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Programme Completion Report – March 2021

Title: Support to the Economic Development of St Helena		
Final Programme Spend £ (full life): £3,760,428.00	Review Date:	30 June 2021
Programme Code: 204950	Start Date: 02/08/17	End Date: 31/03/2021

Summary of Programme Performance

Year	2018	2019	2020	2021				
Programme Score	A	A	A	A				
Residual Risk Exposure Rating	Moderate	Moderate	Moderate	Moderate				

DevTracker Link to Business Case (and any addendum):	http://iati.dfid.gov.uk/iati_documents/11766656.odt
DevTracker Links to all logframes used during programme lifetime:	http://iati.dfid.gov.uk/iati_documents/16066474.xlsx

A. Summary and Overview

Description of the programme and what it has achieved

This programme supports Enterprise St Helena (ESH), the economic development agency for the St Helena Government (SHG). ESH was established in 2012 to help deliver the SHG Sustainable Economic Development Plan (SEDP 2012, revised 2018). ESH was co-funded by SHG and UK Government, with the UKG initially provisioning up to £4.8m for project support. This was subsequently reduced to £3.8m in August 2020 following a corporate exercise to reduce unprogrammed funds and reduce ODA budgets across the board. SHG provided contributions of around £4m (primarily for ESH running costs including salaries, utilities, insurance, depreciation, and audit costs over the same period).

The overarching aim of ESH, in alignment with the SEDP, was “to help Saint Helena become financially independent and to improve standards of living”, through promoting tourism and additional sectors that offer business potential such as agriculture and trade. Outputs of the project were intended, wherever possible, to align to SHG’s policy framework. ESH therefore worked closely with partner organisations within SHG to deliver strategic objectives, for example the Agricultural and Natural Resources Department (ANRD) in respect of Agricultural Development and the St Helena Community College (SHCC) in respect of Skills Development.

This second phase of UKG funding supported the growth of tourism, increased local production, improving skills and increasing business activity across the private sector on island, working with SHG on investment climate reforms and upscaling local and international investment. In early 2019 this programme was given a no cost extension by a further 15 months because a) of the slow rate of spend when various sub-projects had to be put on hold between January and

June 2017, as this phase of the project was developed, b) the slower growth in tourism activity than expected. This resulted in lower required spend on ESH programmes as tourism businesses held back on new grant applications and their own investments; and c) the appointment and arrival in August 2018 of a new Chief Executive and the associated gap in post and transition period.

In October 2020, St Helena's Executive Council (EXCO) decided to cease the operation of ESH on 31 March 2021 and bring many of its functions and activities into the remit of St Helena government under a new Economic Development Ministry, as part of an over-arching programme of reorganisation of the St Helena government. The Covid-19 pandemic affected access to St Helena, as the lockdown in South Africa since late March 2020 has prevented scheduled air service from operating. This has had a devastating effect on passenger numbers and the budding tourism industry and consequently the tourism and visiting friends and relatives (VFR) traveller sectors ceased to operate. Prior to this, the positive although gradual visitor trends successfully achieved the original visitor targets of this programme (as shown in Table 1 below), and an increase of income of between £4.8-£6m to the island was achieved in 2019 [SHG Statistical Bulletin no.6 2020]. The impact on revenues from tourism remains far less, allowing St Helena to focus on other economic development improvements facilitated by ESH. In addition to tourism, ESH also worked on skills development, increased agricultural production, improved standards in respect of hospitality offerings and local and international investments.

While individual lessons from the programme are noted below, the building of capacity of individuals both within ESH and of those individuals in the local private sector, will remain an important outcome of the programme. Such benefits will come through movement of skilled and experienced staff to SHG and continuing capacity improvement in tourism businesses as the tourism sector gradually recovers from the impact of COVID-19. While the latter has been very damaging to the programme's objectives, there was some optimism within ESH that the greater awareness internationally of the attractions of St Helena will survive the pandemic and will provide a sufficient resource for even a modest return to the positive tourism and visitor numbers.

ESH has had many notable achievements over its full lifetime. However, two worth highlighting are its involvement in delivering policy reform on 7 policy documents (see Output Indicator 4) and their decision that the grant policy has increased the business contribution so improving the value for money of UKG's contribution to grants (see Output indicator 3). Other examples include:

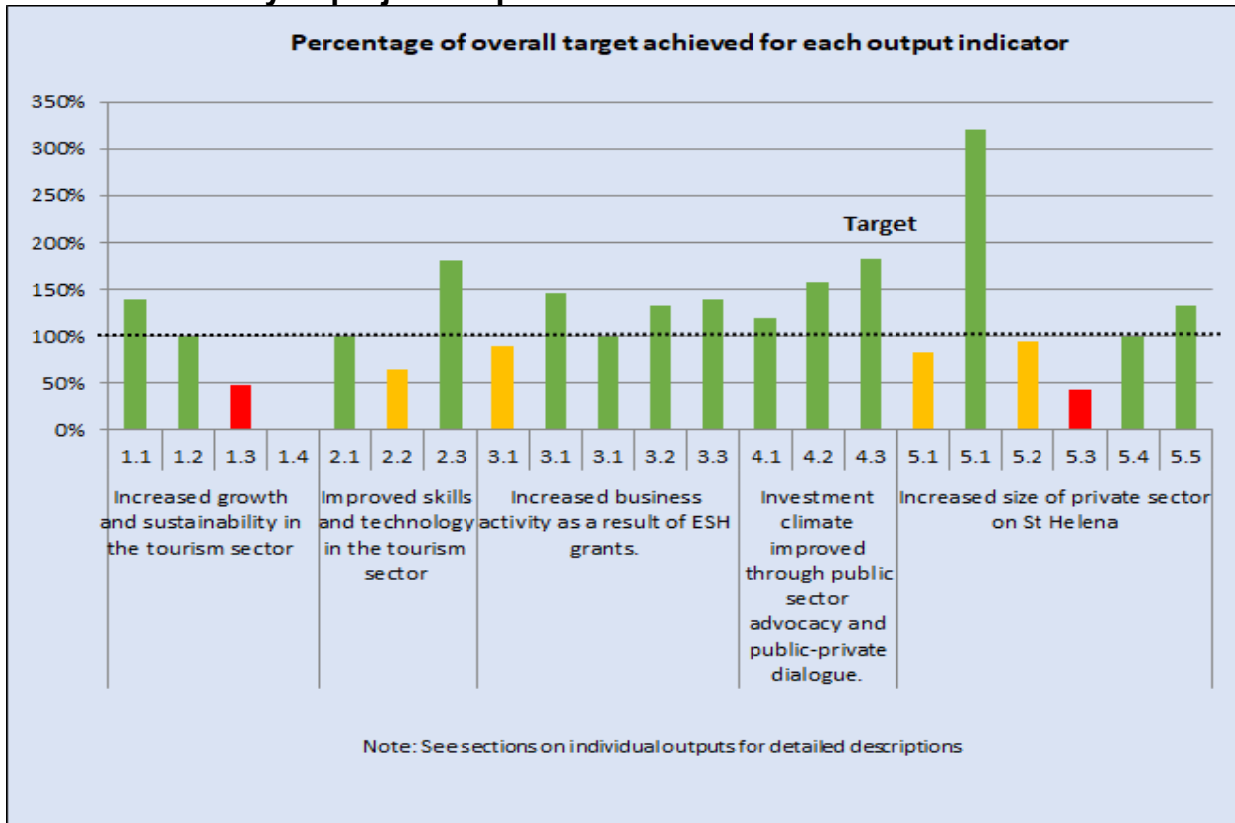
- ESH successes around supporting SH investment climate and helped drive through reforms which improve the investment climate, provides sufficient evidence that the theory of change of this programme has achieved good value for money. 7 specific areas of reforms to support the investment climate including on SHG's Investment Strategy and Policy, Labour Market Strategy, Land Development Control Plan, and Immigration Policy.
- Investments facilitated by ESH, include the expansion of a covered production facility, the establishment of a hospitality adventure park within a woodland setting and the establishment of a new coffee production plantation which covers an area of approximately 6 Hectares. The coffee investment represents a significant development for the island. Since its inception, the investor has injected over £1 million into the venture; planted 250 coffee trees and currently employs 2 full time workers.
- ESH support to "SHAPE", an NGO on St Helena specialising in working with people with a disability has been instrumental in raising the profile of the organisation and its service delivery.
- Increase of business contributions from 25% to 50% suggests improved profitability and value placed on ESH grants.

Financial Position

Original Phase 2 Programme Value	<ul style="list-style-type: none"> £4.8m over 3 years Following a corporate exercise to reduce unprogrammed funds and reduce ODA budgets across the board, in August 2020 the budget was reduced to £3,740,025.
No Cost Extension	<ul style="list-style-type: none"> A no cost extension (time extension) was approved from 31 December 2019 to 31 March 2021
Log-frame revisions	<ul style="list-style-type: none"> Outcome indicator 2 was amended on 2019 Output Indicator 1.4 was added in 2020 Output indicator 3.1 was amended in 2019 Output indicator 3.3 added in 2020 Outcome Indicator 5.1 added for 2018 only Outcome indicator 5.4 added in 2019 Outcome indicator 5.5 added in 2019
Total programme spend	£3,740,025

Based on the evidence presented by ESH and SHG, the programme has achieved the majority of its output targets set out in the logframe and exceeded many significantly, illustrated by Table 1 below.

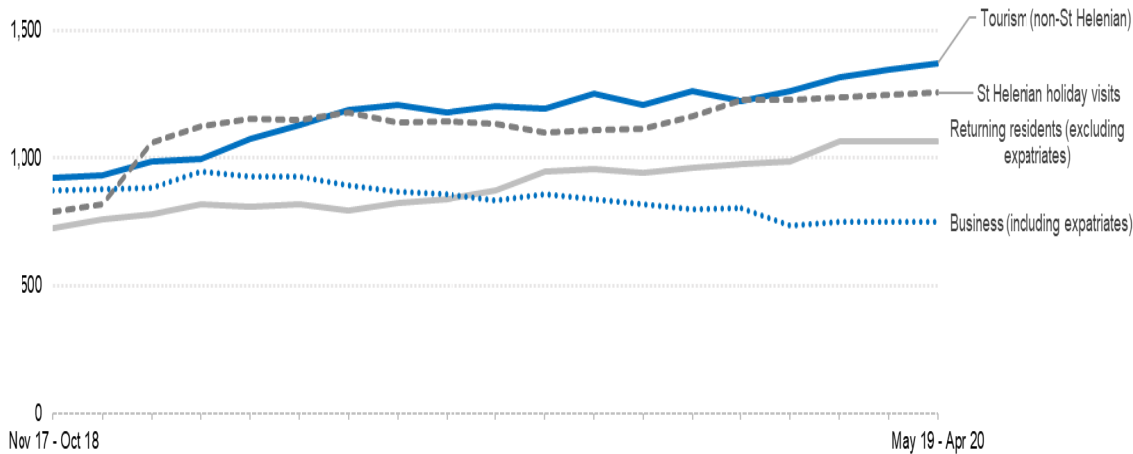
Table 1: Summary of project output achievements to 2021



Progress against outcome targets set out for the project up to the end of February 2020 (pre-Covid) has been broadly positive, as noted below in the detailed outcome assessment

section. The headline message is that, prior to Covid-19, the trend in the arrivals of tourists and, separately, those with St Helena connections going on holiday visits to the island, had been positive, as illustrated by Table 2 below. Overall, the modest growth in the number of international tourists travelling to St Helena has been reassuring.

