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SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE

Assistance to Seychelles

Report of the Secretary-General

1. In its resolution 34/126 of 14 December 1979 on assistance to Seychelles, the General Assembly, inter alia, requested the Secretary-General to continue his efforts to mobilize the necessary resources for an effective programme of financial, technical and material assistance to that country and to arrange for a review of its economic situation and the progress made in organizing and implementing an assistance programme for it in time for the matter to be considered by the Assembly at its thirty-fifth session.
2. The Secretary-General arranged for a review mission to visit Seychelles to consult with the Government on the economic situation of that country and on the progress made in implementing the special economic assistance programme organized for it. The report of the review mission, which is annexed hereto, describes the economic and financial situation of that country and summarizes the progress which has been made in implementing the projects included in the assistance programme.
3. In resolution 34/126, the Secretary-General was also requested to pursue with the Government of Seychelles the question of organizing a meeting of donors and, in this respect, to co-ordinate efforts with the United Nations Development Programme, the Economic Commission for Africa and the World Bank. Required consultations have taken place and a document summarizing relevant international experience with holding such meetings, setting out the modalities for organizing them, and offering possible alternative courses of action, was communicated to the Government of Seychelles for its consideration.
4. In paragraph 6 of the resolution, the General Assembly invited a number of United Nations organizations and specialized agencies to bring to the attention of

* A/35/150.

their governing bodies, for their consideration, the special needs of Seychelles and to report the decisions of these bodies to the Secretary-General by 15 August 1980. Furthermore, in paragraph 8 of the resolution, the appropriate organizations and programmes of the United Nations system were requested to maintain and increase their current and future programmes of assistance to Seychelles and to report periodically to the Secretary-General on the steps they have taken and the resources they have made available to assist that country. The text of resolution 34/126 has been communicated to the agencies and organizations concerned and their attention drawn to the specific requests addressed to them by the Assembly. The responses of the agencies and organizations will be produced in a report of the Secretary-General covering Seychelles and the other countries for which the General Assembly has requested the Secretary-General to organize special economic assistance programmes.

ANNEX

Report of the review mission to Seychelles

(31 March to 3 April 1980)

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 5	2
II. THE ECONOMIC SITUATION	6 - 18	2
A. General	6 - 11	2
B. Government finances	12 - 14	3
C. Balance of payments	15 - 18	5
III. PROGRESS IN IMPLEMENTING SPECIAL ECONOMIC ASSISTANCE PROGRAMMES	19 - 22	6

APPENDICES

I. International assistance agreements signed between October 1978 and March 1980	9
II. Details of development projects	13

I. INTRODUCTION

1. The report of the Secretary-General on assistance to Seychelles (A/34/373, see also A/34/556), considered by the General Assembly at its thirty-fourth session, listed General Assembly resolutions 32/101 of 13 December 1977 and 33/129 of 19 December 1978 and referred to his previous report on the same subject (A/33/139).
2. On 14 December 1979, the General Assembly adopted resolution 34/126 in which it endorsed fully the assessment and recommendations contained in the reports of the Secretary-General and drew the attention of the international community to the requirements of assistance for projects and programmes identified in those reports.
3. The General Assembly also requested the Secretary-General to arrange for a review of the economic situation of Seychelles and the progress made in organizing and implementing an assistance programme for that country in time for the matter to be considered by the General Assembly at its thirty-fifth session. Accordingly, arrangements were made for a United Nations mission under the direction of the Office for Special Political Questions to visit Seychelles from 31 March to 3 April 1980.
4. The mission was briefed by His Excellency Dr. Maxime Ferrari, Minister of Planning and Development, and held meetings with the principal secretaries and other senior officials concerned with the economy, money, finance, statistics, agriculture, water, education and foreign affairs of the country. The mission also met with some of the technical assistance personnel provided under bilateral and multilateral aid programmes.
5. The mission wishes to place on record its appreciation of the assistance it received from the Government of Seychelles. The Government had prepared for the mission's visit and provided the basic information required for the review.

II. THE ECONOMIC SITUATION

A. General

6. A fairly detailed description of the economy of Seychelles was provided in the report of the Secretary-General on assistance to Seychelles (A/33/139), hereafter referred to as the "principal report". That report was updated in 1979 by a further report of the Secretary-General (A/34/373).
7. The principal report pointed out some of the economic difficulties (A/33/139, annex, paras. 28-43) that derive from Seychelles being a small country in terms of population, territory and resource endowment, consisting of a large number of islands that are widely spread over a vast ocean area and that are remote from their nearest neighbouring mainlands. The cost of providing transport, communications, social services and general government administration under such

circumstances becomes relatively high. Heavy investment in plant equipment, stocks and specialized services also become necessary and expensive.

