

Designing Marine Conservation Trust Funds: Lessons learned from the Seychelles' Conservation and Climate Adaptation Trust.

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Abstract: Marine conservation trust funds have emerged as key vehicles for channelling blended finance into ocean protection, particularly in Small Island Developing States. This paper examines the legislative design and evolution of the Seychelles' Conservation and Climate Adaptation Trust (SeyCCAT), the first marine conservation trust fund established through a debt-for-nature swap. SeyCCAT plays a pivotal role in channelling proceeds from blended finance instruments to locally-based ocean conservation and climate adaptation programmes and projects. Drawing from SeyCCAT's operational experience between 2016-2022, it analyses how the fund's legislative framework adapted to address challenges in governance, financial sustainability, and operational flexibility. The SeyCCAT case offers valuable lessons for similar initiatives, particularly regarding the need for adaptive governance structures and clear legislative frameworks that enable both stability and operational agility in managing conservation finance.

Keywords: blended finance, Conservation Trust Fund, Seychelles, small island developing states, sustainable ocean economy

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Introduction

The sustainable ocean economy is identified as a viable development avenue for small island developing states (SIDS) and least developed countries (LDCs), as set out in target 14.7 of the 2030 Sustainable Development Agenda. SIDS further call for the development of the ocean-based economies as part of their development pathway for the next 10 years (United Nations, 2024). However, SIDS and LDCs require international sources of funding to propel the development of the sustainable ocean economy (Shiiba et al., 2022). Yet SDG 14 is said to be the most underfunded SDG (Friends of Ocean Action, 2022). With only five years left to the achievement of the Sustainable Development Goals (SDGs), the United Nations highlighted that there is a persistent challenge of both available and accessible funding to support the development of sustainable ocean economies in LDCs and SIDS (United Nations, 2022). In 2024 alone, SIDS saw a decline in both overseas development assistance and foreign direct investments (OHRLLS, 2024) resulting in a persistent and growing finance gap to meet the development needs of SIDS and LDCs. States have advocated for a shift to private finance and 'blended finance' as solutions to close the financing gap (United Nations, 2015). Blended finance is defined as leveraging public funds to attract private capital (Convergence, 2018). These innovative mechanisms are becoming increasingly relevant as public funds are diverted

to address other pressing priorities and increasingly highlighted as a solution to the achievement of SDG 14 (Zhan and Santos-Paulino, 2021).

Small island developing states (SIDS) possess vast Exclusive Economic Zones (EEZ) in comparison to the size of their land territories. Collectively, they are said to be the custodians of 30% of the world's ocean. Nevertheless, SIDS have traditionally had small ocean-based economies with tourism and fisheries as the main sources of income (Onguglo and Engui, 2014). Despite the potential of the vast marine resources, SIDS have struggled to diversify their economies and attract international finance to their shores. This has been further exacerbated by debt crises, limited access to affordable finance and their relatively high gross national income (GNI) that has resulted in them losing access to concessionary finance. Although, it is unclear how much SIDS receive in finance for nature or the sustainable ocean economy, they receive very little in terms of global funding (UNCTAD, 2024). In such contexts, SIDS have had to explore alternative opportunities, such as innovative finance instruments, such as debt-for-nature swaps, blue bonds and blue loans. Seychelles exemplifies this approach. With a GNI of more than \$14,000 resulting in a World Bank categorisation of Seychelles as a high-income country, which is largely attributed to its small population of 100,000 people, Seychelles no longer has access to grants and concessionary finance (World Bank, 2025). Hampered by the usual challenges of SIDS, such as capacity-constraints, Seychelles has turned to innovative finance mechanisms to fund sustainable development and its blue economy.

