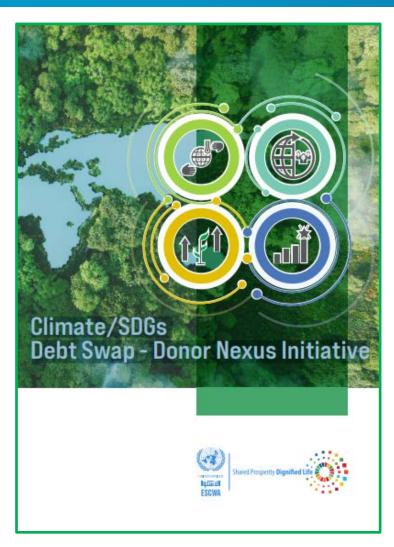
## Climate/SDGs Debt Swap - Donor Nexus Initiative





### CREDITOR'S BENEFIT

- Supports accelerating the implementation of SDGs and the Paris Agreement;
- Advances meeting global adaptation/mitigation targets;
- Reduces risk of default on other debts due to the 'feel good factor';
- Reduces risk of moral hazard and fungibility of investments;
- Ensures debtor's expenditure commitment to climate action/ SDGs through public budgets;
- · Enhances socioeconomic stability.



#### DEBTOR'S BENEFIT

- · Debt relief/fiscal benefits:
- Increases investment in climate resilient projects;
- Accelerates SDGs and the Paris Agreement implementation;
- Supports national adaptation and mitigation commitments/targets;
- Increases donor's support for climate/green investments;
- Increases sustainable public investment without additional pressure on public budget;
- Promotes economic transformation/ diversification/private sector opportunities;
- · Increases job creation;
- Improves livelihoods and reduces inequality;
- Advances local community development and women's empowerment.



#### DONOR'S BENEFIT

- Increases opportunity to provide grant support toward achieving climate/SDGs - related actions:
- Avoids transaction costs related to complex process of engaging with national stakeholders:
- Avoids direct monitoring of implementation of grants:
- Reduces risk of moral hazard and fungibility of grants;
- Scales-up resources for climateresilience projects and SDG actions:
- Increases partnership opportunity for climate/SDG actions with public and private actors.

# Operationalizing the Swap