Table 2: Trends in twelve-month totals of arrivals by air by purpose of visit, using pre-COVID-19 growth rates for March and April 2020 estimates. [Source: SHG Statistics Office & Air Services Strategy Group May 2020]



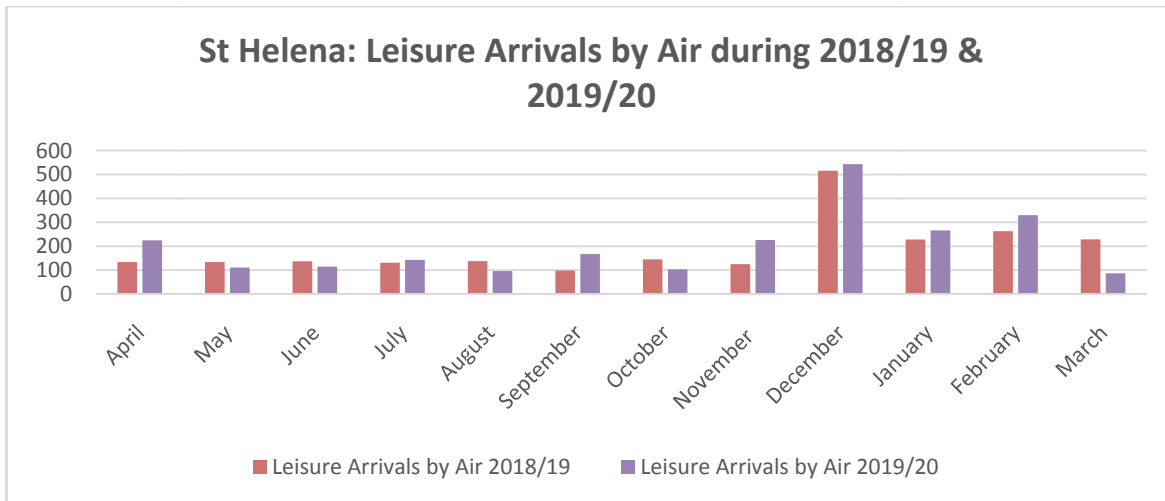
The outcome target on the number of tourists and target on investments was achieved, adjusting for Covid-19 impacts in the last month. The numbers achieved on tourism accommodation occupancy rates, and cruise ship day visitors, fell short of targets, although there may be modest additional income from yachts that have been sheltering in St Helena since COVID-19. The figures are detailed below in the Theory of Change and Outcome Assessment. An SHG Statistics Office 2020 estimate of annual island income from tourism on St Helena is between £4.8m to £6m for the year, which is significant, although a proportion of this gain will be offset by expenditure on tourism-related imports and by income that is remitted overseas.

Overall, the project has been scored as an A based on targets achieved over the life of the programme with the majority of the output indicator targets meeting or exceeding expectations.

Major lessons learned, evidence generated and recommendations

On **tourism growth**, Table 3 shows that month-on-month comparisons between 2018/19 and 2019/20, there were gains in each of 7 out of the 12 months covered and particularly during the annual seasonal peak of December to February. The lesson is that though tourism trends were improving, COVID-19 and island closures have shut down the tourism industry fully. Bouncing back to pre COVID 19 levels is dependent on recovery of the international travel industry.

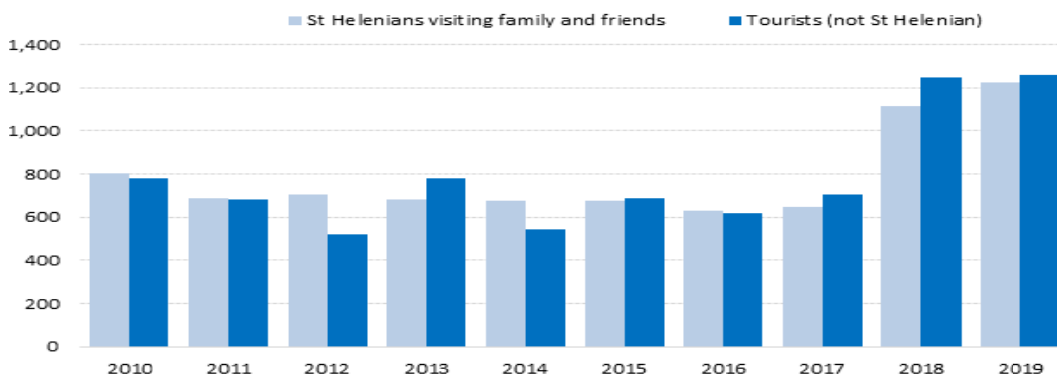
Table 3: Comparisons between Visitor arrivals over the last 2 years (Statistics Office)



In the future the number of visitor arrivals and occupancy rate needs to be correlated/attributed to SHG’s own marketing and promotion efforts. Equally important was the number of international tourists to the island was beginning to exceed the number of tourists attracted to the island due to family connections or including Saints coming back as visitors (i.e. Visiting Friends and Relations). See table 4 (below).

The impact of Covid-19 on international travel and tourism has been dramatic on a worldwide basis and St Helena’s tourism sector and wider economic development opportunities have been subject to pandemic impacts along with the industry. The number of tourists arriving on island from March 2020 rapidly dwindled and invariable comprised yacht passengers only. The introduction of the necessary quarantine requirements which required a minimum stay on island of at least two weeks brought the tourism sector to a standstill. This is still the situation in May 2021.

Table 4: Arrivals at St Helena for a leisure purpose, 2010 to 2019, excluding day visitors on cruise ships



Source: Chart 5. Extract from Statistical Bulletin No. 6, 2020, published: June 2020

During 2020 ESH produced a Tourism COVID-19 recovery strategy, looking at how St Helena could respond to the impact COVID-19 has made on international travel and tourism. It recommended using armchair tourism while the target markets are in lock down, and using the bestselling products to encourage people to travel to St Helena when leisure travel resumes. It is too soon to tell when international travel and St Helena’s tourism sector will recover after the pandemic.

On **skills, technology, and standards**, the programme supported step changes on the island, particularly relating to on-line marketing delivered not just by ESH working on behalf of SHG, but also by individual private businesses. All six destination marketing companies and 13 accommodation providers based on Island now have their own independent websites. Notable successes in the latter include the diving companies catering to visitors for whale sharks and many other marine attractions. See table 9 at Output 2 below. One of the challenges for the post-ESH period will be both SHG and the private sector maintaining St Helena's presence in the international tourism market as SHG brings these functions in-house.

On **increased business activity**, the programme assisted a total of 58 business start-ups or expansions and provided more than 200 on-island businesses with grants, advice and training during the programme, in addition to those specifically included in logframe targets. Over 1,600 individual business engagements took place and £895,000 of financial support was provided to local businesses, including 86 bespoke agricultural grants during the final year of the programme, to a total value of £130,089. In terms of lessons, it is recommended that SHG regularly collect metrics on, for example, business turnover and profits. This was requested by FCDO at the beginning of the programme and was resisted by both businesses and by ESH.

On **improving the investment climate**, ESH committed significant staff time to improving the investment climate in connection with SHG's Investment Strategy and Policy, Labour Market Strategy, Land Development Control Plan, and Immigration Policy. ESH developed a post Covid-19 Tourism Recovery Strategy for the island, which involved significant engagement with both the private sector and public officials. In addition to these strategic level inputs, ESH staff have also assisted in advocating changes to legislation which enabled local trading activities to take place more easily. Examples include the operation of shops and sale of alcohol on certain public holidays and the ability to apply for trade licences in respect of multiple events, rather than having to apply to the Court on each specific occasion. As is the case for most investment climate reforms worldwide, achieving change requires constant engagement, and the overcoming of resistance from some stakeholders. ESH contributed, with other institutions on island, significant innovations such as the Investment Enabling Group, as well as increasing engagement across the private sector¹.

On **increasing the size of the private sector** on island, the evidence provided under Output 5 demonstrates changes such as significantly expanding the tour operator industry and the introduction of a second investment prospectus. In addition, tangible progress was made in the agriculture sector such as in the coffee industry, where 6 hectares of coffee production on St Helena is set to expand by virtue of recent/planned investments facilitated by ESH.

The Air Services Consultancy Report (written pre-Covid-19) addressed in-depth the tourism potential of St Helena, and options on air access. On the former, the consultants emphasised more informed segmentation of tourists by source markets (UK, South Africa, Germany, and France), and by tourism types (families, package tourists, independent and St Helena linked visiting friends and relations). The Report made several recommendations relevant to tourism activities, see Table 5. ESH took onboard those recommendations, while preparing the "Post-Covid19 Recovery Strategy" for tourism.

¹Add link to St Helena Investment

Table 5: Recommendations on Tourism

Tourism Sector Area (FCDO analysis)	Air Services Consultancy Report Recommendations
Whole Island Approach	ESH to engender a sense of “Team St Helena” across the island’s public and private sectors
Value for Money	ESH to focus its marketing spend on key existing consumer travel markets (UK, South Africa, Germany, and France)
Value for Money	ESH to limit attendance at major travel and tourist shows to the World Travel Market in London, and the Indaba show in South Africa
Increase tourist numbers	ESH to accelerate a familiarisation visit programme for key tour operators’ sales staff in UK and South Africa
Increase tourist numbers	ESH, Airlink, and tour operators to be encouraged to promote “dual centre” holidays, such as Cape Town and St Helena.
Increase quality of tourism services	ESH to make further efforts to inform local accommodation providers and Destination Management Companies about meeting the expectations of tour operators and consumers, notably on delivering speedy responses, and offering “net rates” to tour operators.
Value for Money & Benchmarking	Switch tourism statistics collection to on-island, and move to room nights, rather than bed nights.
Benchmarking	Simplify the exit survey towards tourist self-completion at airport.

There were six recommendations proposed during the 2019/20 Annual Review, which are listed below with actions taken.

Table 6. 2020 Annual Review Recommendations and final Project Completion Review Recommendations.

2020 Annual Review Recommendation and Actions			
	Issue	Recommendation	Actions
1.	Future project and institutional planning.	UKG engage with SHG to finalise a critical path to completion of this UKG/SHG project in 2021, including responding to proposed institutional change by SHG in the delivery on economic development on island, by 31 st August 2020.	Following a decision by ExCo in October 2020 to cease the operation of ESH on 31st March 2021, an action plan was created listing the actions that needed to be undertaken between ESH and SHG for the efficient closure of ESH. Completed.