The growing number of blended finance deals, such as the debt-for-nature swaps or blue bonds, has led to the creation of numerous marine conservation trust funds. Generally speaking, a trust fund is a legal arrangement whereby a legal person is entrusted with the management of an asset or fund for a specific objective (Guerin-McManus, 2001). In the case of a conservation trust fund, the objective is to finance nature conservation actions (CFA, 2014). CTFs do not themselves engage in conducting conservation activities; they support stakeholders by acting as an intermediary between the donors and local organisations, mobilising and investing funds to support targeted actions nationally or regionally (Bladon, Mohammed, & Milner-Gulland, 2014). The trust fund model is not novel and emerged in the 1980s where terrestrial debt-for-nature swaps were more common (Brears, 2022). Marine conservation trust funds can be created using different legal arrangements. This may include using existing legislation such as the use of Laws of Association, Trusts and Foundations Laws or the Companies Act; or they can be created by specific legislation. The Seychelles saw the creation of a marine focused conservation trust fund to support the conclusion of the first ocean-based debt-for-nature swap in 2015, that is, the creation of the Seychelles' Conservation and Climate Adaptation Trust (SeyCCAT) (Silver & Campbell, 2018). Following the conclusion of debt-for-nature swaps in Belize and Barbados, the Belize Fund for a Sustainable Future (BFSF) and Barbados Environment and Sustainability Fund (BESF) were established, respectively. Marine conservation trust fund may take different forms and hold different legal status. The SeyCCAT was created by legislation under Seychelles law; BFSF was incorporated as a United States-registered 501(c)3 charitable organization under US law; and BESF as a non-profit non-governmental organization under the Companies Act of Barbados (Barbados Environment and Sustainability Fund, 2024; Belize Fund for a Sustainable Future, 2024; SeyCCAT, 2024). The origins of these Trust Fund are typically for performing a specific function to support the flows of funding from one party of a debt-for-nature swap to another but can evolve to playing a critical role in the financing ecosystem for a sustainable ocean economy.

With the growing interest in blended finance as a means to close the financing gaps, there is a commensurate interest in conservation Trust Funds. This paper will examine the legislative design of the Seychelles' Conservation and Climate Adaptation Trust (SyCCAT), a marine

conservation trust fund established in Seychelles. It will demonstrate how the legislative design altered as a result from lessons learned in a period of 2016 – 2022.

Case study: Seychelles Conservation and Climate Adaptation Trust (SeyCCAT)

Origins

The chronology of events differs on the perspective of individuals. Broadly speaking, the key events leading to the creation of SeyCCAT are a global financial crisis and an ambitious conservation commitment. In 2008, Seychelles was deemed the most indebted country in the world after it declared bankrupt during the global financial crisis. It subsequently underwent a macroeconomic reform programme under the International Monetary Fund (IMF) with a priority of reducing its debt (SeyCCAT, 2024). In 2012 at the Rio+20, then Vice-President of Seychelles, Danny Faure, announced that Seychelles intended to protect thirty percent of its Exclusive Economic Zone (State House, 2012). This generated great interest by international non-governmental organization. The Nature Conservancy, an international NGO based in Arlington, Virginia, approached the Government of Seychelles with the opportunity of undertaking a debt-for-nature swap for ocean conservation and climate adaptation. This would contribute towards addressing the country's external debt and provide funding for ocean conservation and climate adaptation in Seychelles. TNC's NatureVest mobilised US\$ 20.2 million, in the form of a US\$ 5 million grant and US\$ 15.2 million in loans, to on-loan to the Government of Seychelles for purposes of buying back its debt from its external creditors, the United Kingdom, Belgium, France and Italy (SEYCCAT, 2024). After lengthy negotiations, the final piece of the puzzle was required to conclude the first ever debt-for-nature swap for ocean conservation and climate adaptation Trust. The creation of an independent Trust Fund that would be responsible for channelling the funds from TNC to the Government of Seychelles was the final piece of the puzzle. This Trust Fund, created by legislation, is a public-private partnership between TNC and the Government of Seychelles and would serve as a Special Purpose Vehicle (SPV) for the deal. In November 2015, the National Assembly of Seychelles passed the Conservation and Climate Adaptation Trust of Seychelles Act, 2015 (CCAT, 2015) and there, the SeyCCAT was born. The next section will examine the design and structure of the legislation.

