term to facilitate St Helena's progress toward a prosperous future. The aim of the capital programme is to address these key infrastructure needs.

1.2 Purpose of the Strategic Plan

Although St Helena has achieved much in recent years, it is not yet on a clear path toward achieving the goals described in its 10-Year Plan. The Plan describes the aspirations of the community for St Helena to be a safer, healthier and more prosperous place to live and work; a good place for children and young people to live in an exemplar blue-green environment. St Helenians respect their land and marine ecosystems; this will also make the island more attractive to tourists. Tourism will be hugely important for the island's future, but a range of new businesses need to be developed and sustained to ensure economic prosperity.

The 10-Year Plan needs to be interrogated to determine how Saints' development aspirations will be achieved and what SHG and the private sector must do to achieve the 2030 goals. It is clear that additional infrastructure will required to make St Helena a better place to live and do business. Infrastructure plays an important part in social development and economic growth, but infrastructure alone does not transform an economy. Well-designed and well-managed infrastructure is an *enabler* of development, but complementary soft measures are required to achieve the full potential offered by infrastructure. If the infrastructure and institutional measures are to be truly transformational, there must be clear linkages between these interventions and the intended outcomes. This strategic plan identifies the infrastructure required to enable St Helena to make a transformational and sustainable advance towards its Vision 2030.

1.3 Development of the Strategic Plan

Since 2017, the development of St Helena has been guided by SHG's 10-Year Plan (2017-2027) that comprises five key development pillars:

- altogether safer
- altogether healthier
- altogether a better place for children and young people
- altogether greener
- altogether wealthier

The economic development aspects of the 10-Year Plan are elucidated in SHG's Sustainable Economic Development Plan (SEDP), which has a planning horizon to 2028. Other aspects of the 10-Year Plan have been developed into a series of strategy papers (the labour market, investment, energy, water, digital, etc). The island has finite resources and finite space, so social and commercial developments must be carefully controlled. This is the role of the Land Development Control Plan (2012-2022), which already makes provision for additional development in the Coastal Zone compared to the predecessor document. The LDCP is currently under review to further guide development for the next decade.

While the aforementioned documents provide guidance in progressing from today towards St Helena's Vision 2030, an Independent Economic Review (IER) in 2019 described a whole new vision for St Helena by 2050, with an interim vision for 2030. Achieving the interim vision will provide a "springboard for success" in terms of St Helena being on the right development path towards an island in 2050 that has sufficient resident population to sustain a vibrant export-oriented economy with strong inward investment, and a robust market of well-paid jobs.

This strategic plan for SHG's Capital Programme considers two vital sets of development objectives: (i) measures to ensure that gains to date are consolidated and that the country does not inadvertently slip backward in any key development area; and (ii) measures to ensure attainment of a future state as described by the combined aspirations of the 10-Year Plan and the IER's vision for 2030. Consequently, it is anticipated that the capital programme required to develop St Helena must firstly consolidate the fundamental requirements of residents and businesses; this refers mostly to adequate, reliable, sustainable and affordable utilities that will contribute toward **safer** and **healthier** livelihoods. The second set of requirements are those that enable a truly transformational advance to be achieved toward securing greater economic activity within a **green-blue** environment, with more and better paid jobs that facilitate an increasing number of **wealthier** residents; i.e. improved prospects for St Helena to be a **better place for children and young people** to live and work in.

2 CURRENT STATE ASSESSMENT

Progress to date (where St Helena is now)

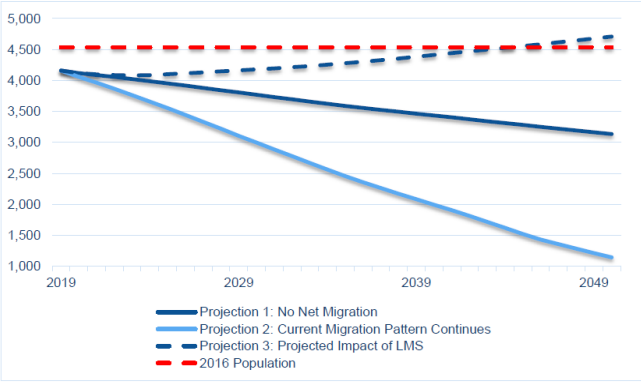
2.1 Population (resident Saints and non-Saints)

The resident Saint population declined from 5,500 in 1987, to 4,970 in 1998, and less than 3,960 in 2008. Since then, the number of Saints resident in St Helena increased during the years of the airport construction to around 4,290, but has since dropped back to around 4,100, as Saints attracted by the few years of construction work have gone back overseas. The number of non-Saints on island prior to the airport works was under 100, but increased during the airport project to around 480. Since the airport construction staff departed the number of non-Saints has fallen to around 270.

Prior to completion of the airport, the typical number of Saint visitors would peak at 250 to 350 during Christmas time. During the rest of the year there were typically less than 60 in any one month. The airport commenced full operational service in October 2017, and the Christmas Saint visitors increased to 330 and 360 in 2018 and 2019, respectively. Prior to airport construction, the maximum number of non-Saint visitors in a typical month during the main tourist season (October to March) was 160. Since airport opening, this has increased slightly to almost 200. These figures do not reflect the significant growth rates that were predicted in the airport business case and are certainly not sufficient to support a flourishing economy in St Helena.

2.2 Demographic projections and Labour Market

The departure of many families from St Helena has changed the island's demographic profile. The chart below illustrates SHG's demographic projections based on the recent migration pattern and variations thereof. The last full population census was in 2016 and it is estimated that approximately 160 people have left the island each year since then. Due to the current demographic profile (age groups, gender and number of births compared to deaths) even if the outward migration were to be completely offset by inward migration, the population would continue to decline.



There will need to be significant changes to government policies and programmes, supported by robust and sustained economic stimuli, to achieve strong positive net inward migration. *"Business as usual" will not transform St Helena.*

Consultations for the Labour Market Strategy (LMS) identified that individuals felt the economy was buoyant in 2016 when the total number of residents was at its modern era peak. The population at that time was considered to be sustainable in terms of the amount of infrastructure, including housing, government services and utilities. Policy makers must take care while encouraging a rapid increase in resident population in order that infrastructure and scarce resources are managed apace with demand, but in a sustainable manner.

The LMS has a planning horizon to 2035 and notes that children entering the school system in 2020 will be 20 years old by 2035. Economic planning must consider the options for these children in terms of entering higher education, undertaking an apprenticeship, or entering the workforce.

The LMS considers three goals: (1) resolving inequities in the current labour market, (2) increasing the population living and working on St Helena, and (3) preparing the workforce for the vision described in the SEDP:

2.3 Socio-economic situation in St Helena

Prior to the airport project, the number of residents of working age had starkly reduced with negative impacts for the overall tax base and the number of consumers among which the basic costs of social services and infrastructure could be shared. The consequence was greater reliance on UK Government aid. Since approval of the airport project, wages increased by 20% to 2016. In 2020, about 63% of the total 4,500 resident population is economically active.

While the airport has been the headline project in recent years, a number of other notable infrastructure projects have been completed, including a new wharf at Ruperts, refurbishment of the hospital, new residential accommodation for vulnerable people, and investments in renewable energies. At the same time, SHG has achieved a number of significant institutional developments: it has established a Human Rights Commission, a Mental Health Team, and a Safeguarding Directorate. It has also provided more support to NGOs and facilitated growth in the private sector.

The SEDP reflects the scale of the economic challenges facing St Helena. In 2016/17, remittances to the Bank of St Helena from overseas amounted to £16 million of which around £100,000 was for exports. Remittances out of St Helena were £37 million. The island is a net importer and national wealth is at risk of being depleted by the level of imported items compared to the very low level of exports. To avoid poverty and provide for improved quality of life and wealth (10-Year Plan goals), St Helena needs to earn more money from outside the island to circulate in the local economy. The SEDP goals to achieve greater economic activity include increasing exports, import-substitution, attract visitors and tourists, develop the digital economy, mitigate the impact of inflation on lower income groups, and reduce the leakage of national income. Additional SEDP goals include: improving land productivity and improving infrastructure to eliminate barriers to the growth of local businesses.

2.4 Prospects for Economic and Social Development

While air access has connected St Helena physically with the outside world, the island remains isolated from the global economy. There is a lack of telecommunications infrastructure that would provide for modern-day Internet capacities and speeds. This places St Helena businesses at a distinct disadvantage. The geographical location of the island also imposes severe disadvantages in terms of opportunities for tele-businesses. Combined, these factors greatly inhibit opportunities for social development and economic growth in St Helena. But plans are in place to address these impediments.

SHG's Digital Strategy aims to have a submarine cable to connect St Helena to the global business world by 2021. Businesses that rely on digital services are expected to benefit greatly from the new connectivity, but there should also be huge benefits for social development. Schools will be able to access teaching materials and learning aids that will help raise the standards of education in St Helena and make it possible for more children to graduate with at least UK average scores. The hospital would be able to make use of robotic operative technologies and remote supervision of procedures allowing on-island medical staff to undertake interventions that might otherwise be unacceptably risky.

The Covid-19 crisis of 2020 has demonstrated that many businesses can function effectively with staff working from home. With adequate telecommunications and video-conferencing, remote work can be carried out from almost anywhere. Combined with air access, home-working with strategic business travel will be possible from St Helena.

Improved Internet will support St Helena's tourism industry. Uploading videos and travel blogs will be possible and more people will become aware of the island and what it has to offer to various tourist groups, ranging from "get away" holidays, to ecological interest groups, game-fishing, and adventurists.