2.	Project budget.	ESH review the remaining UKG budget for the project and considering likely adjustments to spending deriving from COVID-19 economic impacts, provide a new forecast of spend for 2020/21 by 31 st July 2020.	Revised budget was undertaken by ESH in Quarter 1. On 17 July, UKG advised that the budget for the 2020/21 year was being reduced to £585,000. ESH undertook a further exercise to ensure that the project was aligned with the new ceiling. ESH Board approved the new alignment on 8 September 2020 at a Special Board Meeting. Completed
3.	Measuring ESH's contribution to economic development.	ESH focuses on improving attribution evidence during the last year of the programme, to inform future tourism, investment, and business development support services from 2021 onwards. By 31 st March 2021, in time for the Project Completion Report.	Whilst outlook was good during 2019/20, Covid-19 has impacted negatively on local business activity, in particular tourism and hospitality sector. This is likely to worsen following decision taken to close island to visiting yachts with effect from 5th January 2021.
4.	Metric for tracking accommodation statistics.	ESH propose a new indicator definition and target of tourism nights/room bookings for 2020/21 by 31 st July 2020.	ESH adjusted the KPIs to reflect this new indicator however with COVID19 still having an impact on our borders, no data is available. Completed
5.	Measuring policy change achievements by ESH.	ESH improves and updates Output 4 indicator targets, for example specifying policy changes and a target date for their achievement, by 31 st July 2020.	ESH adjusted the KPIs to reflect this new indicator and reported against it. Completed
6.	Risks	ESH reviews and updates its Risk Register, and considers the issue of developing a Risk Appetite, by 30 th September 2020.	ESH reviewed their old Risk Register and after considering all Risks, a new Risk Register was designed and completed. The new Risk Register was presented to Board on 30 September. Risk registers were updated on a quarterly basis. Completed

Project Completion Review Recommendations

1.	Future project and institutional planning	It is recommended that SHG to write to FCDO confirming all outstanding actions are complete and any UKG funded assets are successfully transferred from ESH to SHG.
2.	Future project and institutional planning	Following the 2019 Annual Review discussion, ESH facilitated the establishment of a SHAPE led multiple stakeholder group, who are exploring further potential options to incentivise the private sector to employ people with disabilities. It is recommended that since the closure of ESH, SHG should plan for the continued support of this initiative.
3.	Tourism	It is recommended that SHG should continue to implement the recommendations detailed in the Air Services Consultancy Report (Aquila

		Aviation) dated April 2020.
4.	Tourism	It is recommended in the future the number of visitor arrivals and occupancy rates need to be correlated/attributed to SHG's own marketing and promotion efforts.
5.	Tourism	The planned training for tour guiding, walking guides, and DMC training remain very important and, subject to success, it is recommended that they are followed by similar sector-based initiatives.
6.	Tourism	Private Sector businesses do not understand the need to continuously promote their business and activities. Promotion is done as one off when St Helena Tourism prompt businesses and provide financial incentives to ensure the online platforms they do use are updated. It is recommended that continuous exposure to international promotion and marketing (through development methods) are carried out.
7.	Tourism	Whilst St Helena Tourism manages a variety of digital platforms to promote St Helena and its products. It was found that records of accounts were not kept in one place and staff were being locked out of accounts. To ensure continuity of the different accounts, it is recommended an 'inventory' is maintained of all digital platforms.
8.	Increased business activity as a result of ESH grants.	It is recommended that SHG regularly collect metrics on, for example, business turnover and profits. This was requested by FCDO at the beginning of the programme and was resisted by both businesses and by ESH.
9.	Increased business activity as a result of ESH grants.	A total of 86 individual grants were approved to a total value of £130,089. It is recommended that SHG continues to monitor how successful these grants have been.
10.	Investment climate improved	ESH managed to encourage an increase in the number of on-island business support providers, across a range of services, including business planning, accountancy, human resources, project management, and legal services, with a total of 14 parties registered with ESH by project completion as opposed to approx. 6 when ESH was created. It is recommended that SHG continues to deliver this function now that ESH has been disbanded.
11.	Increased size of private sector on St Helena	It is recommended that continuous engagement with local stakeholders is required to reduce barriers within the investment process.
12.	Increased size of private sector on St Helena	It is recommended that adequate funding and agreed, clear processes for high level Due Diligence checks are undertaken
13.	Increased size of private sector on St Helena	It is recommended not to introduce new indicators late in the project programme (in particular items which require multiple years' data in order to ascertain results) as the source of quantitative data required for these indicators did not prove reliable.

How this report was conducted

This report is desk based using 2018, 2019 and 2020 Annual Reviews, the Logical Framework, Theory of Change, Business case, ESH monitoring reports and further information from meetings with ESH Team and SHG. The ESH Board also commented on the draft PCR Report.

Actions following approval of this report

Follow-up actions required following closure. ESH prepared a note of all the actions that needed to be undertaken before the end of the project, which as of June 2021 been virtually completed. SHG are monitoring the final actions.

Recommendation: SHG to write to FCDO to confirm all outstanding actions are complete and any UKG funded assets are successfully transferred from ESH to SHG.

B: Theory of Change and Outcome Assessment

	Starting point	Final result																				
Budget	£4.8m	<i>Final Budget</i> £3,787.250 <i>Final Spend</i> £3,787,250																				
Timeframe	<i>From</i> 31 July 2017 to 31 December 2019	31 July 2017 to 31 March 2021																				
Outcomes	<p>1. Number of tourists and visitors arriving in St Helena by (i) international Airport (units) and (ii) sea until the end of February 2020. (Note: Leisure, business, and VFR only – excludes returners, transit)</p>	<p>The Target has not been assessed because the commercial air service, cruise ships and yachts had no access to St Helena.</p> <p>The target date was changed to end of February 2020 because that was when COVID struck and the flights were cancelled.</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> </tr> </thead> <tbody> <tr> <td>Air</td> <td>902</td> <td>2,375</td> <td>2,484</td> <td>147</td> </tr> <tr> <td>Sea</td> <td>7,376</td> <td>6,965</td> <td>2,859</td> <td>94</td> </tr> <tr> <td>Total</td> <td>8,278</td> <td>9,340</td> <td>5,343</td> <td>241</td> </tr> </tbody> </table> <p>2017/18: Air service started in October 2017. The RMS was decommissioned in February 2018.</p> <p>2019/20: COVID-19 was declared a pandemic in March 2020. With flights ceasing operation mid-March.</p> <p>2020/21: The world was in amidst of a pandemic with almost no leisure travel. The number of arrivals were depended on entry requirements to the island and the number of chartered flights available.</p>		2017/18	2018/19	2019/20	2020/21	Air	902	2,375	2,484	147	Sea	7,376	6,965	2,859	94	Total	8,278	9,340	5,343	241
	2017/18	2018/19	2019/20	2020/21																		
Air	902	2,375	2,484	147																		
Sea	7,376	6,965	2,859	94																		
Total	8,278	9,340	5,343	241																		
	<p>2. Increase in number of ESH-supported businesses newly registered with SHG Tax Office (units, gender disaggregated)</p>	<p>This Outcome has been achieved.</p> <p>2017/18 69(16Female :60Male) 2018/19 36 (22Female :25Males) 2019/20 4 (4Males) 2020/21 22(2Females: 20Males)</p> <p>The wording of this indicator was changed during the 2019 Annual review. During 2019/2020 and 2020/21 There were an increase of 26 ESH supported businesses newly registered with the SHG tax office (units, gender disaggregated). Exceeding the target of 20 by 6. Before 2019 the indicator read “Increase in number of ESH-supported businesses registered with SHG Tax Office (units, gender disaggregated)</p>																				

		which focused on businesses supported”.															
	3. Room nights sold on island to visitors (compared with number of beds available, including self-catering).	<p>This outcome was not met This Outcome Indicator commenced from 2018/19 and ended of 28th February 2020 at the beginning of the pandemic. Final target of 39% was not met nor captured as so few tourists arrived on the island.</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> </tr> </thead> <tbody> <tr> <td>% of Room nights occupied</td> <td>-</td> <td>35%</td> <td>34%</td> <td>NA</td> </tr> <tr> <td>Compared to % of beds occupied</td> <td>-</td> <td>19%</td> <td>18%</td> <td>NA</td> </tr> </tbody> </table> <p>2017/18: This data was not captured. 2020/21: No information as the tourism sector collapsed as a result of the COVID-19 pandemic.</p> <p>Assumptions: Room nights were calculated on the basis of: Number of rooms in hotels, Guest Houses, B&B Number of self-catering units (note 1 unit = 1 establishment) *</p> <p>In discussion with the Stats Office, we agreed that there is always a level of assumption that is needed for room nights as this data is not available. We therefore agreed that the majority of visitors were single or couples and would therefore hire the entire self-catering establishment, which allows us to count the establishment as 1 unit.</p>		2017/18	2018/19	2019/20	2020/21	% of Room nights occupied	-	35%	34%	NA	Compared to % of beds occupied	-	19%	18%	NA
	2017/18	2018/19	2019/20	2020/21													
% of Room nights occupied	-	35%	34%	NA													
Compared to % of beds occupied	-	19%	18%	NA													

Overall Outcome Assessment

The programme outcome (“*Growth in tourism-led business activity on St Helena*”) is measured by three indicators. The programme outcomes were difficult to capture in the end as much of the gains from the programme had been reversed.

The first target was not assessed due to COVID’s impact on the programme. The first of these had a target for 2019/20 as 2,500 tourists by end March 2020 (and also 8,534 cruise ship day visitors). Covid-19 curtailed the tourist numbers within March 2020, giving an outturn of 2,484 over the year as a whole (99.4% of target). Had Covid-19 not occurred, then the outturn would have been between 150-175 over target. During 2020/21 the number of tourists (Air and Sea) dropped to 241.

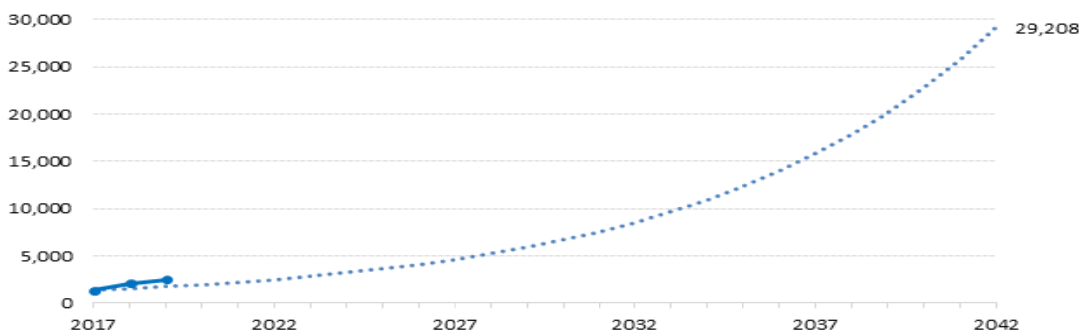
The second outcome indicator was the increase in number of ESH-supported businesses newly registered with the Tax Office and this target was met.

The third outcome indicator was not met. The calculation of room occupancy, whose final target for the year was 39%, although this is expressed as number of beds occupied by visitors². The outturn for this indicator was 18%, which reflects the relatively low occupancy that hotel, guest houses and self-catering owners are still experiencing.

