Seychelles Experience with Budgetary Support for Adaptation and Disaster Risk Management
Budgetary Support

- Supports national development strategies – in particular institutional reforms and public policies
- Supports country ownership – gaps in institutional, legal or capacity frameworks
- Resources become part of Government’s own budget and procedures – less detrimental to domestic accountability than project aid
- More predictable aid flows - multi-annual commitments support long term donor engagement
- Used as leverage – jointly agreed conditionality allows countries to progress on agreed standards; avoids different signals from donors
- Can be general or sector-specific (e.g. focus on resilience)
1. Cat-DDO

- Approved in 2013 after cyclone Fellen (US$7 million)
- Deferred catastrophe loan – can be drawn upon in aftermath of a natural disaster to address immediate needs
- Renewable every 3 years (up to 15 years total)
- Conditional upon maintenance of sound disaster risk management and risk reduction
- Prior actions agreed in Seychelles – DRM Act; adoption of natural risk information database;
- Post disaster framework focused on building back better, emergency coordination, risk transfer and insurance
2. Debt Swap Initiative

- Completed March 2016
- Buy-back of USD 21.4 million debt (100% of maturities due to Paris Club creditos to mid-2022)
- Nature Conservancy gave low interested loan and helped Government secure USD 5 million in private conservation foundations grants for the buy-back
- Government will repay same amount of debt bought back at concessional terms to new Seychelles Conservation and Climate Adaptation Trust (SEYCCAT).
- SEYCCAT will use cash flow to fund critical marine conservation and climate change adaptation
- Payments owed to Paris Club debtors will instead remain in the country and will be directed to SEYCCAT.
3. Blue Economy and Blue Bond

(under development)

- A mechanism for **sustainable economic development** focusing on ocean-based economy
- Currently working on a **blue economy national roadmap** – for economic diversification, food security, high value jobs and protection and sustainable use of marine resources
- Plans to mobilise additional resources from international capital markets through a 'Blue Bond' of USD 15 million
- **Expected guarantees from the WB and GEF** and financial advice from Prince Charles Charities international sustainability unit
- The proceeds to be used as grants for fisheries management planning and loans for local investment in **sustainable fisheries and protection of ocean resources**