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"DEBT2HEALTH" INITIATIVE LAUNCHED BY GLOBAL FUND

The Global Fund has launched a new “Debt2Health” initiative that could result in substantial finances being received by the Fund. The initiative is a form of “debt conversion”, in which Western governments that are owed money by developing countries agree to cancel a portion of the debt on condition that the developing countries in question invest specified lesser amounts of money in Global Fund-approved programmes.

In the first Debt2Health implementation, the German government forgave 50 million Euros in debt by Indonesia, and Indonesia committed to investing the local equivalent of 25 million Euros in Global Fund programmes in Indonesia. Over the next four years, Germany plans to generate a total of 200 million Euros for Global Fund programmes through this initiative. The Global Fund hopes to enter into future Debt2Health agreements with Kenya, Pakistan and Peru. Further details are available at www.theglobalfund.org/en/files/publications/debt2health/D2HMechanisms.pdf.

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