3 STRATEGIC PLANNING CONSIDERATIONS

3.1 SHG's planning and priorities

The medium-term future for St Helena is described by the 10-Year Plan (issued in 2017) that records the outcome of public consultations that identified Saints' aspirations for their future. The aspirations are grouped into five development pillars:

- altogether safer
- altogether healthier
- altogether a better place for children and young people
- altogether greener
- altogether wealthier

As part of the strategic planning process, the five pillars have been disaggregated to identify the main items that rely on adequate enabling infrastructure. These are briefly summarised below (not in any order of priority):

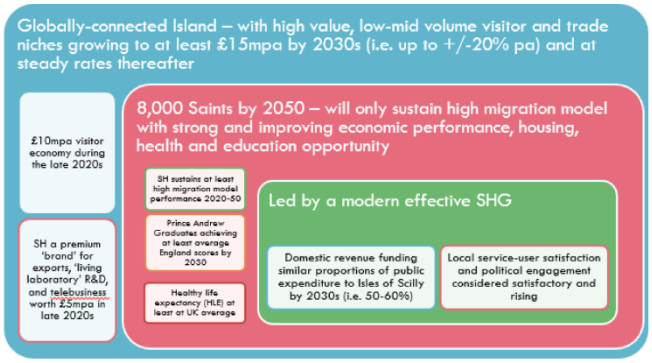
safer	• safer roads • human rights (prison) • ***rockfall protection*** • fire station • **sewerage / sea pollution**
healthier	• care facilities • SHG landlord housing • local agriculture • **clean, adequate water**
better place for children and young people	• UK school attainments • sport, cultural facilities • **more/better jobs**
greener	• ***renewable energy*** • ***waste management*** • **long-term water strategy**
wealthier	• ***connectivity / telecom*** • **eco-tourism** • **agriculture & fisheries** • **more jobs/businesses** • recreational facilities

The items listed alongside each development pillar indicate the primary requirements from a capital programme if the 10-Year goals are to be realised. Priorities can be identified within the listed items and these are shown in bold font. Projects that are already well underway are shown in italics. Of the remaining priority (non-italic) items sewerage and water supply warrant the most urgent attention. These items were among the highest priority items in the 2008 Infrastructure Plan and more than a decade later they remain outstanding. Focusing on these two items first in a capital programme will achieve a significant step towards the safer, healthier and greener development goals. By providing adequate, affordable and sustainable solutions to water supply and wastewater management, the demand on the three utilities will be fully addressed up to 2030. Simultaneously, projects can be undertaken for other items under these three goals, but they would be a lesser priority. Completion of these infrastructure items would ensure the fundamental enablers are in place for improved livelihoods and businesses. Infrastructure priorities can then focus on projects that have a transformational impact on the economy. The transformation would be manifested by way of vibrant economic activity that ensures St Helena is a better place for children and young people to live, with clear prospects for a prosperous life.

3.2 Vision 2030

While the 10-Year Plan provides the community's vision of St Helena in 2027, the SEDP presents a number of export and import-substitution possibilities; potential businesses that would add to St Helena's economy and provide diversity to the tourism product. The 10-Year Plan is also supported by strategy papers for the Labour Market, Energy, Digital Services, Water, and so on. Together, these documents provide a fairly clear vision of St Helena toward the year 2030. While these documents are grounded in SHG's research of the island's needs (demand projections) and viable solutions, the IER provides a "big picture" scenario for the year 2050 in which there would be a thriving economy and a resident Saint

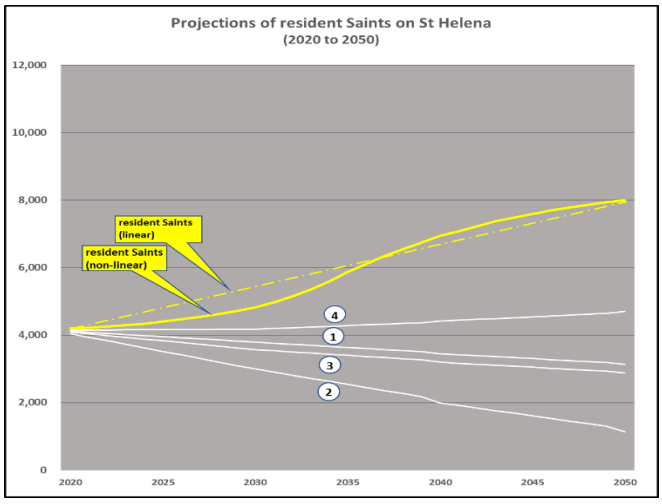
population of at least 8,000. The IER also provides indications of what must be achieved by 2030 as a interim step towards achieving the 2050 vision. In this scenario, the vision for 2030 is considered to be a "springboard for success"; i.e. if the 2030 targets are achieved then St Helena can be considered to be well on the way to achieving the Vision 2050.



The IER's Vision 2030 is not as detailed as the 10-Year Plan and its supporting strategy papers, but examination of the IER's targets reveals consistency with the SEDP in terms of the type and extent of economic activity required to achieve the 2030 development goals.

3.3 Implications for population projections

A resident population of 8,000 Saints by 2050 would create a very different St Helena than a population of just over 4,000. It will require major economic, immigration and labour market reforms to achieve the 8,000 target, but this scenario must be considered in comparison to the SHG demographic projections in order to identify the likely demand on infrastructure which, in turn, will impact the design of a capital programme. A major consideration is what trajectory might population growth take from 2020 to 2050. In the chart below, the lines 1 to 4 are the four demographic projections developed by SHG in its Labour Market Strategy.



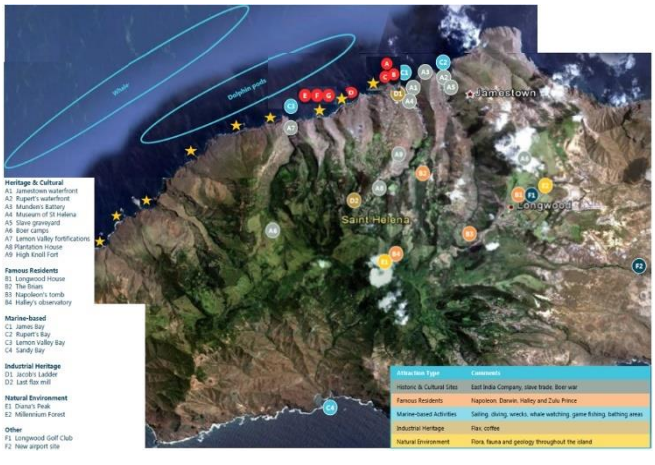
A straight-line (linear) increase from 4,200 to 8,000 would imply that the resident Saint population increases by about 130 per year, every year, to 2050. This is unlikely. It is more likely that, with the right transformative policies and enabling infrastructure, there will be a period of rapid increase in resident population in response to one or more economic/business initiative(s). An S-curve trajectory is therefore adopted for infrastructure projections, with the middle portion of the "S" corresponding to the period of rapid population increase and a step change in economic activity.

In addition to increasing Saint residents, it is reasonable to assume a modest increase in non-Saint residents. On any one day, there could also be a significant number of tourists that would have arrived by air and stay for perhaps one or two weeks, plus cruise ship and yacht visitors. If infrastructure (particularly utilities) is not to pose a restriction on capacity, these visitor numbers need to be included in infrastructure demand projections.

3.4 SHG's Tourism Strategy

Tourism has long been considered a primary sector for St Helena's future. A tourism study had been conducted by UNDP in 1997 that provided a "Strategy for Heritage and Nature Based Tourism Development" for St Helena. The Air Access Feasibility Study (2005) examined a number of proxy islands to compare the primary tourism products of St Helena and to develop tourism projections; i.e. the demand for flights. The two studies were updated by Kelly & Robinson in 2005 to identify tourism direction and opportunities for the next ten years. The study confirmed distinct tourism products in St Helena that could be developed and identified six tourism development areas (TDAs); five on land and one marine area.

SHG does not have a current tourism policy, but recent studies provide strong indications of what a tourism strategy should contain. Enterprise St Helena (ESH) commissioned two tourism studies: The Journey Tourism Consultancy (Sept 2013) and Whitebridge (December 2013). Whitebridge cautioned that small islands with relatively small populations, like St Helena, need to consider restrictions on tourism development in order to protect local communities and ecologies. Straining the capacity of an island can also impact negatively on the quality of the tourist experience, as is the case with many small Caribbean islands that accept several large cruise ships on a single day. Whitebridge also noted that air connectivity is essential and islands with the most favourable open sky policies (increased competition, lower ticket prices, and routing options) tend to perform most strongly.



Whitebridge did not identify TDAs, but they did identify the

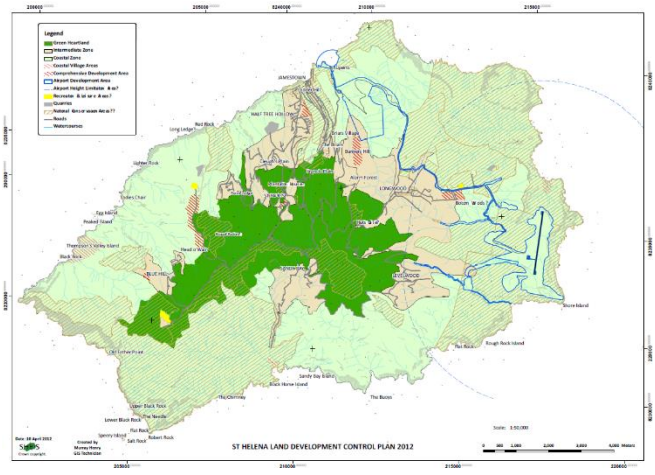
primary terrestrial and marine attractions: natural and cultural sites, famous residents, marine-based activities, industrial heritage, and the natural environment. Developing these items along the lines of the TDA concept will help define what St Helena has to offer distinct tourist groups. This is very important to achieve targeted marketing and promotion compared to a scatter gun approach. Whitebridge provided good guidance on target tourist groups and SHG and the private sector need to immediately embark on a coordinated campaign to rapidly increase the levels of tourism.

The Journey concluded that there is a "potentially significant market demand for St Helena", but the main challenge is to embark on a realistic, achievable and sustainable growth path during the first five years after opening of the airport. They noted that reliance on organic growth would not deliver the objectives sought in the SEDP. Equally, establishing a modest-sized hotel within the first year after airport opening and operating two flights per week from South Africa would also not achieve the rapid growth envisaged in the SEDP, but it would bring St Helena onto the "global tourism stage in an achievable and sustainable manner". Only a scenario of immediately opening two medium-sized hotels in the first year after airport opening, followed by a third large hotel in the third year, supported by a major expansion in airlift from both South Africa and London would come close to achieving the SEDP objectives.