8. Until a decade ago, the economy was almost exclusively agricultural. Small quantities of fruit, vegetables and fish were produced for the local market. Staple items such as rice, flour and sugar were imported. Major exports were copra, cinnamon and guano, produced by both plantation and subsistence agriculture.

9. The rapid development of tourism over the past 10 years profoundly transformed the organization and structure of the economy. It led to massive injections of capital into hotel construction, ancillary services and basic infrastructure and to an increase in employment in these activities at the expense of the traditional sector. It also resulted in a rapid growth in the capital, Victoria, affected the production of traditional exports and increased dependence on imports. With few exceptions, all food, manufactured goods, fuel and construction materials are imported. As a result, the economy became extremely vulnerable to world inflation.

10. The National Development Plan for 1979-1983 puts emphasis on education, agriculture and social services. It aims at remedying the shortage of qualified human resources, expanding the base of economic development and independence, and improving the quality of life by providing full employment, adequate housing and better medical services.

11. Selected statistics on the economy of Seychelles covering the period from 1975 to 1979 were given in table 1 of A/34/373. Owing to the introduction during 1979 of computerization in the Statistics Division and a new accounting system for government finances, no further information was available for updating the table at the time of the mission's visit to Seychelles.

B. Government finances

12. The table below shows the Government recurrent budget position in recent years. It will be noted that the authorities have been able to generate within the economy the additional resources required to meet the sharp increases in recurrent public expenditures. The recurrent budget was virtually balanced in 1977 and 1979 and the provisional estimates for 1980 provide for a modest surplus (see foot-notes (a) and (b) to the table). The distribution of income by source in 1979 was: indirect taxes R108.51 million, a/ income taxes R54.50 million, sales of services R73.97 million and other b/ R46.10 million. The estimated income increase in 1980 over 1979 amounts to 26 per cent, of which more than 58 per cent will be raised

a/ The national currency is the rupee. At the time of the mission's visit the rate of exchange was \$1 = R6.6.

b/ Includes fees, fines, rents, royalties, interest, reimbursements, etc.

from income and indirect taxes. Increases in expenditures proposed for 1980 are mainly for education, defence, health, youth and community development.

Table I
Government recurrent budget

(Millions of rupees)

	<u>1975</u> (Actual)	<u>1977</u>	<u>1979</u> (Provisional estimates)	<u>1980</u> (Provisional estimates)
Local recurrent revenue	78.53	159.97	283.08	358.7
Recurrent expenditure	89.76	163.17	294.73 <u>a/</u>	358.7 <u>b/</u>
	-----	-----	-----	-----
<u>Balance</u>	-11.23	-3.20	-11.65	0
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Source: Seychelles Monetary Authority.

a/ Includes R.10 million contribution to capital budget.

b/ Includes R.15 million contribution to Development Fund and R.15 million provision for general contingencies.

13. Before independence, capital expenditure was almost exclusively covered by United Kingdom development grants. United Kingdom assistance, however, quickly diminished to a trickle after independence. A new two-year agreement which was to be signed in March 1979 was postponed and no discussions on the subject are expected before the end of 1980. In addition, the French Government, which has been providing substantial assistance to Seychelles, decided in December 1979 to suspend all new assistance as a result of some political problems. The loss in development aid to Seychelles from these two main donors in 1980 is estimated at \$22.0 million.

14. In the absence of any significant surplus in the current budget, the Government had to resort to borrowing in order to meet the demands of a growing public investment programme. Consequently, net public debt at year-end increased from R 15 million in 1976 to R 23 million in 1977 and R 57 million in 1978, and is estimated to have reached over R 110 million in 1979. Under the circumstances, government authorities are becoming concerned over the future prospects of the

debt burden and are seeking new sources of concessionary finance in order to moderate the situation created by the loss of the traditional sources of bilateral assistance.

C. Balance of payments

15. The following table shows the balance-of-payments situation of Seychelles for 1977 and 1978:

Table 2

Balance of payments

(In millions of rupees)

<u>Current Account</u>	<u>1977</u>	<u>1978</u>
Exports f.o.b.	26.9	27.2
Imports c.i.f.	-347.8	-400.1
Port disbursements	74.4	98.9
Receipts from tourism	173.0	208.0
Government, net	19.4	24.9
Other services, net	-37.8	-49.8
Net goods and services	-91.9	-90.9
Transfer payments, net	23.7	27.9
Net current account	-68.2	-63.0
<u>Capital Account</u>		
Private investment, net	30.0	21.0
Government capital	49.8	48.3
Commercial bank's capital	-	10.3
Net capital account	79.8	79.6
Over-all balance, net	11.6	16.6

Source: Seychelles Monetary Authority.