Overall, except in the case of cruise ship arrivals which are harder to predict and influence, the planned outcome of the programme during 2019/20 was broadly on track with the original targets. With the programme extended by a further 15 months last year, these targets should have been further stretched for the remaining project year, but the arrival of the pandemic brought an end of Tourism on St Helena

The SHG Statistics Office made a comparator of the number of leisure arrivals by air from 2017 through to 2019 to the Air Access Business Case and could confirm that St Helena was on track to the trajectory growth of 29,208 arrivals by 2042 (Statistical Bulletin No. 6 2020, published: June 2020). Of course, with the COVID-19 pandemic, St Helena will may now have to start from 2017 baseline.

Table 7: Number of leisure arrivals by air in 2017, 2018 and 2019, compared to a constant growth rate trajectory to 29,208 arrivals in 2042



Source: Chart 6 - Extract from Statistical Bulletin No. 6, 2020, published: June 2020

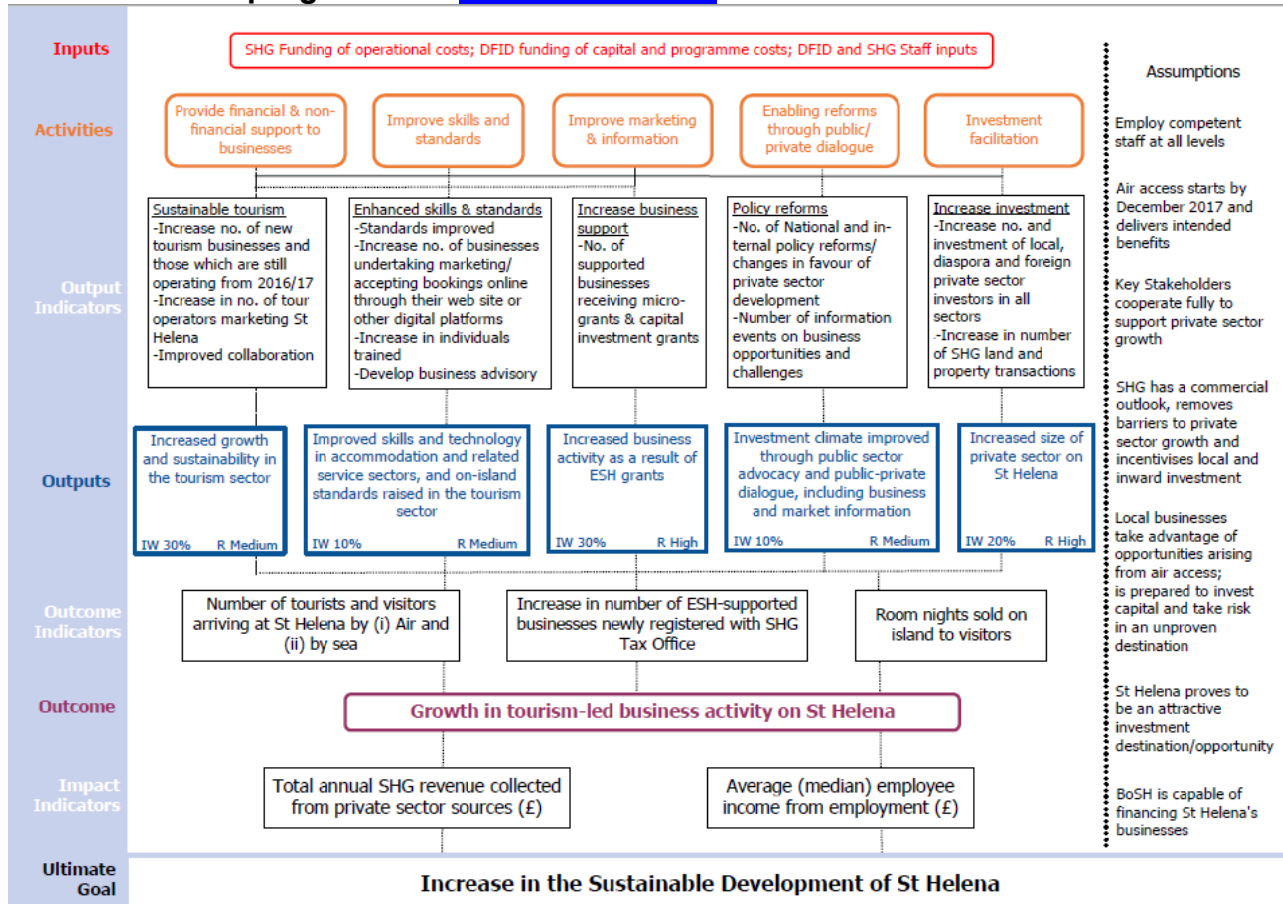
Success was made in the Visiting Friends and Relatives (VFR) category. A small number of people interviewed suggested the ease of air access to the Island allowed the Saint Diaspora to travel ‘home’, as prior to air services, the length of time required for sailing meant they were unable to leave their jobs. With St Helena’s increased presence on social media platforms, it also provided additional enticement for VFRs to visit home rather than other destinations. See Table 4 above.

In the past two years, ESH expanded its digital markets presence and increased the degree of analysis into the impact of its social media, with further details provided below under Output 2. SA Airlink, the operator of St Helena’s commercial air service, has also noted that St Helena comes very high up as a destination during searches of their website.

The Business Case noted the need for reducing the cost of international staff over the life of the programme. This has been done. ESH had been able increasingly to fill roles with local staff, taking advantage of departing international staff to promote local staff who have benefited from experience and learning and development.

²ESH and the Statistics Office have also more recently been looking at “room occupancy” which is more or a standard approach in the hotel sector in the UK, and on this metric, the outturn might have been closer to 34%.

Summarise the programme's theory of change and results framework.



The programme's theory of change was refreshed following recommendations of the 2018/19 Annual Review and during the updating of ESH's forward strategy in 2019/20 - through discussions held on island with the Board and SHG. The logic flow of the business case theory of change is retained, from ESH's activities towards its planned outcome, "growth in tourism-led business activity on St Helena", and the ultimate impact of "an increase in sustainable development of St Helena".

Changes continued the move away from the remaining input-focused indicators in the logframe, encouraged by the 2018/19 Annual Review, towards additional quantitative indicators in line with international tourism industry standards. The sharpening of quantitative measures continued more recently with ESH and the Statistics Office of SHG working together to improve definitions of "room nights sold to visitors", and "spend by visitors on island".

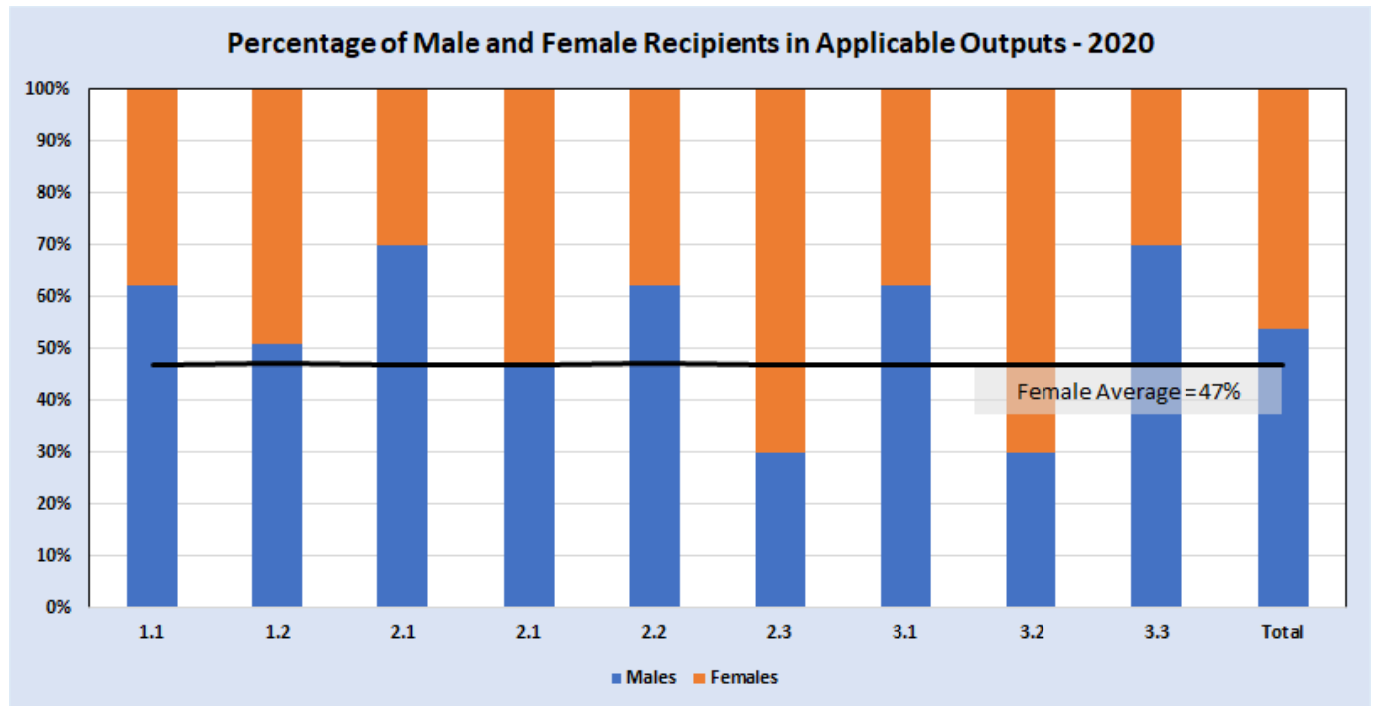
The trends in visitor arrivals during most of the 2019/20, including both non-Saint international tourist arrivals and also visiting friends and relatives, had been encouraging, with significant uplift in figures covering the 2019/20 peak season of December 2019 to February 2020. Investor enquiries and investments had also been increasing during the 2019/20.

The Air Services Consultancy Report noted that visitors' experience once they are on St Helena are almost universally positive.

With its emphasis on number of tourists arriving and room nights sold to visitors, the original business case and current theory of change faced significant challenges due to the impact of St Helena's closing its access routes in response to the pandemic of COVID-19, leading to zero tourist arrivals post late-March 2020 to 30 June 2021.

In terms of inclusion monitoring data, ESH included disaggregation of their business grants by gender, age (“youth/non-youth”), and disability, where this information is readily available to the organisation, noting that some aspects of ESH activity were delivered through external bodies such as the Community College. The final logframe has 6 indicators tracked for gender indicators. For some years, ESH had been a supporter of “SHAPE”, an NGO on St Helena specialising in working with people with a disability. ESH support included serving as a Corporate Member of the SHAPE Board of Directors, co-funding the SHAPE recycling operation in ESH’s commercial units and supporting a SHAPE retail unit in the Jamestown Market, rehabilitated with UKfunds.

Table 8 Gender breakdown of recipients in applicable outputs.



The table shows the percentage number of male and female recipients in applicable outputs for phase two. The female average is 47%. This is 3.4% higher than the female average in phase one. However a number of recipients were partners or relatives.

