

17.30 DEBT FOR NATURE SWAPS

NOTING that "debt for nature" swaps can in some circumstances afford an excellent opportunity for funding natural resource management institutions, conservation projects and programmes in developing countries with heavy debt burdens;

RECOGNIZING that the debt of more heavily indebted countries is frequently sold in the secondary market at substantial and growing discounts;

AWARE that these discounts present an unprecedented opportunity for developing nations to negotiate the exchange of outstanding debt for certain conservation obligations;

WELCOMING the initiative displayed by nongovernmental organizations (NGOs) in certain developed and developing countries to conclude transactions in cooperation with their respective governments;

RECALLING the experience of Costa Rica in "debt for nature" swaps;

NOTING that among the procedures that may be considered under such circumstances are:

- a. The exchange of foreign debt for local currency, local bonds or certain conservation obligations (e.g. allocation of land for conservation use);
- b. The transfer of ownership of debt by private commercial banks in developed countries, whether by acquisition, donation or pledge, for the purpose of financing conservation projects and programmes in developing countries;
- c. Tax incentives to promote such transfers;

The General Assembly of IUCN, at its 17th Session in San Jose, Costa Rica, 1-10 February 1988:

1. **STRONGLY URGES** concerned governments to consider these opportunities for promoting nature conservation and to take appropriate measures to derive benefit from them.
2. **REQUESTS** the Director General of IUCN, in conjunction with other organizations and within the resources available, to consider the types of debt-swapping mechanisms that might be appropriate in various circumstances and to bring the opportunities in this area to the attention of Ministers of Finance and Directors or Governors of Central Banks, as well as to governmental agencies and NGOs in charge of conservation programmes. The Director General is requested to pay particular attention to the experience of Costa Rica and other countries that are operating such programmes.