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16. It will be noted that exports cover only a small fraction of Seychelles imports. The balance of trade deficit exceeded R 320 millions in 1977 and R 370 millions in 1978. While exports proceeds remained virtually the same in these two years, there was a 15 per cent increase in the value of imports. Based on January to September data, the 1979 estimates are R 31 million for exports and R 475 million for import.

17. The large deficit in Seychelles visible trade will continue to be a feature of the country's economy. A substantial portion of the import bill is a direct result of the growing tourism industry and of external aid and investment. In addition the population depends for its livelihood on the importation of a wide range of basic commodities, including food, beverages and fuel oil.

18. Earnings from tourism in 1977 and 1978 amounted to about 50 per cent of the total import bill and helped considerably in reducing the current account deficit. The number of visitors has grown steadily from 37,300 in 1975 to 65,000 in 1978 and 78,900 in 1979.

III. PROGRESS IN IMPLEMENTING SPECIAL ECONOMIC ASSISTANCE PROGRAMMES

International assistance

19. Seychelles receives international bilateral assistance from only a small number of countries. During the past year, the Government encountered some difficulties with two of its major traditional donors, as reported in paragraph 13 above. A new donor, Algeria, has come forward with commitments which will compensate for part of the loss in the current year. Appendix I below, provided by the Government, contains a summary of project aid agreements approved during the period October 1978 to March 1980.

Special economic assistance programme

20. The special economic assistance programme recommended in the principal report (see A/33/139, sect. IV) consisted of 27 projects at a total cost of \$13,646,000. A description of each of the projects and of estimated costs is contained in table 5 of the principal report. Six new projects, estimated to cost about \$3 million, were proposed by the Government for inclusion in the programme during the review of the situation carried out in May 1979. Details of these projects are described in appendix II of document A/34/373.

21. Of the 33 projects now included in the programme of assistance, 10 have so far been fully financed. In addition, partial funding has been secured for 14 projects. No progress has been made with the remaining 9 projects.

22. The following statement summarizes the progress which has been made in implementing the projects included in the programme. Details of projects still seeking financing are given in appendix II below.

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Table 3

Projects financed in whole or in part

<u>Project</u>	<u>Source of finance</u>
Desroches airstrip	Algeria <u>a/</u>
Telecommunications and navigation equipment	Algeria <u>b/</u>
Forestry production on Desroches	Federal Republic of Germany and the United Kingdom
La Digue jetty	Private local funds (partial)
Upgrading Praslin airstrip	Algeria
Praslin electricity supply	Government of Oman, Abu Dhabi and the Arab Bank for Development in Africa <u>c/</u>
Access roads on Praslin	EEC and the United States of America (partial)
Rural water supplies on Praslin	Australia and Canada
Self-help housing at Anse Boileau	OPEC Special Fund (partial)
Programme to support small contractors	UNDP
Extension of the sewage system in Victoria	African Development Bank (partial)
Sewage scheme for the Beau Vallon/ Bel Ombre area	Kuwait Fund (partial)
Replacement of existing pipeline to Pointe la Rue	United Kingdom (partial)
Extension of water reticulation in Victoria	United Kingdom (partial)
Rural water supply projects on Mahé	UNICEF, Canada, EEC, non-governmental organizations (partial)
Physical planning project	Commonwealth Fund (partial)
Survey of building materials	UNIDO (partial)
Water resources inventory and plan	United Kingdom
Craft training centres	UNICEF, UNESCO and non-governmental organizations
Expansion of pre-school education	UNICEF, UNESCO (partial)

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<u>Project</u>	<u>Source of finance</u>
Refurbishing 10 day-care centres	Local funds (partial)
Improvement and extension of the port	World Bank (partial)
New school at Plaisance	Local funds (partial)
Ice making plant	Abu Dhabi

a/ Project cost revised down to \$250,000.

b/ Project expanded to cover airstrips on three islands: Desroches, Farquhar and Coetivy. Total cost of equipment \$180,000.

c/ Cost revised to \$3 million, shared equally by three donors.