OTD’s Social Development Adviser met with the ESH Executive Management Team during the 2019 Annual Review, covering inclusion topics such as working with people with disabilities and focusing more on the unemployed, particularly in the light of possible COVID-19 impacts. ESH has run promotional schemes to enable people to get work in the past and worked with the new Careers/Employment Advisory function recommended in the recent Labour Market Strategy. Following the 2019 Annual Review discussion, ESH facilitated the establishment of a SHAPE led multiple stakeholder group, who are now exploring further potential options to incentivise the private sector to employ people with disabilities.

Recommendation: Following the closure of ESH, SHG should plan for their continued support of this initiative.

C: Detailed Output Assessment

Output Number	1. Increased growth and sustainability in the tourism	
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and Title	sector		
Output Score			B
Impact weighting (%)	40%	Impact weighting revised since last AR?	no

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved	%Achieved and score
1.1 Increase in number of new Tourism businesses on island, specifying those supported by ESH (gender disaggregated). Date 2017	15	15	<u>21 Achieved and exceeded</u> 2017/18 14 (12Males: 6Females) 2018/9 3 (2Males:2Females) 2019/20 4 (3Males :3Females) 2020/21 1 (Male) (The gender figures do not tally because some businesses have multiple owners) Experience seems to demonstrate that, until flight frequency increases significantly, the provision of tourism services on island is currently adequate, if not saturated in parts (e.g. restaurants).	140% A+
1.2 Number of the 29 tourism businesses supported by ESH before 2016/17 which are still operating (gender disaggregated). Date 2017	29/29	29/22	<u>29/27 Achieved and exceeded.</u> No further business failures, beyond 27 of an original 29 businesses baseline from 2016. (27 males, 26femalesi.e. Most were co-led by men and women). No further business failures during the reporting year (2019/20)	100% A
1.3 Deliver X number of tourist nights through Tour operators selling St Helena. Date 2017	1.3 Deliver 1800 tourist nights through Tour Operators selling St Helena.	1,800	<u>Not achieved (Total = 873):</u> Source: Tourist nights per tour operator packages are collected on a quarterly basis by ESH from the tour operators themselves, and the local destination management companies on island. Please note there are some visitors via tour operators but were not known to the Tourist office- so figures are average.	48% C
1.4 New Indicator:	Increase in estimated	Increased income	<u>Not achieved</u> The income to the island did not increase,	N/A

Increase in estimated income to the island from tourism. Date 2020	income to the island from tourism.		this is directly attributable to the collapse of the tourism sector.			C	
				2018/19	2019/20		2020/21
			Tourists	£2,250,105	£2,088,405		£61,545
			VFRs	£3,112,390	£2,903,390		£602,775
			Total	£5,362,495	£4,991,795		£664,320
There are no figures for 2017/18							
The Statistics Office states the average spend per day as a range: Tourists – between £140 - £190 VFRs – between £80 - £110							
To calculate for the log frame spreadsheet an average was taken of the range: Tourists - £165 VFRs - £95							
The estimated income is calculated by the Statistics Office using the visitor surveys carried out by visitors on their departure.							

Output 1 scored an overall B. Output 1 tasked ESH to contribute to establishing a thriving tourism sector on St Helena. The trend has been steadily upwards during 2019/20, after a period of gradual growth from a low base during 2017/18 and 2018/19. Tourism business numbers were steady with a number of new start-ups, consistent with signs that the number of hotel and catering businesses are relatively stable, and new business expansion will only follow further increases in visitor arrivals post-Covid-19.

Prior to the commencement of the commercial Air Service there was only 7 tour operators selling in St Helena. This has now increased to 75. ESH has been successful in investing in attracting tour operators to the island, aided by professional advice from the Brighter Group. The productivity of some tour operators has been disappointing; views shared on the reasons for this indicated this was due to (1) negatively to initial tours which were affected by a cancellation of a flight following delays due to poor weather and mechanical issues; (2) increasing the number of flights on short notice and (3) because the local tourism industry lacked maturity e.g, local businesses not wanting to provide commission. This meant tour operators did not push the sales as hard as they would for other destinations.

Data collection on island still proves difficult. Whilst businesses are wanting to succeed due to the limited number of customers, competition is fierce. As a result, businesses are not wanting to share data. This results in St Helena Tourism being limited to providing estimations rather than actuals.

Visitor numbers were starting to follow the Air Access Business Case trajectory immediately prior to the pandemic. However, following the suspension of the commercial air service, it is surprising that there was not a higher business failure rate in respect of those businesses that had been previously supported by ESH (Output Indicator 1.2). This is attributed to the ESH

team working closely with the businesses supported under the project, which included regular (minimum of 6 monthly) aftercare visits. ESH was also quick to respond as the pandemic emerged, changing their priorities for business support to those that were most needed by the business community at the different stages of on-island impact, whilst also complimenting those packages of support provided by SHG and the Bank of St Helena. These included financial contributions towards essential operational costs, such as insurance, utilities, and telecommunications / internet.

Tourism Development

The FCDO project supported the following accreditation initiatives for St Helena:

- Green Flag Accreditation. St Helena's Post Box Walks and foot trails are now meeting the international standard set by Green Flag.
- St Helena is currently processing its Dark Skies Accreditation Application. This application required change in legislation (processed under the Environmental Protection Ordinance) to ensure light pollution is kept minimal.

Lessons learned through this output, and recommendations for future programming

ESH has helped to achieve increased tourist numbers and has supported Tour Operators in selling the island as a destination. In addition, ESH has been successful in co-operating with key travel and history journalists from the UK and USA, with podcasts and YouTube videos being a by-product of these visits. The Air Services Consultancy Report (Aquila Aviation) dated April 2020 recommended a reduction in the number of international travel shows to be attended by ESH, which was accepted by ESH. The consultancy made other recommendations such as focusing on even fewer tour operators, which would have been another contribution to improved value for money. This approach is also consistent with the recommendations of the 2018/19 Annual Review.

The review carried out on the Air Service and the tourism industry by Aquila Aviation in 2019/20, also acknowledged the number of Tour Operators selling St Helena and made recommendations to improve the selling rate. The recommendations included providing familiarisation visits to St Helena, to improve the confidence of the tour operators' packaging and sales pitch as well as creating and concentrating on a select group i.e., elite/gold group to increase the number of tour groups to the island. *It is recommended* that the recommendation from this report is continued.

Implementation of these recommendations had started with a familiarisation visit planned and a review of the tour operations to create the elite group. However, with the COVID-19 pandemic, tour operators were not able to travel and their businesses struggled. These recommendations were halted as a result.

C: Detailed Output Assessment

Output Number and Title	2. Improved skills and technology in accommodation and related service sectors, and on-island standards raised in the tourism sector (as registered with the tourism office)		
Output Score			A
Impact weighting (%)	5%	Impact weighting revised since last AR?	No

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved	% Achieved and Score																																																
<p>2.1 No. of businesses with standards improved as registered with the Tourist Office (gender disaggregated). Date 2017</p> <p>To note: the means of verification / interpretation of the indicator changed. The focus shifted to the training and development provided that developed the business offerings.</p>	60	60	<p>Number of businesses registered:</p> <table border="1"> <thead> <tr> <th></th> <th>Total</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>12</td> <td>9</td> <td>3</td> </tr> <tr> <td>2018/19</td> <td>24</td> <td>14</td> <td>10</td> </tr> <tr> <td>2019/20</td> <td>8</td> <td>7</td> <td>1</td> </tr> <tr> <td>2020/21</td> <td>3</td> <td>3</td> <td></td> </tr> <tr> <td>Total</td> <td>47</td> <td></td> <td></td> </tr> </tbody> </table> <p>Number of Standards improved:</p> <table border="1"> <thead> <tr> <th></th> <th>Total</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2018/19</td> <td>83</td> <td>44</td> <td>39</td> </tr> <tr> <td>2019/20</td> <td>3</td> <td>3</td> <td>-</td> </tr> <tr> <td>2020/21</td> <td>30</td> <td>7</td> <td>23</td> </tr> <tr> <td>Total</td> <td>116</td> <td></td> <td></td> </tr> </tbody> </table> <p>The industry training courses to improve standards were identified and negotiated in 2019/20 with the courses being delivered in 2020/21.</p> <p>20 businesses improved standards through registration by obtaining valid insurance etc. 9 businesses through training such as marketing and tour/walk guides. 18 businesses improved through enhancing their digital platforms</p>		Total	Male	Female	2017/18	12	9	3	2018/19	24	14	10	2019/20	8	7	1	2020/21	3	3		Total	47				Total	Male	Female	2017/18	-	-	-	2018/19	83	44	39	2019/20	3	3	-	2020/21	30	7	23	Total	116			<p>100% achieved.</p> <p>A</p>
	Total	Male	Female																																																	
2017/18	12	9	3																																																	
2018/19	24	14	10																																																	
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Total	116																																																			

			<p>(including development training)</p> <p><u>Note</u> Predicted numbers for March 2021 is 9 (9females). Train the Trainer course was delivered on 18 March 2021.</p> <p>Training delivered during phase 2 to improve standards included star gazing tour guides</p> <p>Internationally, the Travel Trade undertook the Online Travel Training (OTT) agency course on St Helena. The statistics from this course are as follows:</p> <p><u>2020/21</u></p> <table border="1"> <tr> <td>UK</td> <td>182</td> </tr> <tr> <td>German</td> <td>15</td> </tr> <tr> <td>France</td> <td>49</td> </tr> <tr> <td>Total</td> <td>246</td> </tr> </table> <p>(gender unknown)</p>	UK	182	German	15	France	49	Total	246																	
UK	182																											
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France	49																											
Total	246																											
<p>2.2 Increase in the number of Tourism Businesses marketing themselves or accepting bookings online through their own web site or other digital platforms</p>	50	50	<table border="1"> <thead> <tr> <th></th> <th>Total</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>11</td> <td>8</td> <td>3</td> </tr> <tr> <td>2018/19</td> <td>14</td> <td>6</td> <td>8</td> </tr> <tr> <td>2019/20</td> <td>7</td> <td>6</td> <td>1</td> </tr> <tr> <td>2020/21</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>32</td> <td></td> <td></td> </tr> </tbody> </table> <p>For on-island tourism businesses, the lack of exposure and experience in digital marketing and the current internet access costs, continue to hold back their engagement on the web or more platforms in addition to Facebook which is more widely used. Interaction such as registering with Airbnb, booking.com, and Expedia or similar is improving slowly. ESH-supported programmes to assist with digital marketing continue to have a low take-up despite continuous promotion.</p> <p>As the final year was affected by COVID, proportionate target 3/4 of target should have been introduced. In this case ESH would have</p>		Total	Male	Female	2017/18	11	8	3	2018/19	14	6	8	2019/20	7	6	1	2020/21	-	-	-	Total	32			<p>64% achieved.</p> <p>B</p>
	Total	Male	Female																									
2017/18	11	8	3																									
2018/19	14	6	8																									
2019/20	7	6	1																									
2020/21	-	-	-																									
Total	32																											

			achieved 91%	
2.3 Increase in individuals trained effectively across all sectors (gender & disability disaggregated). Date 2017	175	175	390 2017/18 101 (13Male :88Female) 2018/19 146 (39Male :107Female) 2019/20 68 (51Male : 17Female) 2020/21 75 (13Male :62Female) To Note: due to the involvement of external stakeholders ESH wereunable to disaggregate further. The provision of vocational skilled training has now largely switched to the St Helena Community College and ESH stopped resourcing a bespoke Hospitality Training Manager. One-off training in key business areas such as polytunnel production continues to be delivered through partnership with others, in this case Agriculture and Natural Resources Directorate.	180% achieved. A++

This output scored an overall A. Theswitch to the Community College for the delivery of training in key business areas warranted the weighting change of this output from 10% to 5%, as recommended in the 2018/19 Annual Review. In line with discussions on the island on adjusting ESH's tourism development strategies, ESH moved more towards sector-centred training and recent initiatives in tour guiding, walking and DMC training reflect this. In 2020/21 and beyond, the expectation is that private sector associations will identify and commission this training if they cannot deliver it in-house.