Whitebridge had estimated that by 2020 the island could support around 290 hotel rooms. The current accommodation is around 195 *beds*. Whitebridge also projected 414 rooms by 2030. This target is not unreasonable and with appropriate policies and inward investments 414 hotel rooms (including the current guesthouses and B&Bs) is achievable.

3.5 Land Use Planning and Land Development Control

The Land Development Control Plan (LDCP) up to 2012 did not provide sufficient land for the island's development needs; i.e. to enable St Helenians and inward investors to develop the level of economic activity that would encourage and enable large increases in businesses and residency. These constraints were addressed by the updated LDCP for the period 2012 – 2022. The amended document provides for much more development to take place in the Coastal Zone.



Land use planning in St Helena must be carried out in a fully coordinated manner to ensure that land is not inadvertently allocated to some development on a site that would be important for key infrastructure or tourism. The 2008 Infrastructure Plan had highlighted the need for an island-wide **Comprehensive Development Plan** that would have brought together the National Strategic Objectives, the Sustainable Development Plan, Tourism Plan, Infrastructure Plan, and all other relevant plans and constraints in order to ensure that there are no land planning conflicts between these various documents. The recommendation remains valid. The period to 2030 is critical in St Helena's development and it is vital that there is full alignment across all its development plans.

3.6 A green and blue economy

The terms "green growth", "blue-green growth", "the green economy" and "the blue-green economy" are not universally defined. Some definitions place emphasis on economic development by utilising land and marine assets. The alternative definitions place emphasis on protection of the land and sea environments while developing an economy. The experience of many small island states that have developed their economies based largely on tourism and which have suffered from insufficient constraints on tourist numbers and the activities of tourists, suggests that small islands must place ecological concerns foremost in their tourism planning and management. This is consistent with the mission of the United Nations Environment Programme (UNEP), established in 1972: "to inspire, inform and enable nations and peoples to improve their quality of life without compromising that of future generations". This is a most important message for St Helena. In 2012, the UNEP Secretary General stated: "A worldwide transition to a low-carbon, resource-efficient Green Economy will not be possible unless the seas and oceans are a key part of these urgently needed transformations".

St Helena must bear in mind these messages as it plans, designs and implements a programme of rapid tourism development. The lessons are equally important for addressing current and planned infrastructure, particularly the quality of wastewater discharged into the sea, discharge from desalination, and any leakages into the ground at the solid waste landfill site.

3.7 Implications for infrastructure planning

The foregoing sections of this strategic plan highlight the imperative for comprehensive (coordinated) planning for St Helena's future. "Business as usual" will result in, at best, the scenario 4 population trajectory forecast by SHG. This will not achieve the 10-Year Plan, nor the SEDP objectives. Vision 2030 would not be achieved and there would be no "springboard for success" towards the 2050 Vision, or anything remotely like that. There must be an immediate concerted effort, guided by the SEDP and the tourism studies, to proactively promote St Helena as a place to invest and do business in a range of sectors. Rapidly increasing economic activity and increasing numbers of residents will demand more capacity from the island's utilities. These must be the first priority for the capital programme.

4 ST HELENA'S FUTURE (2030)

Vision (future state)

4.1 Implications of SHG's policy framework

The 10-Year Plan, the SEDP and the IER together describe a Vision for St Helena in 2030 as having achieved a lot in terms of being a healthy, safe and prosperous place for families to work and live. St Helena will be an attractive destination for tourists, businesses and inward investors. The tourism product will be well developed and marketing of the island will have succeeded in St Helena being a well known and go-to green and blue destination for a variety of visitor types: those interested in the island purely from curiosity, those interested in cultural and military history, bird-watcher and ecological interest groups, adventure tourists (hill-walking, climbing/abseiling, diving, game-fishing, mountain-biking, etc), and those who just want a quiet far away place for relaxation, wellness and "finding themselves".

Reliable and affordable digital services will have transformed lives and businesses. The freight port at Rupert's and logistics corridor will be combined with affordable shipping to support cost-effective import/export activities.

There will be a tangible sense of achievement among Saints; a contagious sense of well-being that will continue to attract more inward investment and more residents. St Helena in 2030 will be on a sustainable development path towards its 2050 goals with an active economy led by a well-developed tourism product, supported by adequate, reliable and affordable infrastructure.

5 ACHIEVING THE VISION

Strategic Planning (how to get there)

5.1 Infrastructure required to achieve Vision 2030

Analysis of the 10-Year Plan, IER and SEDP is required to clearly inform what achievement of Vision 2030 will entail.

The 10-Year Plan

The 10-Year Plan has been disaggregated in Section 3.1 above.

The IER

The IER proposes a £10 million per year visitor economy by the late 2020s, and £5 million per year commercial activity, including premium brand exports, a living laboratory for marine and terrestrial research and development, and vibrant telebusinesses. The IER suggests that this level of economic activity should enable domestic revenue funding to be at similar proportions to the Isles of Scilly; i.e. 50-60%. The IER also proposes that Prince Andrew graduates should achieve at least average England scores and healthy life expectancy should be at least the UK average.

The IER suggested that the infrastructure considerations can be grouped into four themes. This better identifies the linkages between each infrastructure item and Vision 2030. SHG's Programme Management Unit (PMU) has identified from various government departments a list of projects and grouped these into the four themes (not in any order or priority):

Transport & logistics corridor	• ***Ruperts wharf (container-handling facility)*** • major roads network (commencing with upgrade of Field Road and Side Path) • parking solutions • sustainable quarrying
21st Century island	• priority places (CDAs) • **water security** • **sustainable sewerage** • ***100% renewable energy*** • St Helena as 'living laboratory' • new SHG head offices • present-day prison • all infrastructure developed and maintained
Visitor economy infrastructure	• 'out and about' facilities • **St Helena story (heritage)** • attractive waterfronts • enhanced Jamestown facia • enhanced tourist accommodation choices
Productivity-based programme	• education campus • increased agriculture and food processing • ***fibre-optic cable-landing*** • Bradley's Camp and business park • business workspace

As in Section 3.1, the items considered to be most important for achieving the Vision 2030 have been highlighted in bold font. Projects that are already underway (design or implementation stages) are shown in italics. Phase 1 of Ruperts Wharf is already in the design stage; arrangements for 100% renewable energy are in hand via a power-purchasing agreement (PPA) that is expected to be signed soon with PASH. The fibre-optic cable is due to be landed and connected to the St Helena terrestrial network in 2021. The project is overseen by SHG's Project Board headed by the Chief Secretary. The current priorities are therefore:

- water security, and
- sustainable sewerage

In addition to these two primary utilities, tourism infrastructure must be enhanced with a degree of urgency in order that the experience of visitors matches the promise and expectations presented in tourism promotional campaigns. This is vital for what is considered to be the most important and largest sector of St Helena's future economy.

The SEDP

The SEDP states that a viable economy will be achieved by a combination of increased exports and import-substitution. These would contribute to the £5 million per year economy envisaged in the IER. It proposes:

existing, new and expanding export sectors	• tourism • fisheries • coffee • liquor, wines and beers

	• ship registry and sailing qualifications • honey and honey bees • film location • academia, research and conferences • satellite ground stations • work from home jobs • traditional products
existing and new import substitution sectors	• agriculture • timber • bricks, blocks, minerals and rocks • bottled water

The SEDP analysed barriers to growth in all these sectors and identified that infrastructure is a barrier to all the above-listed items, except: coffee, liquor, ship registry and sailing, working from home, and traditional products.

Appendix A of this Strategic Plan provides a summary of the analysis of enabling infrastructure for each of the primary socio-economic initiatives in the 10-Year Plan, IER and SEDP. The analysis shows that utilities are by far the most important infrastructure requirement towards achieving Vision 2030. In this context, utilities include:

- energy
- water supply
- wastewater
- solid wate management)

As already mentioned, arrangements are being finalised for achieving 100% renewable energy and the solid waste management is now very well managed. The two current priorities are therefore **water supply and wastewater**.

The second-most important requirements are:

- tourism/heritage infrastructure (including Jamestown facia)
- waterfronts

Improvements to St Helena's **tourism and heritage** is the next set of infrastructure items that need to be addressed towards achieving the vibrant visitor economy of Vision 2030.

Further details of the priority projects are provided in the **Infrastructure Plan 2020 (Section 6)**.

Physical infrastructure improvements alone will not deliver Vision 2030. They must be complemented by appropriate institutional measures that develop the enabling infrastructure into tangible social and economic advances. The institutional measures must include appropriate economic, social and infrastructure strategies, along with comprehensive planning that ensures that *all development plans* are considered collectively, not as a number of separate documents without clear linkages to development goals and without acknowledgement of the complementarities between these documents. A large set of uncoordinated documents "owned" by different government directorates will at best lead to inefficiencies and at worst preclude achievement of Vision 2030.