Designing a Trust Fund

Designing a marine conservation Trust Fund is not fundamentally different to designing a conservation trust fund. Guerin-McManus sets out six considerations in designing the trust fund. They include goals and objectives, founding documents, governance structure, finance, sources of funding and local of trust and assets (Guerin-McManus, 2001). One of the first questions is the form which the trust fund will take. This is a critical starting point in the designing of the Trust Fund especially, as it relates to its legal status, level of permanence, ability to receive and transfer monies from many sources of funding and ability to sue and be sued. On one hand, there may be a general preference for using existing legislation to create the marine conservation Trust Fund through either the use of the laws of Association or Trusts and Foundation Laws or Companies Act. This does not require the Government to present legislation before Parliament but may need to meet the minimum requirements of establishing such an organisation under these laws. On the other hand, it is argued that if it is created by legislation, it creates the level of permanence that would not allow ease of dissolution but may be seen as overly burdensome as it requires the drafting of a new law and having it passed through the national parliament. As highlighted above, the Seychelles model created a marine conservation Trust Fund by legislation. The rationale for this preference was predominantly

anchored in the reassurance of permanence that legislation provides and the ability to design the legislation to meet multiple stakeholders (Personal Communication, 2023).

Legislative design: 2015 – 2021

Objectives

The main objective of SeyCCAT at its birth was to serve as an SPV, as can be seen in the long title of the Act:

An Act for the establishment of the Conservation and Climate Adaptation Trust of Seychelles for the purposes of regulating the debt-for-nature swap and for matters connected with and incidental to.

The objectives include developing and administering the Endowment Fund, the Revolving Fund and the Additional Endowment Fund, and other sources of funding (s.5 (1) CCAT, 2015), administering the assets of the Trust, intended to provide a sustainable flow of funds which supplements existing and future funds from any sources to enable the Trust to support the long-term management and expansion of the Seychelles system of protected areas and other activities which contribute to substantially to the conservation, protection and maintenance of biodiversity and the adaptation to the climate change as identified through consultations with stakeholders (s.5 (2) CCAT, 2015), and perform exclusively for charitable, educational, and scientific purposes for the benefit of the public in accordance with this Act (s.5(3) CCAT, 2015).

The Act creates SeyCCAT as an administrator of funds. In 2023, SeyCCAT was administering two main Funds, including a Blue Grants Fund (BGF) and a Blue Endowment Fund (BEF). The former is a grants facility that disburses grants to eligible organizations, including government agencies and non-governmental organizations (s.23(b) CCAT, 2015). The latter is an endowment fund whereby SeyCCAT invests in US\$ 151,000 per year for a twenty-year period with a view of drawing from the BEF in 2036 following the completion of the loan repayment by the Government of Seychelles (Convergence, 2017). In terms of other sources of funding, some ten years after its existence, SeyCCAT is managing multiple sources of income including the proceeds for the debt-for-nature swap, the proceeds of the Sovereign Blue Bond, multiple grants from international non-governmental organisations and foundations and from the local private sector (SeyCCAT, 2024).

Section 5 of the CCAT, 2015 clearly stipulates the objects of the Trust; and section 23 (c) ensures that SeyCCAT only provides grants to activities that align with the objects of the Trust. These activities must also, be charitable, educational and scientific in nature (s.5 (c) CCAT, 2015). This raises the questions whether SeyCCAT can fund activities that could enable the beneficiary to subsequently make a profit. This was particularly contentious when SeyCCAT began managing the grant component of the proceeds of the sovereign Blue Bond where it was agreed that US\$1.5 million would go towards piloting sustainable business models in the blue economy and the administration of the latest Blue Business grant that would act to support local entrepreneurs for research and development and start-up costs for their ‘blue business’ (Benzaken et al., 2024)

Furthermore, in an attempt to maximise funding from the debt-for-nature swap to go towards on-ground projects, section 26 limits the percentage of the annual revenue for meeting administrative expenses with up to 25 per cent of its annual budget for the first two years, and thereafter, not more than 15% of the annual revenue for meeting the administrative expenses (s.26 CCAT, 2015). Such constraints, however, did not anticipate the growth of the revenue

sources that SeyCCAT would be managing, hence, hindering SeyCCAT's ability to use some of the proceeds towards meeting increasing administrative cost. This led to the need to develop SeyCCAT's first business plan that proposed an amendment to this provision to enhance its financial sustainability (Personal Communication, 2021).