On digital marketing, per Table 9, all 6 Destination Marketing Companies based on island now have their own independent website, as do 11 accommodation providers, and 15 accommodation providers are now active on social media. 12 accommodation providers are also on Trip Advisor and/or Airbnb.

Table 9. Tourism Businesses' presence on-line

Tourism Sub-Sector	No. of businesses	No. with independent websites	No. active on Social Media Platforms (Facebook etc)
Accommodation	22	11	15
Restaurants/Cafes etc	20	7	18
Car Hire	6	3	4
Taxi	13	5	6
Tour & Walk Guides	27	13	16
Destination Management Companies	6	6	6

Ground Handling Companies	2	1	1
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St Helena Tourism continued to support the local private sector during the period 2017 to 2021 through the St Helena Tourism digital platforms:

On social media, as at the end of December 2021, interaction figures are as follows: St Helena Tourism Facebook page has 23,351 followers, Twitter 3,575 followers, and Instagram 2,306 followers. Annual increase for the latter two has been 16% and 45% respectively. Monthly page views on the St Helena tourism website is currently c. 10,792, and top visits are for information on local accommodation and flights.

Monthly analysis includes tracking of the “*bounce rate*” which measures what proportion of visitors to a website leave it very soon, rather than go on to look at other pages on the website. For St Helena Tourism website, this was 32% an excellent score when the average is c. 40-50%

390 individuals (390 against a target of 175) have received some form of training during the lifespan of the project, either from programmes run by ESH / Tourism, or those run by the Community College albeit funded through the ESH Project. Key areas of achievement would be the improved standards of health and hygiene, customer care and accommodation / catering standards in the Tourism & Hospitality sector. Alongside all of this, the Construction Training Project undertaken by ESH in conjunction with the Community College, has increased the number of local Project Managers and qualified Electricians available on the island.

Training courses delivered during the first 3 years of the project were mainly undertaken through the Hospitality Training Project. However, upon completion of this component during year 3 (2019/20) there was a need to re-focus on delivery platforms, particularly when the global pandemic led to a lockdown on international travel. The significant training achievement in the final year of the project was due to focusing on digital based training providers. Examples of training successfully delivered via digital platforms are Tour Guide, Business Management and Employment Skills. Whilst there was an intent that ESH would move away from the provision of training, it is worthy of note that more than 80% of the training delivered in the final year of the project was still facilitated in-house by ESH as opposed to being delivered via the Community College.

During 2020 The scaling back of this output by reduced training for individuals, led to increased value for money, as targeting led to more demand-led training identified by sector associations. Secondly, ESH continued to look at industry metrics, such as “*advertising value equivalency*” to judge the cost-effectiveness of its advertising spend, and its contracting of PR agencies and journalist visits. ESH also increased social media marketing and reduced advertising in print media, as endorsed by the Air Services Consultancy Report, the net effect will be better value for money.

Lessons learned through this output, and recommendations for future programming

The planned training for tour guiding, walking guides, and DMC training remain very important and, subject to success, should be followed by similar sector-based initiatives.

Private Sector businesses do not understand the need to continuously promote their business and activities. Promotion is done as one off when St Helena Tourism prompts businesses and provide financial incentives to ensure the online platforms they do use are updated. *It is*

recommended that continuous exposure to international promotion and marketing (through development methods) are carried out.

Whilst St Helena Tourism manages a variety of digital platforms to promote St Helena and its products. It was found that records of accounts were not kept in one place and staff were being locked out of accounts. To ensure continuity of the different accounts, it is recommended an 'inventory' is maintained of all digital platforms.

: Detailed Output Assessment

Output Number and Title	3. Increased business activity as a result of ESH grants.			
Output Score				A+
Impact weighting (%)	20%	Impact weighting revised since last AR?		No

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved	% Achieved and Score
3.1 Number of ESH supported businesses achieving increased profitability. Date 2020	20	10 (2020)	This is a new target that was introduced following 2019 review, which replaced the one immediately below this. <u>Mainly Achieved</u> : 9 achieved increased profitability, including in the tourism accommodation and services sectors. This new target was brought in quite late to the programme, which meant it has proved difficult to achieve. 3 new businesses were supported during 2020, therefore no prior accounts to compare with current year that have been submitted.	90% B
3.1 Increase in number of ESH-supported businesses in all sectors receiving micro-grants and capital investment grants, (recording size of grants too)	20 2018 30 2019	20 2018 30 2019	2018 48 (40Male :17Female) 2019 36 (22 Females: 25Males) Exceeded Targets (The number of businesses and number of owners do not tally due to some business having multiple owners)	146% A+

(gender, disability & youth/non youth disaggregated). Date 2018				
Additional indicator agreed during the year 2018: Increase in (absolute) employment of ESH-supported businesses in all sectors receiving ESH micro-grants, measured annually, gender Disaggregated. Date 2018	4 (no gender targets set)	4	4 (2Male / 4Female)*	100% A
3.2 Increase in skilled individuals (gender, disability & youth/non youth disaggregated) .Date 2017	15	15	Achieved 20 (6Males;14Females) 2018 1 (1Male) 2019 5 (4Female;1Male) 2020 3 (2Females:1Male) 2021 11 (3Males;8Females)	133.3% A+
3.3 Existing businesses supported by ESH demonstrating a higher level of business confidence. Date 2020)		10	Achieved 14 (12Males:5Females) Exceeded Target 2020 6 (3Males :3Females) 2021 8 (8Males :2Females) (This does not tally due to some businesses having multiple owners)	140% A+

This output scored an overall A+. Whilst the Chamber of Commerce endorses the importance of business grants from ESH to local businesses and the many other ESH and SHG activities which are aimed at “increasing business activity” on island on a wider basis. The 2018/19 Annual Review encouraged alignment with a refreshed ESH strategy going forward to improve the metrics being tracked and to move away from input-focused indicators. Consequently, new output-focused Indicators 3.1 and 3.3 were inserted to replace the tracking of number of grants to businesses on the island.

The availability of grant funding support, in particular those aspects which related to the provision of Technical Support, were well received by the business community and aided in the encouragement of new start-ups and business expansions. The closure of borders as a result of Covid-19 impacted negatively on local businesses. In this respect, a change of focus took place

during the final year of the ESH project, with small grants directed on improving local production and also ensuring business continuity / Covid-19 readiness.

In addition to the provision of Micro, Small and Medium Enterprises (MSME) Grants, ESH provided “small producer support” funding assistance to local farmers in order to encourage increased local production, whilst also supporting a number of agricultural development initiatives with the Agricultural and Natural Resources Department (ANRD) of SHG. This support equated to approximately £100K of the ESH project programme each year. It focused predominantly on supporting the trial of alternative methods of production (such as covered production, hydroponics, and permaculture) and improved water security, noting that the island had suffered from droughts during the period of the project. During the final year of the project a total of 86 individual farming interests received some form of financial assistance through the project, to a total value of £130,089. ESH has also supported an initiative being undertaken with Food and Environment Research Agency (FERA) in the UK by ANRD, which seeks to identify through DNA testing the various types of honey bee on the island, which could help in developing economic opportunities in this area, such as export of disease free queen bees or local honey. The initiatives undertaken with the farming community and ANRD have led to noticeable increases in local production, particularly in respect of meat (specifically lamb, following introduction of more Dorper parent stock), eggs, vegetables, and salads.

ESH also provided grants to Social Enterprises and Non-governmental Organisations, mainly in respect of projects that sought to either improve accessibility for disabled people (such as the installation of ramps and toilet facilities). During the lifetime of ESH, the leading island Social Enterprise (namely SHAPE - St Helena’s Active Participation in Enterprise), has received various levels of support, both financially and in respect of representation. One of the ESH Directors sat as a Corporate Member of the SHAPE Board and another member of staff served in a private capacity as the Financial Director. Projects supported at SHAPE have included recycling initiatives, the establishment of a Café facility and agricultural production. The work of SHAPE may be seen at: www.shapecharity.com.

Following recommendations from last year’s Annual Review, ESH has been working with SHAPE to facilitate on-island engagement regarding the potential establishment of a scheme and / or campaign that is targeted at increasing the transition into employment of individuals with special needs.

It should be noted that Output Indicator 3.2 is additional to the achievements shown at Output Indicator 2.3, again showing a significant achievement of 20 against the target of 15 that was set, particularly with 50% of these having been achieved in the final year of the project. Historically these types of skills development grants would have supported offshore training in specific fields, such as surveying, diver training, or hairdressing. In recent years (and again as a result of the pandemic) these skills development grants have taken a focus towards on-line distance learning. Examples of the types of courses supported during 2020/21 were:

- Chartered Institute of Marketing (CIM) Level 6 Diploma in Professional Digital Marketing
- Associated Chartered Bankers Diploma
- Certificate in Commercial Lending
- The Institute of Leadership and Management (ILM) Level 3 Qualification in Leadership and Management
- Revit Architectural Essentials and Revit Structures Essentials Courses
- Ecology Courses
- Environmental Assessment Course

During the final year of the ESH project, partly in response to food security concerns arising as a result of the Covid-19 pandemic, ESH Board agreed a bespoke package of support to the farming community, which provided grants of up to £2,000 in the following areas:

- Enhanced water security, e.g., water tanks, water troughs and drip irrigation.
- Improved produce protection, e.g., rabbit / dog proof fencing and posts.
- Increased mechanization, e.g., rotavators and tractor attachments.
- Equipment to support clearance of weeds and invasive species, e.g., spraying equipment.

A total of 86 individual grants were approved to a total value of £130,089. It is recommended that SHG continues to monitor how successful these grants have been.

Additionally, funding was provided to ANRD to support procurement of drip irrigation equipment and funding was made available to farmers for seed and other consumables to encourage production as part of ESH Covid Support. This funding was all provided through the ESH FCDO Project.