5.2 SWOT analysis

With reference to the current state assessment in Section 2 and the planning considerations in Section 3, an analysis of the primary strengths, weaknesses, opportunities and threats towards achieving Vision 2030 reveals the following:

STRENGTHS

- Detailed set of policies, plans and strategies exist that describe a clear Vision 2030
- Clear linkages have been identified between the Vision and enabling infrastructure
- Infrastructure priorities are clearly defined
- Fundamental infrastructure is largely in place, except some capacity in utilities (water supply, wastewater)

WEAKNESSES

- Negative population migration resulting in insufficient human resources to adequately manage non-utility infrastructure
- Tourism promotion efforts have to date failed to make St Helena known to the outside world and failed to deliver the level of tourism demand that will generate the 2030 level of visitor economy
- Insufficient development of St Helena's various tourism products
- Weak investor promotion has to date failed to achieve the range and number of private sector ventures that would provide well paid jobs and achieve substantial increases in the number of residents
- Insufficient funding for recurrent maintenance of infrastructure, especially non-utility infrastructure

OPPORTUNITIES

- Robust policies are in place to attract more businesses, tourists and investors; the documentation needs to be converted into clear actions that will deliver Vision 2030
- Policies and legislative framework are in place to enable public-private partnerships and private sector funding of infrastructure
- A new "Compact" could be signed in the near future that would shift the SHG-DFID relationship from donor-recipient to a development partnership, leading to greater and more efficient collaboration between SHG and the wider UK government
- Air access, an efficient port/wharf at Ruperts, and a submarine fibre-optic cable will provide significant opportunities for expanding existing businesses and establishing new businesses
- Increased exports and import substitutions will create jobs, retain wealth within St Helena and contribute to a vibrant economy
- All tourism studies indicate the potential for St Helena to be a well-known, but select (low-volume, high-value) green-blue destination, with unique tourism products resulting in high quality tourist experiences
- A larger resident population will aid cost recovery of infrastructure management

THREATS

- A reduced operational length of runway and reduced aircraft range precludes direct flights from Europe
- Loss of trained staff to overseas destinations
- Risk of economic downturns, especially if too much economic reliance on single-sector economy (tourism)

Strengths

The 10-Year Plan, SEDP and EIR provide a clear Vision of St Helena in 2030. As Sections 3.1 and 5.1 of this Strategic Plan have shown, clear linkages exist between the 2030 development goals and the infrastructure required to enable these goals. Furthermore, the infrastructure priorities are

clear: there is a need to achieve the same for water supply and wastewater as has been achieved for energy and solid waste management. By making a concerted effort in the next few years to fully address the island's water security and environmentally-responsible sewerage, utilities will no longer be an issue and the focus can shift to infrastructure that will enable a transformation in the island's economic well-being.

Weaknesses

Given that St Helena's future relies extensively on tourism, it is a great concern that air access and tourism promotion have not yet delivered the desired level of non-Saint visitor arrivals. Current tourist accommodation amounts to just 195 beds and these have never to date been fully occupied. All the tourism studies to date concur on the range of St Helena's tourism products, which tourist segments should be targeted, and how. St Helena cannot develop all its tourism products at once (particularly the heritage items which require huge investments to turn them into world best quality experiences), so a strategic approach could be to begin with targeting tourists for the island's high quality marine experiences: game-fishing, diving, whale-watching, etc. A focussed drive on these markets would make it worthwhile for the private sector to invest in more and better quality boats, eateries can cater to a regular flow of visitors, and tourist accommodation can gear itself to these market segments.

Alongside development of the marine tourism segments, other relatively low-cost tourist experiences can be developed, such as the walks, bird-watching, ecological experiences, some adventure tourism (climbing, abseiling, etc), and astronomy (including dark sky tourism; perhaps via membership of the International Dark Sky Association).

Once these segments yield results, attention can shift to the tourist attractions where more investment is required. Tax revenues generated from the already-developed segments would enable SHG to fund the upgrading of key heritage structures.

Investors in new businesses also need to be found. Areas for investment can include the Chief Secretary housing, some of which have already been made available to the private sector and have been improved for private use; Wrangham's is a very good example. Investors could be encouraged to develop similar properties that would appeal as tourist accommodation. The development of One Main Street and Bertram's Cottage are admirable examples of what can be done.

Tax revenues from increased tourism will enable SHG to better fund the recurrent maintenance needs of non-utility infrastructure.

Opportunities

SHG has a plethora of policies, plans and sector strategies. These have been well prepared and provide sufficient detail to make clear the objectives for each of these sectors. The documentation must now be converted into actions and tangible results. Step-by-step actions are required now if the strategies are to result in attainment of Vision 2030. Now is the time for action.

The IER suggested a fundamental change in the relationship between SHG and the British Government. While this would probably not result in the same level of budgetary support as French overseas territories enjoy, a shift to a collaborative partnership should result in SHG being able to access other UK Government Departments, thereby accessing additional sources of funding and additional skills areas, both of which will be needed as St Helena addresses new challenges in many areas of its development efforts. For example, SHG will need advice on how best to benefit from the opportunities that the submarine fibre-optic cable will provide, including ground stations. These are specialist areas and SHG could benefit hugely from support and guidance from the respective UK Government departments rather than having to procure consultancy advice. A challenge in getting the right advice is preparing appropriate terms of reference, and this requires an initial level of knowledge in the subject areas.

Other UK Government departments, even arms-length organisations, that could help St Helena include the regional development agencies. Advice on attracting investors for a range of businesses could help SHG focus its investment promotion efforts and achieve greater results.

The island's unique land and marine environments represent huge opportunities for tourism, but also for the development of environment-related businesses. The IER suggests a 'living laboratory' approach where academics, philanthropic groups, and commercial research organisations can come and study the land and sea ecologies of the St Helena region. There might also be interest from meteorological researchers and other specialists.

Threats

The wind shear problem at the aerodrome resulted in a shorter operational runway length and a different aircraft from the originally intended model. These factors preclude direct flights from Europe and this makes it harder for St Helena to achieve the target numbers of tourist arrivals. But threats can be turned into opportunities. If St Helena is a less attractive single-destination for certain tourist groups, then it can work with specific tour operators to offer multi-destination packages. For astrotourism, there are just two registered Dark Sky places in the whole of the African Continent: in Namibia and west South Africa. St Helena could easily be added to make a three-stop, or alternative Dark Sky destination. Similarly, for adventure tourists, wildlife tourists, etc.

The covid-19 situation poses a threat to the development of tourism in the short-term. However, this threat can also be turned into an opportunity. During the covid period, an A-318 flight was arranged that flew from the UK to St Helena with just a refuelling stop in Accra, Ghana. If this could be developed as a regular route, it would provide a strong boost to St Helena's tourism efforts by providing, in effect, a direct flight from London to St Helena. This would be a huge advantage in attracting tourists from everywhere in Europe.

5.4 The new SHG – UKG Compact

The principle of a 'compact' is an agreement on specific shared development objectives. This represents a collaborative partnership arrangement, rather than the typical donor-recipient relationship. The compact should be a mechanism by which the wider UK Government (UKG) supports SHG to achieve longer-term, national strategic objectives, such as Vision 2030. The partnership should achieve mutual benefits. For example, UKG assists St Helena to achieve substantial economic growth that results in UKG being able to reduce its budgetary support to SHG.

An important difference between the compact and the donor-recipient arrangement is the *shared accountability* for achieving mutually agreed development objectives. The joint accountability provides an incentive for both parties to achieve the transformational steps that will be required if St Helena is to achieve its Vision 2030.

6 DEVELOPMENT CHALLENGES

6.1 Competing priorities

In addition to the primary, high priority infrastructure items identified in Section 3.1 and 5.1, there is a long-list of projects proposed by SHG directorates and Elected Members that, while nice to have, will not provide transformational social or economic benefits; i.e. they will not contribute significantly to the Vision 2030 development objectives. Some of these are projects that directorates should be able to fund from their own recurrent budget allocations and/or encourage participation from the private sector. If any of these projects do warrant allocation of resources from the capital programme, they should be considered in terms of the relative benefits they would deliver compared to the primary economy-enhancing infrastructure identified in this strategic plan. The primary projects are intended to enable transformational economic growth that will result in increased tax revenues to SHG. These additional revenues can then be used for the smaller social and 'nice-to-have' projects

The projects highlighted in red font in Section 5.1 (energy, water supply wastewater, cable-landing, Ruperts Wharf) will bring wide benefits to the island's largest residential areas while also ensuring adequate treated water supply for growing businesses. Utilities are required by all residents and businesses and the new export and import-substitution ideas proposed in the SEDP will all need adequate, reliable and affordable utilities. **This first set of priority projects is intended to enable the level of economic activity envisaged in the IER's Vision 2030; i.e. £5 million per annum, in the sectors outlined in the SEDP**

The second set of priority projects (heritage, tourism and waterfront infrastructure) aims to improve St Helena's tourism products to world-best standards in order to attract the intended numbers of high-value tourists who will put money directly into the local economy. Word-of-mouth marketing from highly satisfied visitors (including Internet blogs) will help St Helena to become known globally and attract a growing number of tourists. **This second set of projects should start as soon as possible, but should be the primary focus from (at least) the mid-2020s to ensure that tourist economy reaches the IER target of £10 million per annum by 2030.**

6.2 Affordability of infrastructure assets

St Helena's infrastructure must be affordable in both the capex and opex contexts. Best practice for asset management is based on the principles of whole-life costs. There is a balance to be achieved between the capital costs of providing and replacing assets, and the ongoing operations and maintenance costs. Public infrastructure (utilities, roads, wharfs/ports, etc) typically require very large capital investments and these are paid directly or indirectly by taxpayers and consumers. Failure to properly operate the assets, including maintenance and servicing, will lead to accelerated deterioration of the assets, resulting in new capital investments being prematurely required. Taking roads as an example, for every pound not spent in timely recurrent maintenance, three to five pounds are required in additional rehabilitation costs. If left to further deteriorate, the costs increase to eight pounds required for reconstruction for every dollar not spent on proper maintenance. While the intention of limiting financial aid to St Helena may be consistent with UKG's policies towards its overseas territories, the lack of monies for timely maintenance of infrastructure assets has resulted in far greater amounts being required in the capital budget.

With regard to utilities, the desire for water and energy entities to be fully self-sufficient financially is understood, as this is the way in which long-established, well-managed utility companies operate worldwide. However, it must be borne in mind that Connect is, in infrastructure management terms, still a fledgling organisation that has not yet had time to build up funds for asset provision or replacement and it still needs external financial support; for example, government grants, bank loans, etc. Typically, large public infrastructure has a design life of a few decades, or more. The capital costs of these assets is amortised over a large portion of the assets' design-life, thereby reducing the annual cost recovery to consumers. Tariffs include these capital costs and the operating and maintenance costs. When comparing solutions for St Helena's water supply and sewerage, the costs to consumers is of great importance if negative impacts on society and local businesses are to be avoided. Attracting private investments in utilities will be best achieved with suitable cost recovery mechanisms and without government subsidies. The identification of long-term utility infrastructure must therefore be on the basis of minimum whole-life costs.