Founding document

SeyCCAT's foundational document is an Act of Parliament: the Conservation and Climate Adaptation Trust 2015 (Conservation and Climate Adaptation Trust of Seychelles Act, 2015) and subsequently amended by the Conservation and Climate Adaptation Trust (Amendment) Act, 2022 (Conservation and Climate Adaptation (Amendment) Act, 2022). The details of the Trust including the objectives, the composition of the Board of Directors, sources of funding, among other things are set out in law. Placing the founding document in Act of Parliament has the seeming advantage of permanence as changing a law can be quite challenging and requires a majority vote of the members of Parliament. However, it is equally disadvantageous as it places the whole deal in the hands of the host country's parliament that can opt to amend and repeal provisions of the Act (Jiang & Cao, 2024). This is a well-known risk of investing but there are risk mitigation mechanisms that are often employed such as, inter alia, guarantee schemes and reputational pressure. The debt-for-nature swap between TNC, the Government of Seychelles and SeyCCAT remain confidential and therefore, it is unknown how this may have been dealt with.

Furthermore, the fact that SeyCCAT was created by legislation, that is to say, law by the Parliament, it inherited links with the National Assembly of Seychelles with a provision specifically imposing an obligation for SeyCCAT to present its work plan and budget to be presented by the Minister and laid before the National Assembly (s.25 CCAT, 2015). This potentially means that the balance that is struck in favour of non-governmental organizations in the composition of the Board of Directors is undone with the National Assembly having final oversight over the work plan and budget of the Trust. Although, this was subsequently repealed (s. 20 CCAT (Amendment) Act, 2022).

Governance

SeyCCAT is a public-private partnership between TNC and the Government of Seychelles. This is further reflected in the legislation through the governance arrangement of the Trust. First, the Trust consists of a Board of Directors primarily responsible for the management of funds of SeyCCAT (s. 7(1) CCAT, 2015). Their work is supported by technical experts sat in the Committees, such as the Blue Grants Committee responsible for recommending projects for funding and Finance Committee responsible for providing finance advice to the Board (s. 13 (1) CCAT, 2015). The Secretariat is headed by a Chief Executive Officer (s. 12(2) CCAT, 2015).

The Board of Directors consists of two ex-officio directors nominated by the Government of Seychelles and The Nature Conservancy (s.7 (2) (a) CCAT, 2015). The quorum for a meeting shall be the two ex-officio directors and 5 of the board members (s.11 (5) CCAT, 2015). In the last ten years of SeyCCAT's life, the nominee for the Government of Seychelles has been the Minister responsible for Finance in Seychelles. Under the voluntary Practice Standards of Conservation Trust Funds, 2020, having ex-officio directors with essentially veto powers were deemed an outdated practice (Bath et al., 2020). However, the justification has been linked to the repayment of the loan, hence the importance of the Minister of Finance and The Nature Conservancy. It raises the question as to whether governance would remain the same following the completion of the loan repayment. Further, although TNC is currently the biggest donor to

SeyCCAT, this may change in the future and other donors may request for similar conditions and this may affect the ability to yield to this request because of the legislation.

SeyCCAT is non-governmental in nature. This is indicative of its independence from the Government and its autonomy. The Board of Directors of SeyCCAT is not dominated by any one stakeholder. This is reflected in the composition of its multi-stakeholder Board with the majority of the Board being representatives of non-governmental organizations. This multistakeholder balance provides different advantages. On one hand, having representative government officials shows a political commitment to the Fund as well as a fiduciary duty to the Trust (s.16 CCAT, 2015) and particularly with the Minister of Finance responsible for the Act (s.2 CCAT, 2015). On the other hand, having majority representative from non-governmental organisations is a requirement for some funding organizations. Some international donors will not contribute to the Trust Fund if it is “controlled” by the Government and further, argues that such models provide a conducive decision-making environment with greater transparency, stakeholder buy-in and engagement and continuity that survives changes in government administration (Bath et al., 2020). The latter was seen in October 2020, when Seychelles had a change in government administration and although, 3 Board members were altered, the majority remained and there was limited disruption in the work of the Trust.

