

Concept Note

Policy Lessons from Sovereign Debt Swaps in Ecuador, Gabon, Egypt, and Côte d'Ivoire

Background and Rationale

The persistent debt vulnerabilities of developing countries and the urgent need to scale up financing for climate and sustainable development have renewed global attention to sovereign debt swaps as an innovative financing mechanism. Historically, initiatives such as the Brady Plan (late 1980s) and the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI) (1990s) established important precedents for linking debt relief to development outcomes.

While these earlier programs focused on comprehensive debt restructuring and macroeconomic stabilization, recent **debt-for-nature** and **debt-for-development swaps** have evolved into more targeted, project-based operations. These new models combine debt relief with concrete commitments to environmental conservation, education, and climate adaptation, often supported by guarantees and blended-finance structures from international financial institutions.

This seminar will explore the recent experience of Ecuador, Gabon, Egypt, and Côte d'Ivoire in debt-for-climate and debt-for-development swaps, and the effectiveness and scalability of debt swaps as part of the broader architecture of sovereign debt management, climate finance, and multilateral reform.

The seminar aims to:

- Trace the evolution of debt relief mechanisms from Brady Bonds and HIPC/MDRI initiatives to modern debt-for-climate and debt-for-nature swaps.
- Compare design features and policy objectives in Ecuador, Gabon, Egypt, and Côte d'Ivoire swaps.
- Assess outcomes in fiscal sustainability, governance, and developmental impact.
- Identify policy recommendations for future debt swaps.

Guiding Questions

- How do modern debt swaps differ in design and objectives from past ones?
- What have been the main challenges and lessons from recent swaps in Ecuador, Gabon, Egypt, and Côte d'Ivoire?
- What is the role of credit enhancements such as the World Bank Policy Based Guarantee and blended finance in sustainable outcomes?
- How can multilateral institutions, development banks, and the private sector collaborate to scale and standardize such instruments?
- What governance, monitoring, and transparency mechanisms are essential for ensuring accountability and long-term sustainability?

Moderator

Daniel Munevar Sastre

Alternate Executive Director (representing Colombia), IMF

Panelists / Presenters

- **Ishac Diwan**
Professor of Economics, American University of Beirut and Director of Research, Finance for Development Lab, Paris School of Economics
Member of Stiglitz Commission on Debt and Development Crises
Former Director, World Bank Group
- **Joan Prats Cabrera**
Sector Principal Specialist, Financial Markets
InterAmerican Development Bank
- **Ayesha Bery**
Associate Director,
Convergence Blending Global Finance
- **Iyabo Masha**
Director, The G24

AGENDA

<i>Time</i>	<i>Description</i>
8:30–8:40 AM	<i>Welcome Remarks</i> Ms. Gladys Ekwere, Senior Advisor, ED25, World Bank Group and Chair, G24 Bureau
8:40–9:55 AM	<i>Speakers' presentations</i> <ul style="list-style-type: none"> • Presenters (10-15 minutes) • Open discussion (15-30 minutes)
9:55–10:00 AM	<i>Closing Remarks</i> Iyabo Masha, Director, The G-24