6.3 SHG technical capacity and capabilities

Historically, PWSD succeeded in developing considerable infrastructure assets across the island, but much of the civil engineering expertise departed the island to take advantage of better employment opportunities in the Falklands, Ascension Island, the UK, and Germany. For some time, St Helena lacked engineering management expertise, particularly in water resources management, road engineering, and buildings management and renovation of

historic buildings. The Infrastructure Review in 2006 recommended that engineering managers be recruited into key posts within the PWSD to introduce expertise in asset management. In 2013, the utilities were extracted from SHG and established as an arms-length corporate body: Connect Saint Helena (CSH). CSH has adequate in-house engineering managers, which has delivered notable improvements to the electricity and water supply sectors.

Non-utility infrastructure is managed by the Infrastructure & Transport (I&T) directorate, which is primarily responsible for SHG landlord housing, other government buildings, and roads. It is also currently responsible for the design and construction of the landing station for the fibre-optic cable, under direction of the Project Board. In a 2008 business planning study for the PWSD it was suggested that the PWSD should focus on operations and maintenance with sufficient budget to reflect a commitment from SHG to protecting previous investments in infrastructure assets and ensuring reliable levels of service from these assets. Given the low levels of recurrent budget that I&T receives, there appears to be a strong case for the 2008 recommendation to be considered alongside the capital programme. A growing and vibrant economy relies on efficiently managed infrastructure. Premature replacement of infrastructure assets would drawdown on the capital programme instead of the programme facilitating new, economy-enhancing assets.

Dividing the responsibilities for capital works between two, or more, SHG offices raises concerns about coordination. This is further complicated when some of the design works are done by consultants offshore. For example, the PMU has been delayed by one to two months while awaiting the final design (at least levels and dimensions) of the cable-landing station in order that the PMU can complete the design of the biosecurity and customs building at Ruperts. Such challenges when coordinating with external bodies, including utilities, make it very difficult to achieve project timelines.

Consideration may be given to placing all CP components with the PMU and its technical team where core technical capacity exists and does not impinge on the core responsibilities of Connect, I&T or other SHG entity.

SHG is taking steps to reduce its reliance on offshore consultants for the detailed design and management of its infrastructure. The PMU, for example, has established significant “on island” capacity for its EDIP works. Continued outreach to qualified and experienced Saints should be part of increasing the resident population. This would be a more cost-effective option than using international consultants and provide the advantage of developing “institutional memory” and awareness of the island’s needs, which are important aspects of determining appropriate infrastructure solutions. However, the long periods of study and experience to reach senior infrastructure management positions need to be rewarded. This means that St Helena (SHG and CSH) must be able to offer competitive packages to attract Saints or other new residents as competent managers of its utilities and other primary infrastructure.

6.4 Disasters and Emergencies

In addition to infrastructure management, I&T is required to respond with swiftness and professionalism at times of natural disaster and certain emergencies, such as rockfalls, major flooding, covid-19, etc. These responsibilities draw significantly on I&T’s resources. Manpower and equipment are required at short notice, and financial resources that are already insufficient for optimal operations and maintenance must be used to procure materials, fuel for vehicles, and to make overtime payments, etc. Care must be taken when designing changes to an infrastructure directorate’s role to ensure its future capabilities to respond to disasters and emergencies. Extensive outsourcing that results in reduced operating budgets and manpower might leave the directorate short of vital resources for optimal asset management. Even if additional monies are provided at times of natural disaster or other emergency, consideration must be given to the level of in-house human resources versus out-sourced contractor(s). I&T must be provided with sufficient human and financial resources if it is to achieve cost-effective and efficient asset management.

6.5 External (global) factors

While the Covid-19 crisis is something of an exception in terms of its huge impact on the global economy, tourism has suffered in the past from downturns due to other causes, such as financial crises and terrorism. While St Helena has been somewhat shielded from the direct impacts of these events, passenger movements to/from St Helena, especially those associated with multi-stop holidays could negatively impact St Helena’s tourism. Likewise, future businesses based in St Helena that trade with the outside world could be impacted by global events that restrict commercial activities. A treatise of possible covid-19 impacts on SHG’s capital programme is provided in Appendix D of the 2020 Infrastructure Plan.

7 THE CAPITAL PROGRAMME (CP)

7.1 Priority actions for SHG

There are a number of specific steps requiring immediate action from SHG:

1. Review of Section 5 of this Strategic Plan and the Infrastructure Plan 2020 to agree or amend the infrastructure priorities with respect to:
    - **first priorities:** water security and wastewater (so that all three utilities, plus solid waste management, will be adequate and well managed to meet the demands of growing residents, businesses and tourism); also the fibre-optic cable and Ruperts Wharf. These projects are essential for enabling almost all aspects of the SEDP for increased exports and import substitution to attain a £5 million per annum economy by 2030 as proposed by the IER;
    - **second priorities:** tourism/heritage infrastructure (including Jamestown facia) and waterfronts to facilitate the £10 million per annum visitor economy as proposed in the IER

2. Complete the review of infrastructure options for addressing the water supply and wastewater requirements. This will entail consideration of the viability of technical options, environmental and social impacts, and comparison of whole-life costs for each technical option. The review must also consider Connect's capabilities/capacity to manage the preferred solution. Agreeing with DFID measures for cost-effective asset management of infrastructure is also important.
3. Finalise the cost options and timelines for the preferred technical solutions. Consider the funding options and, if they are to be included in the EDIP programme, how to phase the works; e.g. detailed design works in Phase 1 of EDIP, followed by full implementation during Phase 2.
4. Agree the rationale with DFID for including water security and sustainable wastewater management in EDIP.
5. In parallel to Steps 1 to 4, SHG must convert its plans (particularly the SEDP) and strategies into actions that will transform the economy of St Helena by the mid-2020s and achieve the intended level of economic activity by 2030 as described in the IER (see step 1 above).

Based on experiences from Caribbean islands, it would seem appropriate to establish a unit in SHG tasked with delivering Step 5. Just as the PMU was established to deliver specific infrastructure results, an Economic Development Unit (EDU) would be charged with realising the economic development that air access and other initiatives were intended to enable. Section 5.2 of this report (SWOT analysis) highlights some of the initial issues that the EDU must address, but emphasis must be placed on action and results, not documentation and deliberations. Economic development targets should be set in terms of level of economic activity (based on relevant economic indicators) to be achieved by specific dates. The targets should reflect a realistic, but challenging, growth trajectory from 2020 to Vision 2030.

7.2 Other projects for the CP

Import substitutions

The SEDP highlighted the importance of increasing exports and substituting imports. Agricultural produce is a focus area for import substitution: eggs, meats and vegetables. A project has been proposed by ENRP to increase production in these areas. A business case has been prepared that aligns the project with the SEDP import substitution goals.

Education standards

The IER proposes a target of Prince Andrew graduates achieving at least England average scores by 2030. An outline concept has been developed for improving the education system and an "education campus" has been proposed that would provide improved educational facilities from primary to secondary levels, plus a modern library/digital centre. These modern facilities are an essential part of improving education infrastructure while also addressing the cause of many Saints in the 30-40 year age group from going overseas; they emigrate to places that provide better education opportunities for their children.

8 PRIMARY RESOURCES TO DELIVER THE CP

8.1 The PMU

The PMU is SHG's designated unit for programme and project management, to oversee the planning and delivery of a wide portfolio of projects. While the PMU still needs to capture all infrastructure and non-infrastructure projects of the capital programme, its current focus is the DFD-funded EDIP projects. The PMU has an important role to play in terms of the design, management and delivery of all EDIP projects on behalf of SHG directorates. Similarly, for utility-related projects, the PMU will play a leading role in overseeing and directing the design and implementation of projects carried out by Connect on behalf of SHG.

For delivery of non-utility infrastructure, based on the issues raised in Section 6.3, consideration may be given to expanding the technical competencies of the PMU. Currently, the PMU's technical team comprises an architect and a civil engineer. Capacity could be expanded so that non-utility infrastructure is also programme managed and technically managed in a coordinated manner by the PMU. The cable-landing and wharf works at Ruperts could be a test case; i.e. to see how the delivery of these two related works can be better coordinated and implementation accelerated.

8.2 The EDU

The EDU should not be composed and operated as a large organisation. Rather, it should be a small team of private sector development, investment, and tourism development specialists (perhaps three core staff) to design and oversee the implementation of specific interventions. The interventions will be targeted at the private sector to engage with domestic and offshore investors for specific export and import-substitution initiatives, as described in the SEDP. In parallel, engagement with targeted tourist groups should begin to deliver increased numbers of tourists to St Helena, as outlined in Section 5.2. The Whitebridge report, in particular, provides good guidance on where and how to engage with target groups of tourists for St Helena. As with the economic development targets, tourism development via the EDU should be driven by staged targets in tourism numbers (see also Appendix C of this Strategic Plan).

Recruitment of the three core staff for the EDU must be based on each of these people having strong track records and demonstrable successes in the three areas of private sector development, securing inward investments, and tourism development. They will need to work closely with various SHG departments to win private sector support and involvement in the increase of exports and substitution of imports; for example: ENRP, shops and hotels/restaurants with respect to substitution of food imports; bars/pubs and shops with respect to substitution of liquor/beer imports; the building industry with respect to materials substitution, etc. The EDU core staff should have experience in reaching out to other specialists, such as film producers, ship registry people, and so on, in order to realise the promises of the SEDP and IER.