Finance

With the objective of showing early successes and maintaining long-term sustainability (Guerin-McManus, 2001), SeyCCAT has both a sinking fund through both the debt-for-nature swap and the sovereign blue bond and an endowment fund from the proceeds of the debt-for-nature swap. The early successes can be seen through the projects funded by the Blue Grants Fund (SeyCCAT, n.d.) but with the expectation that in 2036, the endowment fund will mature with a US\$ 6.6 million to support operating costs after 2036 (Convergence, 2017). However, in practice, the Blue Grants Fund has been more successful in attracting supplementary income from the Blue Nature Alliance, Critical Ecosystem Partnership Fund, Trois Freres Distillery and the proceeds of the sovereign Blue Bond. At present, the BEF is only capitalized by the proceeds of the debt-for-nature swap and has not been successful in attracting funding to the endowment. This may be attributed to the fact that most donors would like to know what activities their monies will finance and within a specific period. This is difficult to predict for funding that will only be used after 2036. Furthermore, the BEF, based on the current operational documents, may not have the flexibility of having the Trust draw from the BEF prior to 2036 should a donor make this a condition for support. Hence, this may be a likely challenge for growing the BEF.

Sources of funding

Despite only having to manage the proceeds of the debt-for-nature swap at its inception, it still required an office, staff and other administrative support with the drafting of manuals to guide operations, investments and distribution of the grants. For the first two years, s.26 CCAT, 2015 allows for more than 15% of the income of the debt-swap revenue to go towards meeting administrative costs to meet the initial set up costs (s. 26 CCAT, 2015). Nevertheless, additional support was required and was received from UNDP and GEF.

Location of the assets and Trust

SeyCCAT and its assets are located in Seychelles. There was no escaping the words of caution of Guerin-McManus. That is, that having the Trust situated in the host country creates the perception of local ownership, but it does risk being seen as closely aligned with the Government (Guerin-McManus, 2001). The case for a locally managed Trust fund inspires trust in the local community whilst still meeting the narrative and financial reporting requirements of institutional investors and philanthropic organisations. One of the key assets of SeyCCAT is the BEF that is managed by a private investment management fund registered in Seychelles. Following the criticism levelled at Kiribati's Pheonix Islands Protected Areas for having its Endowment Fund domiciled in the US as eluding parliamentary scrutiny, the Seychelles model steps away from this model (Mallin et al., 2019). However, it faced many challenges which may be indicative of the reason why the Belize' super blue bond holds its Endowment Fund in the US.

Legislative design since 2021: Lessons learned

In designing a Trust Fund, it is evident that it must have “a set of clear objectives, governance structures, financial structures, staff and the ability to operate independently, flexibly and efficiently” (Guerin-McManus, 2001 p. 8). This rationale resonated with many of the interventions made by the members of parliament who argued that the legislative changes required were more linked to making SeyCCAT operate more efficiently and nimbly (Seychelles, 2022). After some five years in operations, there were clear lessons learned that required amendments to the legislation. The objectives of the amendments related to increasing its ability to take on new opportunities, ensure its financial sustainability and increase its agility and autonomy in dealing with new realities.

Legislation must foresee potential and growth

Although SeyCCAT was created as a SPV for the debt-for-nature swap, but its potential was greater than that. The Trust Fund is now known for its potential as a vehicle to channel external funds into the country in a way that assures transparency and investor confidence. Only 3 years after the creation of SeyCCAT, it entered into an agreement to manage US\$ 3 million of the proceeds of the sovereign blue bonds with US\$ 1.5 million dedicated to ‘trial and nurture business models to secure the sustainable development of Seychelles’ blue economy’ (World Bank, 2018). Further in 2021, a private sector company sought to make annual donations to SeyCCAT to administer as a blue business grant to support young entrepreneurs (Seychelles Nation, 2022). This raised concerns by some stakeholders that SeyCCAT took a restrictive view of the objects of SeyCCAT and argued that these were beyond the mandate of SeyCCAT as it did not closely align to conservation efforts only. However, others argued that social enterprises or blue enterprises were the most effective means of having sustainable finance and creating sustainable livelihoods that were not dependent on the ebbs and flows of grants by providing a profit-driven business model. The implication of the former argument is that SeyCCAT could not have taken on these new opportunities. So as to avoid doubt and provide the required clarity that would also, serve to broaden SeyCCAT's potential whilst not straying too far from its niche, the legislation was amended to introduce section 5(b) of the CCAT, 2015 as one of the objects:

(b) explore, develop or administer any fund or source of funding, including but not limited to bonds, endowments, grants, investments, loans, guarantees or securities for the benefit of conservation, climate adaptation and mitigation or sustainable blue economy development. (s 5 (c) CCAT (Amendment) Act, 2022)

Financial sustainability and space for growth

With new opportunities comes increasing workload and therefore, a need to meet administrative expenses such as the remuneration of personnel. At the time, it was perceived that SeyCCAT would only be managing the proceeds of the debt-for-nature swap and at the time with staffing of 1.5 persons – a Chief Executive Officer and a part-time Executive Assistant – with the main tasks of repaying the impact loan, administering the BGF worth US\$ 200,000 and transferring US\$ 151,000 to the BEF for investment. In 2022, SeyCCAT was offering US\$ 725,000 as grants through the BGF and managing external grants worth around US\$ 5 million. At the point of origin, it may have been justified that the legislators wanted to maximise funding to projects and conservation. However, it fails to foresee the growth and the administrative expenses that SeyCCAT will have to successfully sustain this growth and its operations. The 2015 legislation only authorised for payment for any reasonable remuneration for services and any expenditures incurred in the furtherance of the objects and purposes under this Act if it did not exceed 5% of the annual revenue of the Trust (s. 6(3) CCAT, 2015). This 5% limitation was repealed (s.6 CCAT (Amendment) Act, 2022). Further, s.26 CCAT, 2015 is amended to remove the 15% limit of the use of income of the debt-swap revenue to increase it to “up to 30% of the debt swap incomes” (s.21 CCAT (Amendment) Act, 2022). It should be noted that the other source of revenue of Trust funds is management fees but in turn, creates a ‘chase the dollar’ business model rather than long-term financial sustainability which this amendment provides. The management fees, therefore, is seen as supplementary.

Maintaining flexibility

SeyCCAT was a first for Seychelles in terms of an independent public-private Trust Fund. There was significant ‘learning by doing.’ The CCAT, 2015 provides for the making of rules and regulations. Both are interpreted to be statutory instruments recognised as part of the laws in Seychelles. However, since the enactment of the CCAT, 2015, there has been no rules nor regulations made under this Act. With such a novel innovation and young organization having rules and regulations made by the Minister may be deemed as unnecessarily burdensome at such an early stage. In order to strike the balance between standards-setting and maintaining donor confidence in the way its funds are being administered, it is important that SeyCCAT is able to reflect new realities, lessons learned and evolve with national priorities and the environment. Therefore, SeyCCAT can make rules that can be binding on itself as part of their operations manual, but the manual will not be deemed as part of the laws of Seychelles. A new subsection was introduced to give power to the Board to make rules (s.24 (b) (i) CCAT (Amendment) Act, 2022) relating to the procedures, operations and investment guidelines and other related matters but specifically introduces a section that the word “rules” shall be construed as guidelines that are binding on the Trust and such rules do not form part of the laws of Seychelles (s. 24 (c) CCAT (Amendment) Act, 2022).

Maintaining balance in favour of non-governmental organization

The members of the National Assembly were very preoccupied with relinquishing their privilege to have the work plan and budget of SeyCCAT laid before them (Seychelles, 2022). The 2022 Amendment Act introduces a provision where the Minister of Finance submits a report of the activities and operations of the Trust and its audited accounts to the National Assembly rather than having it tabled to the National Assembly for consideration and deliberation (s. 22 CCAT (Amendment) Act, 2022).

