Economic and Social Commission for Western Asia (ESCWA)

First Advisory Committee Meeting on Operationalizing the Climate/SDGs Debt Swap Mechanism
Beirut, 19 March 2021 (virtual meeting)

INFORMATION NOTE

I. BACKGROUND

The United Nations Economic and Social Commission for Western Asia (ESCWA) launched a Climate/SDGs Debt Swap Initiative in the Arab region in 2020. The initiative is establishing a Debt Swap Mechanism (DSM) that can support member States overcome challenges of climate finance, high debt burdens, and fiscal pressures that are exacerbated by the adverse impact of the COVID-19. The DSM also provides opportunities for debtors, creditors and donors to accelerate the implementation of the Sustainable Development Goals (SDGs) and Paris Agreement commitments, while achieving climate-sensitive national development objectives.¹ The launch of the DSM is timely and pursuant to the outcomes of the 2020 United Nations High-level Meeting on Financing for Development, which set out a menu of options for consideration by Heads of State and Government, and includes the use of debt swaps as a way to assist countries that are facing high debt burdens.²

Stakeholders, including high level representatives from member States, creditors, reputed global experts, and development partners discussed the DSM in a first consultation meeting on 15 December 2020. The meeting concluded with useful feedback received on different aspects of conceptualizing and operationalizing debt swaps for climate finance.

ESCWA subsequently established a network of key reputed experts in the cross-cutting area of debt swap and climate finance to serve as an Advisory Committee to support the operationalization of the DSM. The composition of Advisory Committee includes high level experts, who may formerly or presently hold public office, who have contributed to implementing bilateral debt swaps, debt for nature swaps, or both, in the region or in other parts of the world. The reputed experts also include academics and experts who have networked with creditors and donors.

¹ ESCWA, 2020. Climate/SDGs Debt Swap Mechanism; more details are available in the ESCWA background paper, “Debt Swap for Climate and SDGs Finance in the Arab Region”.
II. Objectives of the Meeting

The objectives of this first meeting are the following:

➢ Discuss global developments and initiatives in debt swap for climate and SDG finance as a means of debt relief and inclusive green recovery;
➢ Discuss pilot case(s) for operationalizing the DSM, including the development of technical assessments, term sheets, and role of ESCWA in implementation arrangements, taking into consideration debtors, creditors, and donors’ perspectives;
➢ Discuss and clarify the role of the advisory committee and engagement expected from the esteemed members during the course of operationalizing the DSM.

III. Participants

The meeting is limited to the members of the Advisory Committee formed to support the operationalization of the Climate/SDGs Debt Swap Mechanism and ESCWA.

IV. Organization of the Meeting

This first meeting of the Advisory Committee will be held on 19 March 2021. The meeting will be held virtually. The meeting will begin at 14:00 and conclude by 16:30 (Beirut time, GMT+2). Committee members will receive the final meeting agenda, list of participants and link to the online meeting the week prior to the meeting. Discussion will be undertaken in the English language. There will be no interpretation provided during the meeting.

V. Correspondence

For any inquiries, kindly contact the following meeting focal points:

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