9 INFRASTRUCTURE PLANNING & MANAGEMENT

9.1 The 2020 Infrastructure Plan

The study for the Infrastructure Plan in 2008 had developed a long-list of projects aimed at (i) addressing immediate needs of residents, businesses and the efficient functioning of government, and (ii) providing for the initial years after airport opening to meet the growing demands of more residents, businesses and tourism. An Infrastructure Plan Steering Group (IPSG) had been formed comprising representatives of government, the private sector, civil society and DFID (as the major funder of infrastructure). The IPSG prioritised the long-list of projects and the top ten priorities were carried forward to full project design. Most of those projects have been implemented, with the exception of:

- water security
- upgrading of Field Road and Side Path
- James Bay wharf
- realignment of Ladder Hill Road

Wastewater had been identified as a next priority with seven interventions identified to improve wastewater management across the island. Of those interventions, the new septic tank was constructed at the Rifle Range but it was under-sized and it does not comprise extensive treatment; consequently, the discharge is not suitable for disposing directly into the sea, especially as St Helena is working towards becoming an exemplar blue-green economy. The number of properties in HTH has increased since 2008 and the CDA cannot progress until wastewater management has been fully resolved or an alternative solution is developed just for the CDA site. The Half Tree Hollow and Jamestown facilities are now a high priority.

Of the above-bulleted projects, water security remains an issue, especially given the increasing frequency of droughts in recent years.

The upgrading of Field Road and Side Path is also now a high priority in order that the full benefits of the Ruperts Wharf project can be realised.

James wharf is a lesser priority, but needs to be addressed soon as part of improving the quality of the tourist experience.

The Infrastructure Plan has been updated for the period 2020 to 2030. It provides more detailed analysis of SHG's suite of policies, plans and strategies to identify the implications for infrastructure towards achieving Vision 2030 (see also Appendix A of this Strategic Plan). It includes a brief assessment of the current infrastructure, projections of demand for the main utilities (energy, water), and factors affecting the choice and design of new infrastructure. The main external factor impacting existing and future infrastructure is climate change. The study for the 2008 Infrastructure Plan was carried out in phases over a period of more than twelve months. The current Infrastructure Plan has been developed during a period of a few weeks and projects are therefore not designed in as much detail as previously, but careful consideration and research has been undertaken in identifying priorities and options, and in recommending appropriate courses of action, particularly for water security and wastewater management.

9.2 Effective Asset Management

The principal aim of asset management is to enable an infrastructure management organisation to meet its service delivery objectives efficiently and cost-effectively. In the case of SHG this will ensure that recurrent and capital budget allocations are spent in a manner consistent with the aims of whole-life cost management. Effective asset management also:

- makes the most of the service potential of assets by ensuring they are appropriately used and maintained;
- reduces the demand for new assets and saves money through demand management techniques and non-asset service delivery options;
- achieves greater value for money through economic evaluation of options that take into account life cycle and full costs, value management techniques and private sector involvement;
- reduces unnecessary acquisition of assets by making agencies and consumers aware of, and requiring them to pay for, the full costs of holding and using assets; and
- focuses attention on results by clearly assigning responsibility, accountability and reporting requirements

The fourth point, regarding awareness of the full costs of owning and using assets is consistent with the principles of full cost recovery that has already been a theme in St Helena for the past decade. The fifth point underlines the need for appointing technically competent staff and providing them with suitable resources and empowering them with appropriate authorities to be able to make timely and relevant decisions for effective asset management. People cannot be held fully accountable if they are charged with responsibilities above their competence level and/or not provided with suitable resources.

If sufficient resources (manpower and recurrent budget allocations) are not made available for operation and maintenance of infrastructure assets the likely impact will be that the responsible entity (I&T, Connect) will resort to reactive work patterns; i.e. a fire-fighting approach to execute repairs as far as resources permit. The consequences of this approach need to be fully understood when determining annual recurrent budget allocations. A lack of timely servicing of equipment and a lack of timely and adequate preventative maintenance will lead to greater pressure on capital budgets for the premature rehabilitation or replacement of assets.

The extent of asset management to be applied should be proportional to the assets and resources available in St Helena. Levels of service (quality, reliability and cost) must be guided by the standards required for operating businesses and public health standards expected by residents and tourists.

10 SPECIFIC PROJECTS FOR THE CP

10.1 Components of the Capital Programme

As described in Section 5.1, the priorities for the CP are determined by the Vision 2030 development objectives and these infer two phases for the CP:

Component A: projects that address immediate needs of residents and businesses and make a significant impact on the "safer" and "heathier" goals of the 10-Year Plan to contribute towards St Helena being a better place for children and young people, while also being consistent with the "altogether greener" agenda;

Component B: projects that enable transformative economic growth and attainment of the "wealthier" goal, and the SEDP and IER economic goals; these projects will consolidate the "better for children and young people" goal.

10.2 Composition of Components A and B

Component A will comprise the first and second priority projects. Rockfall has been excluded from the list since the protection works are already being implemented. Similarly, renewable energy has been excluded because it is about to be addressed via the PPA with PASH.

Component A projects:

1st priority
- water security
- wastewater management
- CDAs (utilities + private sector)
- micro-projects (towards safer, healthier)

2nd priority
- education campus
- major roads and bridges
- sustainable quarrying
- micro-projects
- prison
- fire station

Component B projects:

1st priority
- cable-landing
- Ruperts Wharf (container-handling facility)
- upgrade Field Road and Side Path
- agricultural productivity
- infrastructure maintenance
- waterfronts

2nd priority
- tourism / heritage infrastructure (including Jamestown facia)
- *tourist accommodation (private sector)*
- *Bradley's Camp, business workspace, light industry area (utilities + private sector)*
- living laboratory
- SHG offices
- parking solutions

The items in *grey italics* should benefit from private sector funding. Tourist accommodation should be wholly private sector funded in response to demand created via an effective tourism promotion campaign. The cost of making available facilities/space for businesses and light industry should be recovered from those businesses.

10.3 Timing of the Components

Components A and B will commence at the same time and be implemented in parallel. First priority projects must start immediately (some are already underway). It is expected that the first priority Component A and B projects should be completed by 2023.

Second priority Component A and B projects should commence by 2023 and continue until late-2020s, depending on availability of funding and human resources. Second priority Component B projects should be completed around 2027-28 in order to realise the benefits of the enabling infrastructure by 2030.

11 NON-INFRASTRUCTURE INTERVENTIONS

11.1 The 10-Year Plan

Strong leadership will be required to realise the 10-Year Plan. Included in each of the five development pillars of the plan are many "we will" commitments and this will test the resolve of Council and SHG to make the necessary decisions in a timely manner to permit the intended infrastructure to be built (including decisions on land use and environment considerations). Further enabling decisions will be required with respect to how infrastructure shall be used/operated and on funding (including, as appropriate, recovery of capital and operating costs).

11.2 The SEDP

The "Common Issues" section of the SEDP provides a long list of items to be addressed toward strengthening the economy and achieving the "altogether wealthier" development pillar. The proposed EDU (see Section 7.1 and 8.2) can use this list as a set of issues to be addressed to enable economic growth, ranging from financial issues (credit ratings for SHG, online banking, investment facilities for non-residents, etc), through to facilitating private investment, buy local campaigns (perhaps enhanced by higher tariffs on items where St Helena is targeting substitution, such as food and alcohol, etc) and addressing freight costs to improve the competitiveness of exports. Without these non-infrastructure measures the full benefits of the capital programme (infrastructure provision) will not be realised and realisation of Vision 2030 will be in jeopardy.

11.3 The IER

The IER sets targets for 2030 which, when achieved, will constitute the "springboard for success" for 2050. The 2030 targets are primarily economic (which are largely elucidated in the SEDP in terms of private sector and tourist activities) and quality of life (education and life expectancy), which describe the 10-Year Plan aspirations in objective terms: size of economy, education and healthy life expectancy standards.

A core feature of the IER is its recommendation for a new

partnership arrangement between SHG and the UK Government, by way of a "compact". This is a vital element for success of the capital programme and should be considered the **highest priority among all the non-infrastructure interventions**.

12 PROGRAMME MANAGEMENT

12.1 Key Performance Indicators (KPIs)

Performance indicators must be set so that they reflect the fact that both infrastructure and non-infrastructure interventions are important for achieving Vision 2030. They must identify the linkages between the interventions and the results to be attained. KPIs should reflect (1) service levels required from completed infrastructure, and (2) what the infrastructure enables. That is to say: (1) outputs and (2) outcomes.

Examples of infrastructure KPIs

water security	Outputs: % of water requirements met (service levels described in terms of quality and quantity)
	Outcomes: % of businesses that are not adversely affected by poor and/or unreliable water supplies
infrastructure asset management	Outputs: % of infrastructure in serviceable condition and % of targets achieved for minimum whole-life costs
	Outcomes: extent to which social and economic development is impeded by inadequate infrastructure

Examples of non-infrastructure KPIs

tourism development	Outputs: % of visitor arrivals targets met
	Outcomes: extent to which the tourism sector is contributing towards the national economy (with respect to the IER visitor economy targets)
the EDU	Outputs: % of targets achieved for tourism, inward investment, and development of the domestic private sector
	Outcomes: extent to which "Common Issues" section of the SEDP and other Vision 2030 documents are addressed and extent to which targets for exports and import substitutions are achieved

12.2 Performance Targets

The SMART system of designing targets is appropriate: specific, measurable, achievable, relevant, and timebound. An example would be the type of wording used in logical frameworks: e.g. X additional cubic metres of water of Y quality to be provided in the Redhill water distribution area by Z date.

For the capital programme (infrastructure interventions), the outline programme for Components A and B provide broad indicators of performance; i.e. the target end dates of the two phases. When the programme is designed in detail, the performance delivery targets will be determined for each output; i.e. for each infrastructure item to be constructed in the capital programme.

12.3 Reviewing Progress

The capital programme will be monitored monthly in terms of physical and financial performance. Bearing in mind the nature and objectives of the compact, the reviews must measure the performance of all parties concerned with designing, delivering and supporting the programme. This includes, SHG and the private sector in St Helena, DFID and other government departments in the UK.