Beyond legislation

And yet, not all lessons learned can be remedied through legislative clarity. There are other lessons learned that is beyond what can be legislated for. In March 2020, the Government of Seychelles legally designated 30% of its EEZ as marine protected areas and now the focus is on effective management (State House, 2020). The Government of Seychelles is usually, the co-manager of most marine protected areas and therefore, requires significant resources to take on this responsibility (Nature Reserves and Conservancy Act, 2022). The Seychelles model highlighted that the majority of the projects funded by SeyCCAT were community driven with very few projects led by government or government agencies (SeyCCAT, n.d.). This informed the way in which the Belize's Super Blue Bond was structured with a specific allocated set aside for the government and government agencies (Blue Bond Loan Act, 2021). Further, these Trust Funds are often seen as the 'new kid on the block' and creating tensions with other existing non-governmental organizations and other existing national Trust Funds. The 'new kid on the block' may have appeal to donors but national government-owned Trusts may be prioritised over these Trust Funds by government officials. An example of this was seen in Seychelles. In 2020, the Government of Seychelles introduced a voluntary collection of contributions for the environment protection from arriving visitors and citizens to Seychelles ("Environment Trust Fund Receives More than R10 Million in Donations from Travellers," 2022). Although, the legislation is broad in terms of revenue that SeyCCAT can accept (s. 22 (1) CCAT, 2015), the government-controlled Environment Trust Fund was favoured. Hence, SeyCCAT can be seen as a competitor to government-managed Funds and sources of funding that could be going directly to government. This also, raises difficult question of how fiduciary duties are exercised to SeyCCAT by government representatives.

Finally, all members of Parliament during the revision processes highlighted that accessibility to the grants remained a persistent issue whilst acknowledging that SeyCCAT itself had obligations to donors. They called for the application process to be simplified and made more accessible to individuals and organisations without extensive experience in writing grant proposals (Seychelles, 2022). At the time, several steps had been taken including the translation of all application materials in Seychellois Creole, annual capacity-building sessions, the development of application manuals, among other things (Personal Communication, 2021).

Conclusion

Marine Conservation Trust Funds present a promising mechanism for channelling blended finance into ocean protection and sustainable blue economies. Foreign investors and donors are provided with a manager of their proceeds that is independent but with a close relationship with the Government. Simultaneously, the funds manager can meet the often-onerous narrative and financial reporting requirements of the donors and investors whilst providing contemporary, contextualized advice on the most effective way to utilize their funds. This represents an opportunity for efficiency, effectiveness and impact. The locally managed Trust Fund also, serves as a trusted intermediary staffed with people who can connect with local communities and make necessary adjustment to the national contexts. Furthermore, the potential of marine conservation Trust Funds is not merely delivering on one deal. Seychelles is evidence that Trust Funds have the capability of attracting additional finance beyond its initial capitalization.

The SeyCCAT case demonstrates that legislative design must balance multiple imperatives: institutional permanence, operational flexibility, and stakeholder confidence. Key lessons from SeyCCAT's evolution include the importance of anticipating institutional growth, maintaining independence while ensuring accountability, and creating adaptive governance structures. The 2022 amendments to SeyCCAT's founding legislation illustrate how legal frameworks can evolve to support operational efficiency while maintaining donor confidence and local ownership. However, legislation alone cannot address all challenges. Issues like stakeholder accessibility, competition with government-owned funds, and effective grant-making require ongoing operational innovation. As more countries establish similar trust funds, SeyCCAT's experience offers valuable insights for designing robust, adaptable institutions that can effectively bridge global finance with local conservation needs.

Disclaimers

Angelique Pouponneau served as the Chief Executive Officer of the Seychelles Conservation and Climate Adaptation Trust (SeyCCAT) from 2019 to 2022. Stefan Knights was engaged as a consultant by SeyCCAT to conduct legislative revisions to the Conservation and Climate Adaptation of Seychelles Act of 2015.

The authors declare that this article did not benefit from research funding. The authors also declare no conflict of interest in writing this article.

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