APPENDIX 1

International assistance agreements signed
between October 1978 and March 1980

A. Bilateral

Algeria

A grant of \$1.5 million has been received in January 1980 for the Ministry of Education. Further assistance envisaged includes \$3.5 million grant, \$5 million loan at 4 per cent for education and youth, transport and agriculture.

Australia

Seventy-five head of cattle were received in July 1979, plus an expert in dairy production and some equipment with a net contribution of \$A 189,000. Grant.

Food aid, 850 tons of rice was shipped to Seychelles and a small water project was financed at Mont Plaisir in Praslin (\$A 3,000).

Two tax assessors were provided for a period of two years.

Belgium

Two Belgian co-operants are presently working in Seychelles and two other experts for an agrarian reform project are expected to arrive shortly.

A gift of 62 tons of steel for Maison du Peuple is due to arrive in Seychelles in mid-March.

Canada

For fiscal year 1978/1979 (ends 31 March) the following projects received funds from the Mission Administered Fund MAFF up to total \$C 100,000:

Cinnamon kiln, store and workshop
Water tanks for rural schools
Scholarships
Baie St. Anne water scheme
Textbooks, sports equipment
Blood transfusion unit

For fiscal year 1979/1980 Seychelles allocation was \$C 50,000 and following projects were funded:

- Scholarships, textbooks
- Slurry tanks
- Incubator and autoclave
- Val d'Endor irrigation
- Equipment for film unit
- Water pumps for fire rescue service

Yugoslavia

Technical Co-operation Agreement was signed in December 1978.

Federal Republic of Germany

Financial Co-operation Agreement has been signed and a loan of DM 4 million in the form of commodities for housing projects has been approved and signed.

Technical Co-operation Agreement was signed in November 1978.

United States of America

Under an USAID agreement signed in August 1979, the United States of America provides a grant of \$450,000 for the implementation of a food crops research programme in Seychelles; the project extends over a period of four years and involves the commitment of a total of \$1,500,000 in United States assistance.

Grants were received for the following projects from the Embassy's Self Help programme:

- Equipment for Management Education and training (\$5,600)
- Anse aux Pins - Capucin Road (\$19,000)
- Seed Money for Cottage Industries (\$1,600)
- Rose Belle Feeder Road (\$7,000)

\$125,000 was provided for audio-visual programmes for agriculture.

Food aid is received through Catholic Relief Services.

Italy

With the Protocol of Technical Co-operation in the Health Sector signed in September 1979 the Italian Government provides one medical officer (two years), one nurse and several specialists (short-term).

A pre-feasibility study was financed by the Italian Government on the establishment of a village at North East Point and on Plaisance school.

B. Multilateral

UNDP

Projects have been implemented under annual \$300,000 allocation in various fields.

UNIDO

"Industrial Survey of Seychelles" was financed by UNIDO Special Industrial Services, report has just been received. Cost \$60,000.

A study tour for a group of boatbuilders has been approved by UNIDO: one part of it has been undertaken in Turkey, another part will consist of a tour in India. Under the same project a feasibility study was carried out by a consultant on the establishment of a boatyard in Seychelles: modified recommendations of the study report are being discussed with UNIDO with a view of a major project.

Small consultancies have been or will be financed by UNIDO in agricultural field.

FAO/UNFPA/UNICEF/UNESCO/WHO

Technical assistance projects are being implemented in relevant fields.

OPEC

Third loan agreement was signed in May 1979: \$200,000 "balance of payment" loan. Counterpart rupees will be utilized for development projects, primarily land purchase.

EEC

Under the Indicative Programme allocation the following project has been approved and is being implemented:

Microprojects: Construction of five rural markets and upgrading of Grand Anse - Airport road in Praslin: Grant R 836,400. November 1979.

Abu Dhabi

Two loans have been approved and signed on 1 December 1979 for:

- (a) 3.2 million Emirates Dirhams for
Praslin electricity project \$0.83 million
- (b) 0.8 million Emirates Dirhams for
ice making plant \$0.2 million

A/35/393
English
Annex
Page 12

BADEA

\$1.2 million at 5 per cent for Praslin electricity. Fourteen years.

Commonwealth Development Corporation

\$3 million for generator and power station project, at 8.5 per cent over
15 years, two years ce.

APPENDIX II

Details of development projects

Housing and public buildings

1. The objective of the project is to upgrade the standard of housing and public buildings (community centres, schools, etc.) on Farquhar and Desroches. The project is being implemented with local funds. However, owing to limited funds, project implementation has been delayed. External assistance is urgently needed for this project to which the Government accords high priority.