Social Enterprise Funding Support: In 2017 the funding support to Social Enterprise policy was endorsed. This bespoke scheme was designed to support Social Enterprises, NGO's, Associations and Charitable organisations. Since 2017 ESH has supported 14 organisations of which some were supported twice with a variety of projects including disabled toilets, ramps and furniture & fittings to bring organisation kitchen areas in line with the new Food Regulations implemented in St Helena during April 2017. Please find below breakdown of this funding support:

Table 10. Break down of Social Enterprise Funding Support

Year of Funding	Total No Supported	Total Value
2017/2018	4	£15,632.25
2018/2019	2	£ 4,082.72
2019/2020	2	£ 4,464.46
2020/2021	6	£ 24,373.73

The range of support provided by ESH has been wide reaching and examples of the types of Social Enterprise projects supported are the establishment of a Café and a Market Garden at SHAPE, a Whale Shark app with the National Trust, disabled toilets, ramps and kitchen upgrades at Community Centres, kitchen upgrade at the Yacht Club, gymnasium equipment for New Horizons, ground keeping equipment for the Golf Club and equipment for a youth swimming club.

Additionally, from a social and community development perspective, ESH endeavoured to build into all of its capital projects aspects that will enhance accessibility. These may be seen by the pavement improvements in Jamestown, disabled toilets and ramps at each new build site and where possible also at renovation sites such as Bertrand's Cottage, and the inclusion of baby changing facilities at such developments in areas accessible to both men and women.

During 2019/20 the ESH Board approved new policies and procedures for business grants with a view to reducing complexity and increasing value for money. For example, ESH's new grant policy had increased the business contribution from a minimum of 25% to a minimum of 50%, so improving the value for money of UKG's contribution to grants. The evidence of increasing

profitability from 6 grantees also shows evidence of public funding going further and the requirement to demonstrate the need for such funding in the first place remains.

In terms of access and equity, the change in grant contribution has had an effect on leading to a reduction sometimes in the overall size of grant applied for. A more significant impact has been the narrowing of focus to only support new/innovative business start-ups and expansions in areas relating to the Sustainable Economic Development Plan. This change in support was backed by the Chamber of Commerce, as a contribution to avoiding service markets becoming saturated.

A reinforced focus on value for money will seek to show that other targets for funding may provide a better return rather than funding businesses directly.

Lessons learned through this output, and recommendations for future programming

SHG bringing ESH functions in house may also be viewed as the transfer of knowledge and the lessons learned from ESH are not being lost.

Introducing metrics which relate to the submission of data (such as annual accounts) by local businesses part way through the project has been difficult to manage. It has not generated results that may have been achieved had these types of metrics been agreed much earlier in the project.

: Detailed Output Assessment

Output Number and Title	4. Investment climate improved through public sector advocacy and public-private dialogue, including business and market information			
Output Score				A++
Impact weighting (%)	10%	Impact weighting revised since last AR?		No

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved	% Achieved and Score
4.1 Number of public policy reforms to enabling environment/investment climate for private sector development facilitated by ESH (units). Date 2017	5	5	Achieved 7. 2018 1 2019 3 2020 1 2021 2 (Immigration Policy Public and Dark Skies out to public consultation)	120% A+
4.2 Number of ESH internal policy reforms/changes in favour of private sector	7	7	Achieved 11. 2018 4 2019 2	157% A++

development (units). Date 2017			2020 2 2021 3	
4.3 Number of information events on business opportunities and challenges, including recording feedback and actions for ESH, facilitated and organised by ESH. Date 2017	11	11	Achieved 20 2018 5 2019 6 2020 6 2021 3	182% A++

This output scored an overall A++. Output 4 is aimed at ESH influencing the business environment faced by existing and new businesses on St Helena and by overseas investors looking to invest in St Helena's potential for private sector growth. In 2019/20, ESH set out to work more actively with key partners in SHG in the vital areas of investment, immigration and land control. On investment, the new investment policy, strategy and investor prospectus have all now been delivered.

During 2019/20, the ESH Chief Executive, the Management Team and staff increased their media appearances significantly. The 2018/19 Annual Review recommended that ESH should engage more with external stakeholders, and there has been an uplift in press releases and radio appearances before and after tourism events and investment promotion travel. In relation to domestic stakeholders on St Helena and in consultation with St Helena's Chamber of Commerce, ESH made significant changes in its Business Grants and local funding arrangements. These indicators ensured ESH maintained a focus on reviewing the Business Enabling Environment, and regularly updated its own policies in respect of types of support available.

During phase two, ESH managed to facilitate updating internal policies and support schemes to respond to the shifting economic climate. ESH represented the private sector on all significant working groups, including the Economic Development Investment Project, Land Development Control plan Review, Immigration Review, Investment Enabling Group and Approved Investment Committee, St Helena Research Institute and Research Council, Scholarship Awards Committee, Chamber of Commerce, Economic Development Committee, Estates Strategy Panel, Ruperts Development Working Group, Covid-19 Business Continuity Group, Tax and Revenue Working Group, St Helena Connected (submarine cable) Group, Liberated Africans, UNESCO Scoping Group, OCTA Innovation Board, Air Service Strategy Group, Community College Board, SHAPE Board, Fisheries Task Group and subsequent Project Board. N.B. This list is not exhaustive, in that a total of 10+ staff held responsibilities across some 40+ external organisations and/or working groups.

At a strategic level, ESH assisted in the development and implementation of items such as the Sustainable Economic Development Plan, Labour Market Strategy, Immigration Policy, Dark Skies Legislation, Investment Strategy & Policy and Land Development Control Plan. Additionally, ESH helped to facilitate a number of relatively minor changes to local legislation that have had an impact on the business community. These included improving the process for short-term trade licencing applications and ability to open and/or sell alcohol on particular public holidays. ESH also developed the Tourism Recovery Strategy, detailing how St Helena should respond to the pandemic and how it should support the recovery of leisure travel.

The types of public information events that have been facilitated by ESH has been as wide and varied as the number of external working groups that staff have participated in. These ranged from sector specific, to assist in the development of key sectors, such as coffee producers event, to coincide with International Coffee Week and the farming community in respect of developing a bespoke package of support. Also to those with a more strategic focus that may impact on the whole island and its economy, such as the participative workshops undertaken whilst developing the Tourism Recovery Strategy.

In relation to Value for Money, activity rates related to this output are not primarily driven by cost, as the prime input was ESH staff time, alongside SHG staff time, neither of which were funded by the FCDO ESH budget. Where specialist one-off expertise was required, for example in the policy areas of the investment climate, immigration, and land control, then resources were drawn from the project budget. Such consultancy assignments were pre-assessed for value for money through ESH management and Board scrutiny against competing initiatives and were routed through ESH's standard procurement procedures. Examples include investigating the feasibility of an electronic land registry.

ESH successes around supporting Saint Helena investment climate and helped drive through reforms which improve the investment climate provides sufficient evidence that the theory of change of this programme has achieved good value for money. Secondly, the points around the increase of business contributions from 25% to 50% suggests improved profitability, and value placed on ESH grants.

Lessons learned through this output, and recommendations for future programming

ESH managed to encourage an increase in the number of on-island business support providers, across a range of services, including business planning, accountancy, human resources, project management and legal services, with a total of 14 parties registered with ESH by project completion as opposed to approx. 6 when ESH was created. It is recommended the SHG continues to deliver this function now ESH has been disbanded

The involvement of ESH in external policy reforms proved challenging, particularly in respect of items that have been several years in the making, such as the Immigration and Land Development Control Plan working groups. In this respect, ESH had no control over the timeframes for completion of these exercises, or other resources required. As such, it is questionable whether these should have sat as an Output level indicator. Any future project programme should ensure that where external policy reforms are included, should be agreed in a SMART objective format.

One of the key functions that ESH provided, in conjunction with the Chamber of Commerce, is being an advocate to the business community. In this respect the organisation acted as a single point of information and guidance in relation to operating in St Helena, both to local businesses and foreign investors alike. Immediately following the publicly announced closure of ESH, concerns were raised by the business community regarding how this function will be replaced post ESH. This concern is something that SHG will need to address promptly and effectively in order to ensure that business confidence is maintained and gains made during the lifespan of ESH are not lost post project completion. Within Social Enterprises such as SHAPE, there are also concerns regarding who will champion the social inclusion agenda post ESH, particularly as the Community Development Organisation is no longer being funded by SHG.

C: Detailed Output Assessment

Output Number and Title	5. Increased size of private sector on St Helena			
Output Score				B
Impact weighting (%)	25%	Impact weighting revised since last AR?		No

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved	% Achieved and Score
5.1 Increase in number of local, diaspora and foreign private sector investors in all sectors organised and secured by ESH (units). [Note: investments over £ 50,000] Date 2017	11	11	Achieved 10 2018 1 2019 5 2020 3 2021 1	90% B
Additional indicator during the year 2018: Increase in number of tour operators actively marketing and selling St Helena as a destination. Date 2018	10	10	32 (2018) Tour Operators Selling: 2017/18 32 2018/19 57 2019/20 76 2020/21 75 Tour Operators interested and liaising: 2017/18 37 2018/19 32 2019/20 41 2020/21 38	320% A++
5.2 Increase in total local, diaspora and foreign private sector investment in all sectors organised and	£2.7m	£2.7m	Achieved £2,567,756. This is mainly achieved. 2018 £400k 2019 £1.058m 2020 £1.109.756m 2021 £0	95% B

secured by ESH (£). [Note: investments over £50,000, excludes public funds]				
5.3 Increase in number of SHG land and property transactions facilitated by ESH for private sector use (units). [Note: all sectors]	7	7	Achieved 3 2018 1 2019 1 2020 1 2021 0	43% C
5.4 Category A investments as defined by the IEG assessment matrix secured in partnership with ESH (units, all sectors). "Category A" is the highest category awarded on the basis of both value of investment made, alongside a scoring system included in Annex B of the Investment Strategy. Date 2019	New Indicator introduced at start of 2019 Quarter 3. No target given.		2020 One international investor and one local investor, gained Category A status during the year, with 2 others with potential approval for this status in early 2020/21. 2021 One international investor is in the latter stages of the process for obtaining investor A status. This has been approved in principle by IEG and AIC and is anticipated to receive final approval by Executive Council before the end of March 2021	100% A
5.5 Satisfaction rating of 3 and above indicated by actual investors.	New Indicator introduced at start of Quarter 3. Target:3	Target 3.	2020 Achieved: 4 investors' feedback provided to ESH during the year 2021. No customer satisfaction forms were issued in Oct, Nov & Dec 2020. One is expected before the end of March for the	133% A

			above investor.	
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This output scored an overall B. Increasing the size of the private sector on St Helena is an important aim on many different levels. During 2019/20, ESH released its second Investor Prospectus and actively pursued an investment promotion strategy linked to this, including events on St Helena, in South Africa and in France, Germany, and the UK. Interest in investing in St Helena both from an international and local perspective was gaining momentum. However, since March 2020, with the ramifications of the Covid-19 pandemic, interest declined. What interest remained was actively pursued by ESH and their main workstreams were related to progressing the sale of strategic assets (e.g., Hotel, Chief Secretary Houses, Fisheries, Shares on Solomon's, etc.), Up until the end of the project ESH was still working with 2 potential local investors and 1 international investor. These were progressed further by the newly created Sustainable Development Team within SHG.

ESH also sought to leverage the networks and expertise available across the UK Government, including in FCDO, Department of International Trade and UK Export Finance. ESH also interacted with other business support organisations such as Visit England, British South Africa Chamber of Commerce and Johannesburg and Western Cape tourism organisations.