It will also be appropriate to monitor the performance of both the PMU and the EDU. Just as the PMU will have a set of targets that reflect delivery of physical infrastructure and associated budgets, the EDU should be measured by the rate at which it is achieving targets for inward investment (% of annual targets), private sector economic activity (% of total economy), and tourism (tourist arrivals, per head expenditures, etc). Since the economic development objectives and non-infrastructure interventions are critical to achieving Vision 2030, it would be appropriate to place EDU staff on performance-based contracts with strong incentives to achieve the KPIs.

12.4 Improving the Capital Programme

Lesson-learning is important at every stage of project implementation. Both the PMU and the EDU should use formal feedback from their project management systems. Issue and risk registers must be kept to log problems that occur and how they are addressed compared to the intended risk mitigation measures. Lessons will be learned in individual projects that must inform the planning, design, procurement and construction of subsequent projects in order to achieve continuous performance improvements.

13 MAINSTREAMING CONSIDERATIONS

13.1 Climate Change

Section 5.1 of the 2020 Infrastructure Plan includes consideration of the likely impact of climate change on St Helena. The latest research information from the Inter-Governmental Panel on Climate Change (IPCC) suggests that the region around St Helena will experience reduced annual rainfall in the coming decades and the intensity of the heavier rainfalls will also reduce. This has considerable implications for water security. Section 5.3 of the Infrastructure Plan records the fact that St Helena has to date relied on the shallow perched aquifers that are quickly recharged from rainfall, but which quickly drain (run dry) during periods of reduced rainfall. Climate change is likely to significantly reduce the water available from these shallow aquifers. Alternative solutions to water security need to be found; these are likely to include boreholes into the deeper aquifers,

prudent expansion of surface water storage facilities, and desalination.

Reduced annual rainfall and reduced intensity of storms will ease the required capacities of highway stormwater facilities.

Reduced rainfalls will reduce the risk of percolating waters through the solid waste landfill causing leaching of undesirable products into the ground. There is no indication that this is currently a problem, so reduced rainfall at Horse Point would further reduce any risk.

Regardless of the changes in rainfall patterns, SHG has a policy in place that all new houses must harvest rainwater from their roofs. More and more older houses now have rainwater butts and this is to be encouraged, especially in the Half Tree Hollow area to minimise the amount of stormwater that would mix with (and dilute) the wastewaters in the new HTH system.

No clear information is available in terms of the impact of climate change on swells and wave heights in St Helena's waters, but precautions are being included in new infrastructure, such as a wave wall to protect the new Jamestown wastewater system at West Rocks.

The jetty at Ruperts now provides an alternative and safer disembarking facility than the landing steps and James Bay. This provides increased protection for passengers and should help to encourage captains of cruise ships to permit their passengers to disembark during strong swells. The tourist experience at James Bay waterfront needs to also be safe and if waves get stronger at James Bay, consideration would have to be given to improving the wave wall and/or providing a submerged artificial reef to coax waves into breaking earlier.

13.2 Gender equality, Social Inclusion (GESI)

Gender equality

Implementation of the strategic plan and all its component strategies (including the LMS) will be conducted in a manner that promotes equal access to the programme's benefits. Female participation will be encouraged in the many initiatives ranging from the planning and design of infrastructure projects, to investments in tourist accommodation and other tourism businesses. For suitable posts in the PMU, for example, female applicants will be encouraged. Already the PMU has a majority female participation, including the Capital Programme Manager, Executive Assistant and the Architect.

The LMS includes initiatives for career opportunities and these should include specific initiatives aimed at girls graduating from school, including higher education opportunities. The initiatives will be monitored by SHG's Statistics Section to determine the extent to which gender equality is being achieved.

Social Inclusion

As a minimum, the Capital Programme will provide new job opportunities to lesser-able members of society, including those with formal learning difficulties and those people who are currently on lower incomes. In developing the tourism products across St Helena proactive measures will be employed to include people from all communities so that more remote areas of the island are included in the economic development initiatives and that they may benefit therefrom.

New infrastructure and new buildings will include designs that provide disabled access. The new public toilets to be built in Levelwood and Longwood will be suitable for disabled members of the public.

Through the Compact, SHG may draw on expertise from the wider UKG to advise on suitable social inclusion measures.

Appendix A

Analysis of infrastructure implications of 10-Year Plan, SEDP and IER

Analysis of the infrastructure implications of the 10-Year Plan, SEDP and the IER

10-Year Plan			SEDP			IER		
Safer		• safer roads	• roads maintenance/rehab.					
		• human rights: prison	• utilities					
		• rockfall protection	• netting, etc					
		• fire station	• utilities					
		• sewerage	• wastewater					
Healthier		• care facilities	• utilities					
		• SHG housing and CDAs	• utilities					
		• local agriculture	• water supply					
		• clean water	• water supply					
Children & Young People		• school standards	• cable-landing	• education campus				
		• sport and cultural facilities	• utilities					
		• more, better jobs	• utilities					
Greener		• 100% renewable energy	• energy					
		• waste management	• solid waste management (SWM)					
		• long-term water security	• water supply					
Wealthier		• connectivity	• cable	• wharfs	• roads			
		• eco-tourism	• utilities	• wharfs	• tourism/heritage infra			
		• agriculture and fisheries	• utilities	• wharfs				
		• more businesses, jobs	• utilities					
		• recreational facilities	• utilities	• wharfs				
Exports		• tourism	• utilities	• wharfs	• tourism/heritage infra			
		• fisheries	• utilities	• wharfs				
		• honey & bees	• water supply					
		• film location	• heritage infrastructure					
		• academia, research	• utilities	• cable				
		• ground stations	• utilities	• cable				
		• traditional products	• utilities, SWM					
Import substitution		• agriculture	• water supply					
		• timber	• utilities, SWM					
		• bricks, blocks, minerals,	• utilities, SWM					
		• bottled water	• utilities, SWM					
Vibrant economy		• visitor economy	• utilities, SWM	• tourism/heritage infrastructure				
		• premium brand exports	• utilities, SWM	• wharfs				
		• R&D (living laboratory)	• utilities	• cable				
		• telebusinesses	• utilities	• cable				

All the infrastructure items that have implications for utilities (energy, water, wastewater) are highlighted in this colour:

For this exercise, solid waste management is included in utilities

Appendix B

Components and Phasing of the Capital Programme

Composition of the Capital Programme (Components A and B)

	COMPONENT A. SOCIAL DEVELOPMENT	COMPONENT B. ECONOMIC DEVELOPMENT
	10-Year Plan: Altogether safer, healthier, greener and a better place for Children and Young People	**10-Year Plan:** Altogether wealthier **SEDP:** increasing exports; import substitution **IER (2030):** visitor economy
1st Priority projects	• **water security** • **wastewater management** • **CDAs (utilities and private sector)** • **electricity from all renewable (green) sources** • **safer roads** (ease bends, widening, lining, signs) • micro-projects (particularly contributions to safer, healthier)	• **cable-landing** • **Ruperts Wharf** (container-handling facility) • **upgrade Field Road and Side Path** • **agricultural productivity** • **tourism infrastructure & waterfronts** • **infrastructure maintenance** (protecting previous investments)
2nd Priority projects	• education campus • healthy aging • fire station • prison • sustainable quarrying • parking solutions • micro-projects (contributions to better place for children and young people, greener)	• tourism/heritage infrastructure (including Jamestown facia) • *tourist accommodation (private sector investments)* • *Bradley's Camp, business workspace, light industry (utilities and private sector investments)* • living laboratory • protecting infra investments (roads/bridges, etc) • SHG offices • smaller projects (ship registry, sailing qualifications, etc, etc)

Appendix C

Analysis of the EIR Vision 2030 Economic Targets

Analysis of the IER Vision 2030 Economic Targets

The IER suggests two primary economic targets for 2030:

- £10 million per annum visitor economy
- £5 million per annum premium brand exports, etc

To better understand what these targets mean in terms of the implications for infrastructure, some simple analysis is provided below.

The £10 million pa visitor economy

The Whitebridge Tourism Study (December 2013, commissioned by ESH), states (page 177) that the average daily rate (ADR) for tourist accommodation on St Helena could be £167 per occupied room, based on an assumed blend of quality hotels, guesthouses, B&Bs. Assuming an average occupancy rate of 1.87 people per room this implies a spend per person of £167/1.87 = £89.30. Whitebridge's analysis suggests that accommodation would represent about 40% of total on island expenditure, hence: £89.30 / 40% = £223 per person.

Before considering how many stay-over tourists would be required to achieve a £10 million per annum economy, the seaborne visitors can be deducted from the £10 million target.

Cruise visitors

The average annual number of cruise visitors since 2010 has been just under 2,000. It is reasonable to aim for a doubling of this figure by 2030. Assuming 8 cruise ships per year and 500 passengers disembarking from each ship with a landing fee of just £20 per pax (£5 or £10 for children, but ignore for now since there are not many children on long cruises):

8 x 500 x 20 = £80,000 per year

Assume that each passenger spends an average of just £30 day on tours, light refreshments and drinks, souvenirs, etc:

8 x 500 x 30 = £120,000 per year

Yachties

The average number of yachts per year since 2010 has been 600-700. Assuming a doubling of this number by 2030, and assume two people per yacht with a landing charge of £20 per head:

1300 x 2 x 20 = £52,000

Assume that each passenger spends around £100 per person (restaurants, supplies for their yachts, etc) during a few days on island:

1300 x 2 x 100 = £260,000 per year

The annual totals from seaborne visitors is:

80,000	
120,000	
52,000	
260,000	
£ 512,000	**per year (from cruise and yacht visitors)**

Game-fishing tourists

Visitors using the marine environment could be charged a marine ecosystem fee of, say £20 per day for game-fishing. Assume 30 game-fishermen per week average for a 20 week season:

30 x 20 x 20 = £12,000

Other game-fishing expenditures (accommodation, etc) are included in the general tourism revenues below.