Inner-island ferry replacement

2. No progress has been made on this project aiming at providing inner-island passenger transport. The need to replace the old ferry "The Lady Esme" is becoming more urgent inasmuch as traffic is steadily increasing.

La Digue jetty

3. The Government hoped initially to build a jetty-breakwater, using labour-intensive methods. The costs were initially estimated at \$300,000, and the project was supposed to be completed within four to five years. Owing to difficulties in financing the originally designed project, the scale of the project has been reduced substantially and the cost is now estimated at \$100,000. Since no outside donors have shown any interest in this project, the Government is proceeding with it, using its own resources. Some minor private local funds have also been made available for the project.

Jetty at Baie St. Anne, Praslin

4. The present jetty on Baie St. Anne can only be used by small boats, which is a serious obstacle to the marketing of local products (fish, vegetables, etc). The cost of completing the jetty is estimated at \$250,000. The project is becoming more urgent because of the increased flow of goods and people between Praslin and Mahe due to tourism and agricultural development.

Access roads on Praslin

5. The total costs involved are estimated at \$440,000. At present, the main source of financing is the Government of Seychelles. The United States of America and EEC have provided some financing. The project is now incorporated in an ongoing programme for access roads construction and maintenance which will require \$300,000 per year.

Self-help housing scheme at Anse Boileau

6. The project involves two phases, namely: (i) the purchase of land (50 hectares) by the Government, the development of 200 plots considered suitable for low-cost housing, and the material supplied for self-help housing; and (ii) the development of another 300 plots after finishing phase (i). The initial cost is estimated at \$1.3 million. At present, the project is partially implemented. With the assistance from the OPEC Special Fund, the land has been acquired but the second stage of phase (i) - the development of the first 200 plots - has not started yet.

7. The project is still awaiting international support. Self-help housing schemes have received high priority in the 1979-1983 National Development Plan which earmarks 15 per cent of the total investment for that purpose. The mission was informed that the Government was now turning to a more individualistic concept of self-help housing, favouring the construction of family houses with some land for small-scale agriculture, and providing cash loans, technical assistance and various types of house designs to choose from. This concept responds better to the needs and wishes of the population than the large real estate plots which were developed up to now. The new formula, as much as the previous one, needs concessionary money.

Self-help housing scheme at Le Rocher

8. No source of finance has been obtained for this project, which involves purchase by the Government of 16 hectares of land suitable for low-cost housing.

Extension of the sewage system in Victoria

9. A seven-stage plan to provide the whole island with a proper sewage system has been drawn up at an estimated cost of \$2.7 million. The design study, which has been carried out with the assistance of the United Kingdom, now has government approval. Its first two stages are financed by ADB, covering the central area of the city of Victoria and the hospital area, at a cost of \$5 million. However, no donors have been found as yet for the financing of stages three to seven.

Sewage scheme for the Beau Vallon/Bel Ombre area

10. The scheme to provide the first stage of an over-all sewage system for the Beau Vallon area was drawn up in 1972. The first stage would include a sewage treatment plant and initial work on the main sewer system. The project involves a consultancy to update the 1972 project in order to take account of the new demands arising from new developments in the area. The cost of the consultancy is estimated at \$100,000; the Government has requested the United Kingdom to carry out the study. The Kuwait Fund has agreed to finance the investment for \$3 million once the consultancy is completed.

Stage 2 of the north-east/north-west link of the main water system

11. The project, which is concerned with improving the water supply on the main island, consists of two stages. Stage 1 was finalized in 1978. Stage 2 involves a link from Anse Etoile to Carena Bay. The Government has submitted the project for financing to the United Kingdom. The total estimated cost is \$200,000.

Replacement of existing pipeline to Pointe la Rue

12. Both the asbestos main pipe along the Cascade causeway and the cast-iron water-main paralleling the highway have deteriorated and need to be replaced. The project, the cost of which is estimated at a total of \$1 million, has not been implemented yet. The United Kingdom is considering the project. Final approval is expected shortly.

Extension of water reticulation in Victoria

13. Only phase 1 of the project is currently under way. No sources of financing for the second and third parts of the reticulation scheme covering upper Victoria, St. Louis and Mount Buxton have been agreed. The United Kingdom is studying the project. Final approval is expected shortly.

Rural water supply projects on Mahé

14. A number of small villages, such as Quatre Bornes, Les Cannelles and Dame le Roi, need to be provided with adequate treated water. Since the commencement of the project, at least one village, Anse Boileau, has received assistance from UNICEF to upgrade its water quality. The project is also partly financed by Canada, EEC and non-governmental organizations. The needs are estimated at \$200,000 annually for some years to come.