The ESH Chief Executive sat on the High-Level Panel of the DFID/SHG Economic Development Investment Programme and ESH fed into the early-stage work on the formulation of business cases and links to the tourism sector.

Interaction with existing and potential individual investors is a continuous process. The ESH team spent considerable time in 2019/20 working with two separate investors committing significant funds to housing and hotel development on the island and with agriculture sector investors. While Covid-19's impact on visitors will certainly impact on the hotel sector, domestic demand for housing and the long lead time for agricultural development through to harvest, will hopefully permit these sectors to overcome the initial slow down caused by Covid-19 factors.

During its lifespan, ESH has been successful in attracting investment into key areas of the local economy, such as Tourism and Hospitality, Agricultural Production, Fisheries Supply Chain and Coffee Production. In a number of cases there has been repeat investment generated from business interests through expansion or diversification. For example, an international investor who started off with a laundry and catering equipment hire service has since opened and subsequently expanded a restaurant service.

In terms of investment facilitated by ESH, examples include the expansion of a covered production facility, the establishment of a hospitality adventure park within a woodland setting and the establishment of a new coffee production plantation which covers an area of approximately 6 Hectares. The coffee investment represents a significant development for the island, since its inception, the investor has injected over £1 million into the venture; has planted 250 coffee trees (due for first harvesting in 2025); has propagated a further 5000 seedlings (all in various stages of growth); and currently employs 2 full time workers. As part of the product range offering coffee tours and experiences, the business will also be investing in eco-lodge type accommodation for workers and tourists. All aspects of the business will, where possible become energy self-sufficient by using wind and solar.

Lessons learned through this output, and recommendations for future programming

1. Continuous engagement with local stakeholders is needed to reduce barriers within the investment process.
2. There should be adequate funding and agreed, clear processes for high level Due Diligence checks.
3. Introducing new indicators late in the project programme (in particular items which require multiple years' data in order to ascertain results) as the source of quantitative data required for these indicators did not prove reliable.

D: Risk

ESH kept its own external and internal risk registers and shared these with FCDO and its Board monthly, although the 2019 Annual Review noted that several of the risks had not been updated for some time and could be more closely linked into relevant mitigation strategies. ESH noted this. The draft UKG Internal Audit Report also advised that ESH should consider constructing its own “risk appetite”, which would require some training and exposure to experience. It was recommended that ESH both reviewed and updated its own Risk Register and considers the issue of developing a Risk Appetite, by 30th September 2020. ESH completely reviewed their old Risk Register and after considering all Risks, a new Risk Register was designed, completed and presented to Board on 30 September 2020. Risk registers were then updated on a quarterly basis and shared with FCDO.

On “external context risk”, the economic risks facing St Helena worsened from moderate to major during the last few weeks of March 2020, although the underpinning of support from UKG prevented this risk from moving to “severe”. On “delivery” and “operational” risks, again due to the early economic impacts of Covid-19 on the growth of the tourist sector as a whole and its impact on individual businesses – particularly those in the tourist industry, OTD moved towards accepting a slightly higher risk appetite. Mitigation strategies were put in place which mainly involved SHG and ESH short-term financial support and encouragement around business diversification. UKG supported SHG and ESH’s rapid design and delivery of additional business support schemes to reduce the immediate and short-term economic impacts of the island closing to international tourists.

Five other risk areas remain on the project risk register, ranging from minor to major, the latter chiefly relating to lack of private sector investment and a lack of capacity on island to deliver economic growth.

Risks identified have generally been within the parameters of those that could have been anticipated by the project, for example the reduced footfall of visitors because of delays in the commencement of commercial flights. The Covid-19 Pandemic was not anticipated and this had a significant impact on the final (no cost extension) year of the ESH project. That noted, measures to assist the business community and to reduce the impact of Covid-19 were agreed quite swiftly with FCDO and SHG and were implemented accordingly.

ESH quickly focused financial resources to support local businesses that were impacted by the closure of the island’s borders. ESH also improved food security by encouraging the increased local food production. Human resources were also re-allocated to a number of SHG areas of activity, such as co-ordinating operational arrangements within public health; the access office to support repatriation flights and associated quarantine arrangements and managing SHG’s financial support packages for the business community.

One of the key risks that the island faces following the closure of ESH is the loss of institutional knowledge and continuity. Concerns have been raised regarding this by both the business community and social enterprises. SHG will need to carefully manage how this is addressed to ensure that the gains made by the organisation (particularly in respect of private sector engagement) are not subsequently lost, leading to a reduction in business confidence.

E: Programme Management: Commercial and Financial Performance, Monitoring and Evaluation

ESH provided monthly narrative and financial reporting to its Board and to FCDO. Following recommendations in the 2018/19 Annual Review, the Board moved to quarterly meetings. The quality and timeliness of reporting was good, with many of the indicators of progress becoming more quantitative and the tracking of achievements more tangible.

The quality of financial monitoring by ESH was good and the quick response rate on financial queries from UKG was also good. The Auditors have completed their audit of the accounts for the year ended 2019/2020, which have been approved and signed off at the ESH Board Meeting in February 2021. ESH commissioned and received an Internal Audit Report consultancy during 2019/20. ESH had specific procurement procedures, financial limits and approval levels for three categories and SHG's Procurement Manager was available for large or sensitive procurements.

On forecasting, guidance issued from the UKG team earlier on in the project was misunderstood with respect to not allowing ESH to update their monthly forecasts after the initial annual forecast. This issue was corrected during 2020. The accuracy of ESH's forecasting for 2020/21 was lessened due to some of its spend being reliant on other partners. For example, the Education Department arranging co-sponsored training and travel arrangements for tour operators and overseas trainers being affected by short notice changes of dates. In terms of cost changes, the arrival of Covid-19 led to additional expenses as the result of conference cancellations and postponement of international events, that had already been paid for under the project. ESH produced a document detailing any project funds that had been reimbursed and Airline tickets that could not be refunded but be used in the future.

On monitoring, monthly meetings between the FCDO team and ESH's Executive Management Team were accompanied by narrative reports on overall progress, a spreadsheet of progress against logframe and ESH additional targets, as well as tabs on risk register, and recommendations against key previous reports like the most recent Annual Review. Due to COVID restrictions, the last field visit was completed by the OTD's Private Sector Development Adviser between 21st to 28th November 2019.

Table 11. Key cost drivers and performance – GBP thousands, actuals

ESH Budget areas	Cost centres descriptions
Training and Skills	Includes hospitality training, familiarisation visits for tour operators, and agriculture, Maritime and construction training.
Business Support Sectors	Support to small producers including Fishing industries and Agriculture, beekeepers and recycling/ green energy initiatives
Tourism & Investment Promotion	This includes expenditure on travel shows and exhibitions, advertising and investment promotion, market publications and social media

Tourism development	Includes development of walking and other guides to attract additional tourists.
Private sector development	Includes local business engagement and promotion, as well as small grants to micro, small and medium enterprises. Tourism business enhancement
Technical co-operation budget	Includes costs of overseas contract staff
Development Projects	Including specialist consultancies. Feasibility studies for enabling investment. During 2017/18 capital on major development projects i.e., Market, LEP and Bertrand's cottage

Table 12. ESH Spend Phase 2 (taken from ESH financial Reports, ESH claims and ARIES)

Activity	2016/17	2017/18	2018/19	2019/20	2020/21	Total	%of Total Spend
Training and Skills	38,494	162,454	165,890	101,309	52,195	520,342	14%
Business Support Sectors	3,598	74,040	124,648	73,247	188,762	464,295	12%
Tourism & Investment Promotion	69,114	362,188	352,540	380,303	141,689	1,305,834	35%
Tourism development		30,368	30,090	60	4,898	102,788	3%
Private sector development	19,070	110,065	153,359	42,825	114,248	439,567	12%
Covid 19 Scheme 1					12,489	12,489	0%
Covid 19 Scheme 2					5,095	5,095	0%

Technical co-operation budget	53,402	249,414	178,729	165,286	93,674	740,505	20%
Development Projects	23,168	108,438		16,302	1,200	149,108	4%
Total	206,906	1,096,967	1,005,256	816,644	614,250	3,740,023	100
Annual Budget	300,000	1,676,000	1,115,800	1,397,800	614,250		
% of Original Annual Budget (the budget was set at the beginning of each year)	69%	65%	90%	58%	100%		

On overall value for money, as the 2018/19 Annual Review noted, the most relevant of the Business Case measures of costs and benefits relates to spend by tourists, with the two “impact on employment” measures being of limited use given the island’s virtually fully employment, at least until recently. As noted earlier, the estimated spend of £4.8m to £6m for 2019/20 by international tourists and St Helena-linked visitors is significant, but not disaggregated by how much of this spend is then “leaked” overseas through goods and services being sourced there.

In terms of the efficiency of project inputs, the Air Services Consultancy Report’s recommendations mentioned when implemented in full by ESH, lead to gains in efficiency and effectiveness, i.e., an increased impact on numbers of tourists for equal or lesser costs. The Air Services Consultancy Report also suggested a switch of resources spent on PR travel agencies towards South Africa and away from e.g., France, after the bicentenary of Napoleon’s death in exile in St Helena.

A key question for FCDO and SHG, as also noted during 2019/20, is the degree to which any of the increases in tourist and visitor numbers can be attributed to FCDO’s support through this project and the role of ESH itself. The increase in leisure visitors for 2019/20 was illustrated in the graphs at the start of this Annual Review report, and – for the earlier time bracket of calendar year 2019 - the Air Services Consultancy Report noted that in terms of arrivals by air, non-Saint tourist arrivals by air increased by 24%.

While the Report focused on recommendations to further improve the tourism numbers and that sector’s contribution to St Helena, their consultants’ feedback included positives for ESH including: the latter’s focus on tour operators during 2019/20, ESH’s programme of visits to the island of tour operators and journalists, the use of professional service providers such as the Brighter Group in the UK, the promotion of a programme of island events relevant to visitors and ESH’s partnership with the Statistics Office on data collection and the use of the exit survey.

ESH’s own data on the number of international tourists arriving in St Helena through tour operators reflects, to some extent, recent efforts to grow the number of tour operators selling St Helena holidays. So, the attribution link is stronger here than for individual travellers.

Programme-level approach to monitoring and evaluation.

ESH conducted ongoing monitoring through a progress tracker and clear monthly management accounts. Any concerns were addressed in monthly discussions with the FCDO Programme. St Helena Audit Service completed annual audits of ESH's Financial Statements – which are unqualified. While in post, the Resident Representative attended ESH Board meetings as an observer to ensure oversight. The Project Management Lifecycle Annual Reviews were carried out independently by UK Government staff. Annual field visits were undertaken by the Private Sector Development Adviser and the Financial Aid Mission Team would also spend time with ESH and reviewing projects whilst on island. The last visits were undertaken in 2019, prior to the COVID 19 Pandemic. No formal evaluation of the project is planned.

Date of last narrative financial report	10/03/2021	Date of last audited annual statement	22/03/2021
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