Diving tourists

Similar to game-fishing, visitors using the marine environment could be charged a marine ecosystem fee of, say £10 per day. Assume 30 divers per week average for a 20 week season:

30 x 20 x 10 = £6,000

Other diver expenditures (accommodation, etc) are included in the general tourism revenues below.

The annual totals from marine users is:

12,000	
6,000	
£ 18,000	**per year (from ecosystem charges for marine activities)**

Land-based tourists

Tourists arriving by air will typically stay a week, or perhaps two. They will explore the island and generally be exposed to its ecosystems. An ecosystem charge could be made on all air arrivals at the rates of £50[1] per adult and £25 for children.

Tourism might be capped at around 30,000 arrivals per year[2]

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1 By comparison, willingness to pay surveys in the Galapagos Island revealed that people were prepared to pay US$100 per adult and US$ 50 per child towards protecting the environment and ecosystems. Easter Island charges US$60 per person to access its two main sites. If the ecosystems on St Helena island are clearly identified and illustrated in brochures as part of tourism promotion, plus posters on the walls in the airport, etc, this will raise people's awareness and willingness to pay, so it would not be unreasonable for St Helena to aim for at least half the rates charged in the Galapagos Islands.

2 Reference the Air Access Feasibility Study, subsequent review of arrivals by DFID in 2010, and the NAO paper on "Realising the benefits of the St Helena airport project" 2016 which uses 29,200 as the cap (rounded to 30,000 for this exercise)

Assuming that 90% of the tourists are adults and 10% children, the ecosystem charges could amount to:

£50 x 30,000 x 90% = £1,350,000

£25 x 30,000 x 10% = £75,000

The annual ecosystem charge could amount to: **£1,425,000 per year (for air arrivals)**

Other land-based tourist expenditures

To attract the higher-value end of the tourist market, new accommodation must focus on better quality and higher value/cost, hence higher on-island expenditures. It is not just the tourist accommodation that needs to increase in value/cost. Attracting higher-end customers must be a consistent experience, so the whole tourism product/experience must be higher end. St Helena must offer an altogether higher-end product if it is to develop a reputation for high value tourists and High Net Worth Individuals (HNWIs) who will spend large sums of money on island. St Helena must start now to develop a strong tourism brand and a clear message to the world about the quality and uniqueness of its tourism products[3]. The closest comparator island to St Helena in terms of size (land area), population, remoteness, and a limited tourist product is Easter Island. Easter Island has a very distinct tourist attraction, but tourists typically stay only 2-3 days. In terms of ecosystems, the Galapagos are probably the best comparator to St Helena. Galapagos has a well known and UN-protected set of ecosystems (marine and terrestrial). On the assumption that St Helena can develop its tourist products to world best standards, the Whitebridge report suggests a daily average tourist spend of £223 could be achieved.

Number of tourists required to achieve £10 million per annum tourism turnover

The number of tourists required to achieve the £10mpa turnover would be:

(£10 million – £512,000 - £18,000 - £1.425 million) / £223 = 36,000 per year

Assuming the 20-week main season accounts for 60-80% of air tourist arrivals:

36,000 x (60% or 80%) / 20 weeks = 1,080 to 1,440 per week

[3] **Galapagos:** The Whitebridge report notes that the Galapagos Islands has an average daily room rate (ADR) of £199. The Galapagos Islands are well known and offer exclusive experiences in terms of Darwin's studies and a large number of endemic species. The islands have a population of 25,000 residents. The land area is 8,010 sq km. Average length of tourist stay is 5 days. The islands are best known for their large number of endemic species and Darwin's study. Air service tourism started in 1969 and nowadays there are flights to Lima (Peru) two days per week. Recent tourist figures indicate (2015): 154,000 foreign visitors and 70,000 nationals **Easter Island:** Whitebridge records that a new high-end hotel opened in 2007 with rates over £500 in low season and over £670 in high season. This is the only luxury hotel on the island. Additional research suggests that the average rate of other accommodation is just £80. The population is 5,760. Land area is 163 sq km. Average length of tourist stay is 2-3 days. Easter Island is best known for its 1,000 monumental statues created by the Rapa Nui people. There are 44 non-stop flights per week to Easter Island from Santiago. There are over 50,000 tourists per year.

Number of tourists beds and rooms required for £10 million per annum tourism

The above analysis suggests that up to 1500 tourists beds would be required by 2030. Using the Whitebridge average occupancy rate of 1.87m this suggests 1500 / 1.87 = **800 rooms will be required**. This could be met by a mixture of higher-end accommodation (e.g. Mantis standard), mid-range accommodation (Farm Lodge, Consulate) and other guesthouses and B&Bs. There is currently a total of 195 tourists beds available, so a huge effort needs to be made to generate greater awareness of St Helena and generate visitor demand to which the private sector should respond.

Tourism promotion and development

The effort must begin with clearly defining and then promoting St Helena's primary tourism products. These are:

- the **marine environment**: diving, game-fishing, whale-shark watching, etc
- the **terrestrial environment**: 400 endemic flora and fauna species (much of the island has bene recognised by Birdlife International as being important for bird conservation)
- the **built environment**: maritime and military heritage
- **famous residents**: Napoleon, King Dinuzulu kaCetshwayo, etc
- **cultural and demographic heritage:** how the island has been inhabited, its economy and fortunes over the centuries (East India Company, Flax, etc)

Of the above, the natural environment is already an attraction, with hillwalkers, birdwatches, divers and game-fishermen. In terms of average spend, Whitebridge suggest:

- bird-watchers, walkers and dark-sky/astronomy might spend about £110-150 per day
- divers spend £250-300 per day
- game-fishers spend around £250-570 per day
- luxury and VIP tours spend £500-800.

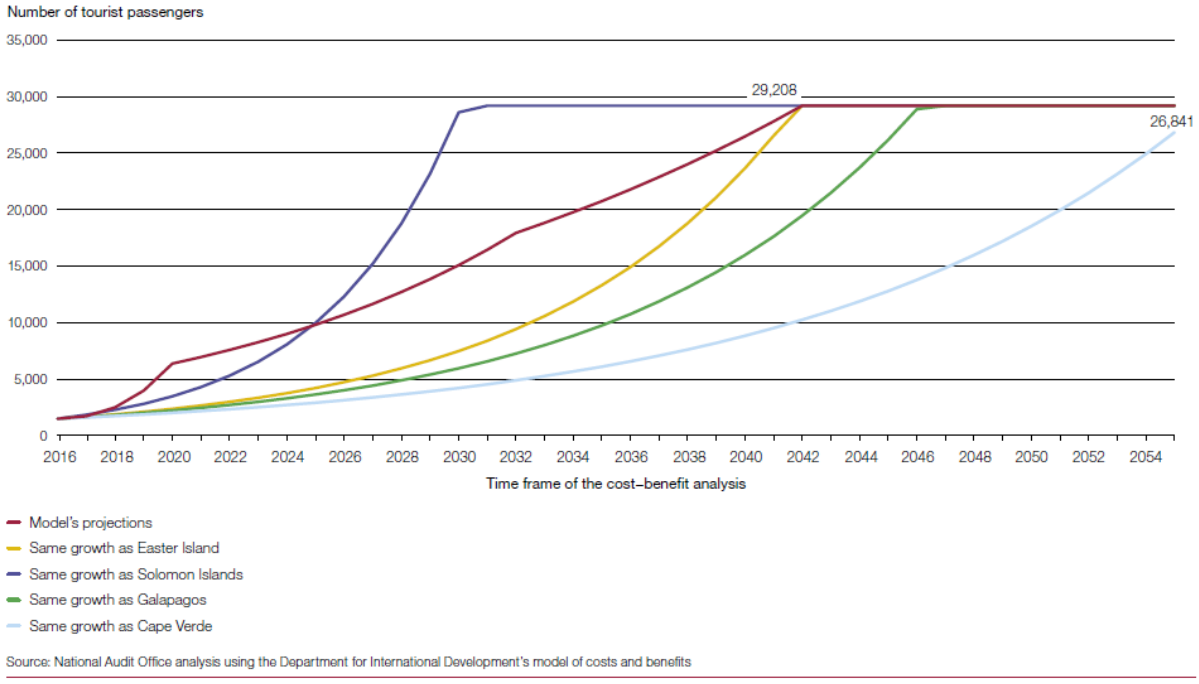
There appears to be a clear indication from these figures and from consideration of St Helena's current limited assets that tourism should firstly target game fishermen and luxury/VIP tourists who would stay at the Mantis. The sea is a primary tourist asset for St Helena and it just requires some improvements to the wharf at James Bay to make it more attractive and 'look like a world class product' commensurate with the target market of high-value tourists. By focusing on the marine tourists, this will create demand and encourage further investments by St Helenian boat owners to meet the expectations of high-end marine tourists.

Luxury and VIP tourists may be interested in the whale-watching (perhaps also other marine activities) and land-based activities. Attracting these high-end groups will help build a reputation for St Helena and start to bring in more money, hence tax revenues that SHG can then use to further develop its other tourism products.

In this way, the £10 million per annum visitor economy could possibly be achieved.

The rate of development of tourist products and the "reach" of the tourism promotion effort should be used to review the likely rate of increase in tourism for St Helena. A useful chart was

provided in the NAO (2016) report, as shown below. Note the “capped” tourism level at 29,200. With a per tourist spend of £223, this would suggest an annual tourism turnover of just £6.5 million. **It is therefore clear that to achieve £10 million per annum, St Helena has to target the higher-end of the market and achieve an average daily spend of £343**; 53% more than the Whitebridge estimate.



Source: National Audit Office analysis using the Department for International Development's model of costs and benefits

The £5 million pa export economy

The SEDP used 2016/17 data and recorded that exports amounted to just £100,000. Expansion of existing and creation of new exports is expected to focus on:

- fisheries
- coffee
- satellite ground stations
- work from home jobs
- academia, research, conferences
- liquor, wins, beers
- ship registry and sailing qualifications
- traditional products
- honey and honey bees
- film location

More research needs to be done to ascertain suitable development targets for each of these sectors to ascertain the feasibility of the £5 million (non-tourism) export target.