

# From Debt to Health:

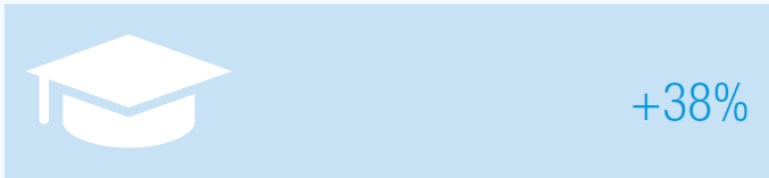
## Lessons from Indonesia's Trilateral Debt Swap Agreements

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The D2H mechanism provides a vehicle to convert debt into **additional funding for lifesaving programs aligned with national health strategies**, incentivizing debtor countries to increase their health investments. The **D2H model is flexible** and can be tailored to meet the specific requirements of creditor governments, while benefiting from the Global Fund's **rigorous standards for compliance and transparency**.

# Interest payments are outpacing growth in critical public expenditures

## Education



## Health



## Interest

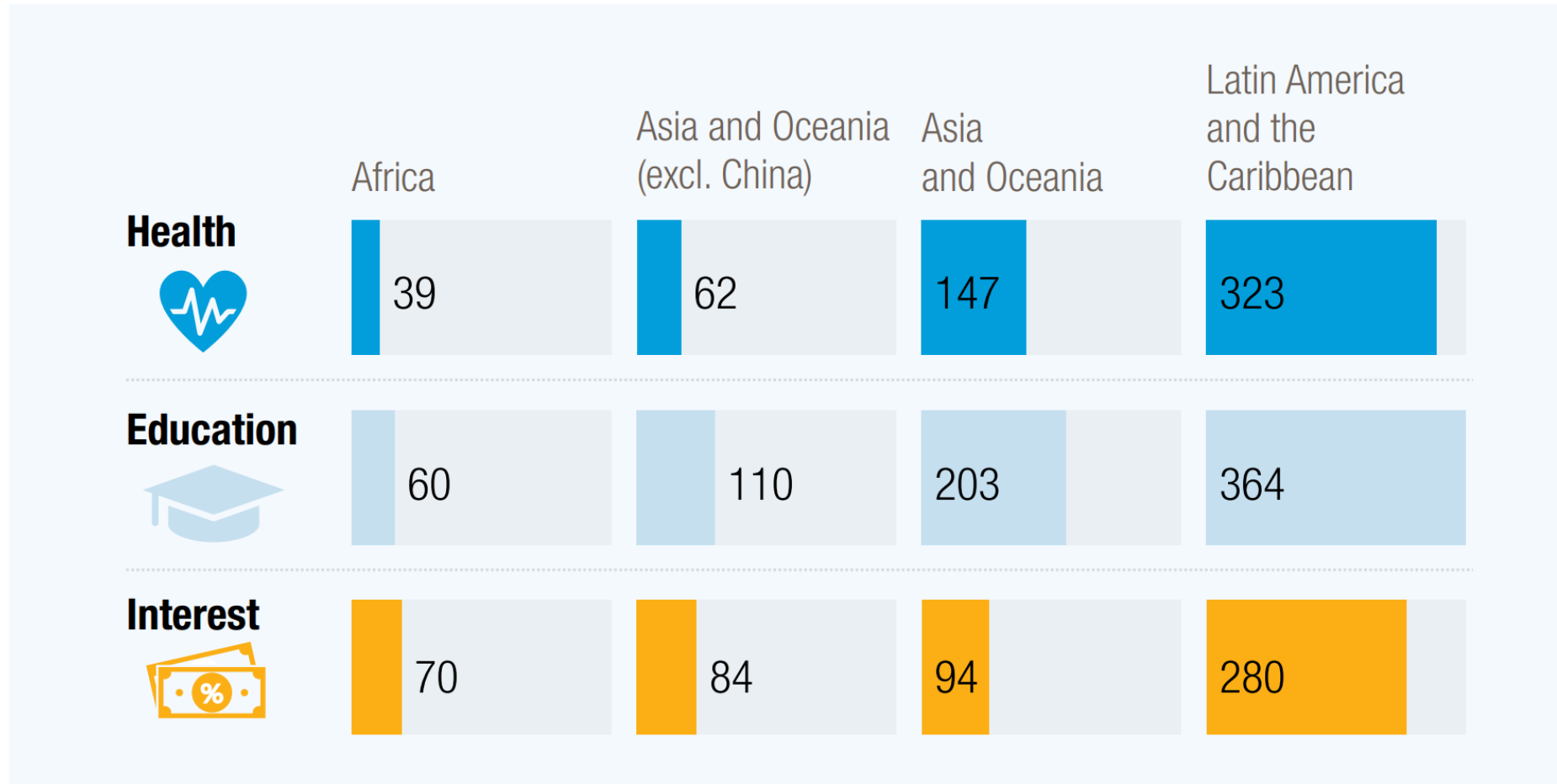


**Nominal change (%) in public expenditure categories in developing countries between 2010-2012 and 2020-2022**

Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024) and World Bank, World Development Indicators.

Note: Change in aggregate expenditures for developing countries, average for 3-year period. Interest refers to net interest payments.