Garbage collection

15. The Government of Seychelles is anxious to establish adequate refuse collection services but is handicapped by a severe lack of facilities and equipment. With the steady growth of tourism, the need for a garbage collection system is urgent. The estimated cost of the project is \$550,000, but no donor has been identified. The Government is also eager to complement the system with a disposal plant for biological waste which could prepare compost for horticulture.

Physical planning project

16. The Government has published a five-year development plan for the period 1977-1981 and specific land use plans and policies have been prepared for certain parts of Mahé. However, the scope of physical planning activities is to be expanded and integrated with social and economic development policies. The Commonwealth Secretariat has helped with the first stage of the project whose cost is estimated at \$275,000.

Survey of building materials

17. At present, Seychelles imports a very large part of its building materials. A mission carried out a year ago by a visiting expert from UNIDO made a survey of the available domestic building materials. The results and recommendations of this mission have not yet been received by the Government.

Expansion of pre-school education

18. The Government intends to develop a series of multipurpose district social centres. Each centre will facilitate pre-school education, and will include day nurseries, supplementary feeding schemes, organized community efforts, informal education, and mother-and-child health schemes. The estimated cost for these multipurpose centres amounts to \$900,000. UNICEF and UNESCO have assisted in financing pre-school education, which is a part of the project. At least 10 crèches are required, at a cost of \$30,000 per unit.

Refurbishing 10 day-care centres

19. These centres cater to children, between the ages of six months and four years, of working mothers and provide some facilities for children coming from underprivileged homes. If opportunities of female employment are to be encouraged, improved day-care centres are essential. The Government has started to implement the project with local funds. The estimated cost of refurbishing the 10 existing centres is \$35,000, needed from external sources.

Improvement and extension of the port

20. A major study of the extension of the Victoria port is needed. Although no estimates of costs are available for the extension of the port, heavy equipment for dredging, reclamation of land, etc., will be necessary. A fisheries harbour, adjacent to the port, with its own cold-store is also needed. The Government expects the World Bank to finance the study, possibly as part of a larger project concerned with land reclamation for industries, a fishing harbour and an improved road link with the airport.

Development of an abattoir

21. At present, only one third of the total meat requirements are met from domestic sources. Meat and poultry products costing Rs 6 million were imported last year. The Government intends to increase meat production in Seychelles. In order to cope with the anticipated expansion of livestock, the State abattoir needs to be developed to assure a greater volume of throughput. Furthermore, additional facilities are required to produce bacon, sausages, ham, etc. The estimated total cost of developing the State abattoir is Rs 1.4 million.

New school at Plaisance

22. The improvement of the educational system in Seychelles is accorded high priority by the Government and is seen as the basis of future economic development in the country. One of the Government's policies is the introduction of nine years of universal education; another is to introduce more scientific and technical subjects into the curriculum. As a result of these measures, school facilities are becoming overcrowded and a large number of new classrooms has to be constructed. In Victoria, many of the existing schools cannot be expanded because of lack of space. The number of streams in these schools will be reduced to permit an extra year and also to permit classrooms to be used for specialized subjects (science, technical fields, home economics). The Government had decided to construct a new five-stream school at Plaisance. The cost of the project is estimated at Rs 12 million. Funds have been made available for the design of the school and to cover 10 per cent of the investment. It is hoped that Algeria could be interested in providing the balance required.

Land settlement schemes on Mahé and Praslin

23. There are two large existing land settlement schemes at Val d'Endor in South Mahé and l'Amitie on Praslin. Six new settlements of five acres each will be created at Val d'Endor and the l'Amitie settlement will be completely upgraded through the provision of drainage, irrigation and land clearance. This project will contribute towards greater self-sufficiency in food production. The estimated cost of the project is Rs 6 million.

Improvements to the psychiatric hospital*

24. The hospital at Les Cannelles was originally built to accommodate a maximum of 43 patients, but in recent years there has been an average of from 60 to 80 patients under treatment at the same time. The design of the buildings is more appropriate to a penal than to a medical institution. The hospital accommodates a variety of patients ranging from the mentally subnormal to the senile, without differentiating the various categories within the wards. Furthermore, staffing shortages are severe. The objective of the project is to renovate the building and improve the most urgent facilities. The estimated cost is Rs 550,000.

* Title changed from mental to psychiatric.