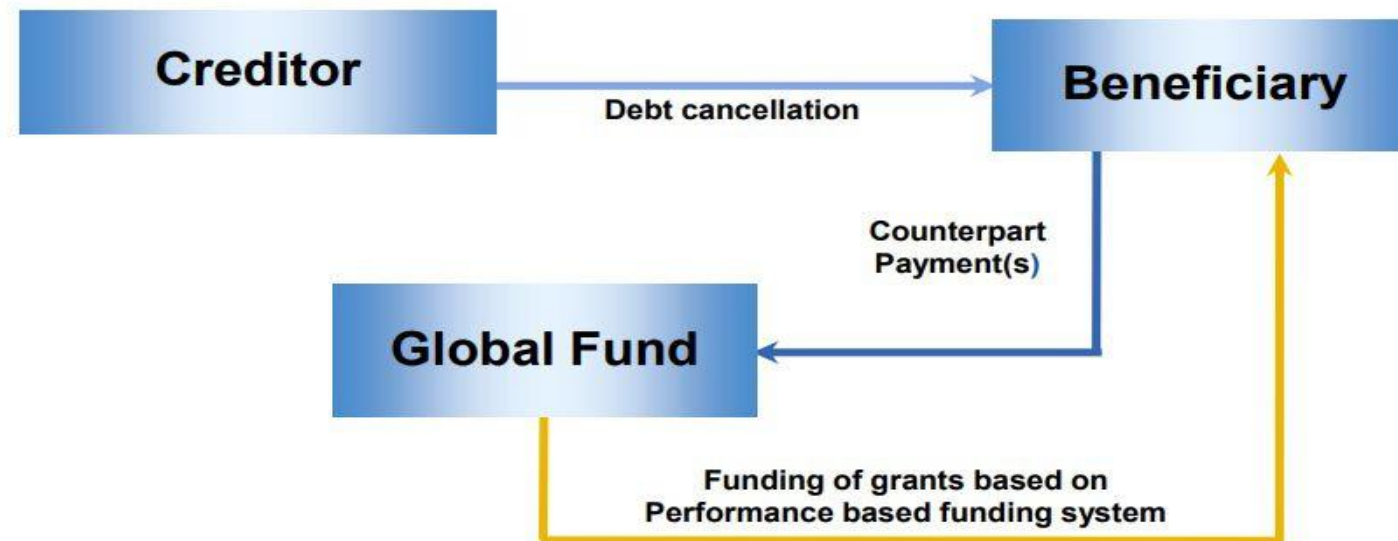
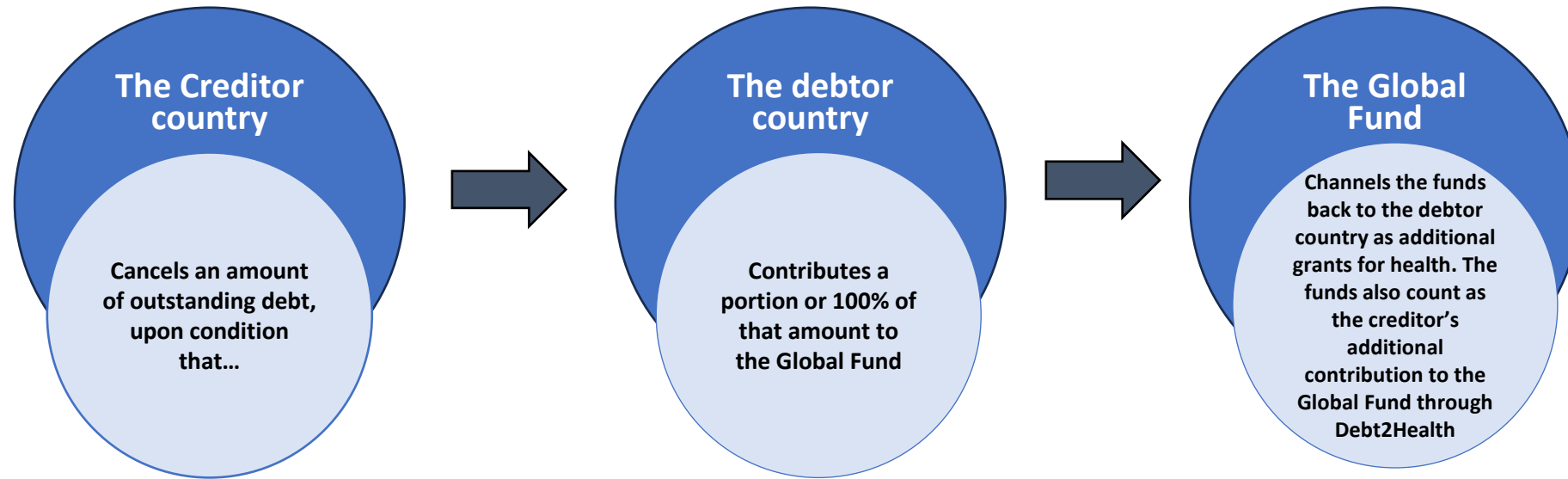
# ...and this is more prominent in some regions compared to others



Public expenditure per capita on net interest, education and health in US\$ (2020-2022)

Source: UN GCRG - technical team calculations, based on IMF World Economic Outlook (April 2024) and World Bank, World Development Indicators.  
Note: Aggregate expenditures for developing countries. Interest refers to net interest payments.

# Debt2Health (Global Fund)



# Debt2Health Agreements To Date: **fourteen transactions, fourteen countries**

**Four Debt-to-Health swaps** involve Indonesia: **2007, 2010, 2021 and 2024** for HIV, TB and Malaria programs, resulting in nearly **US\$ 201 million in health investments and US\$ 272 million debt cancelled.**

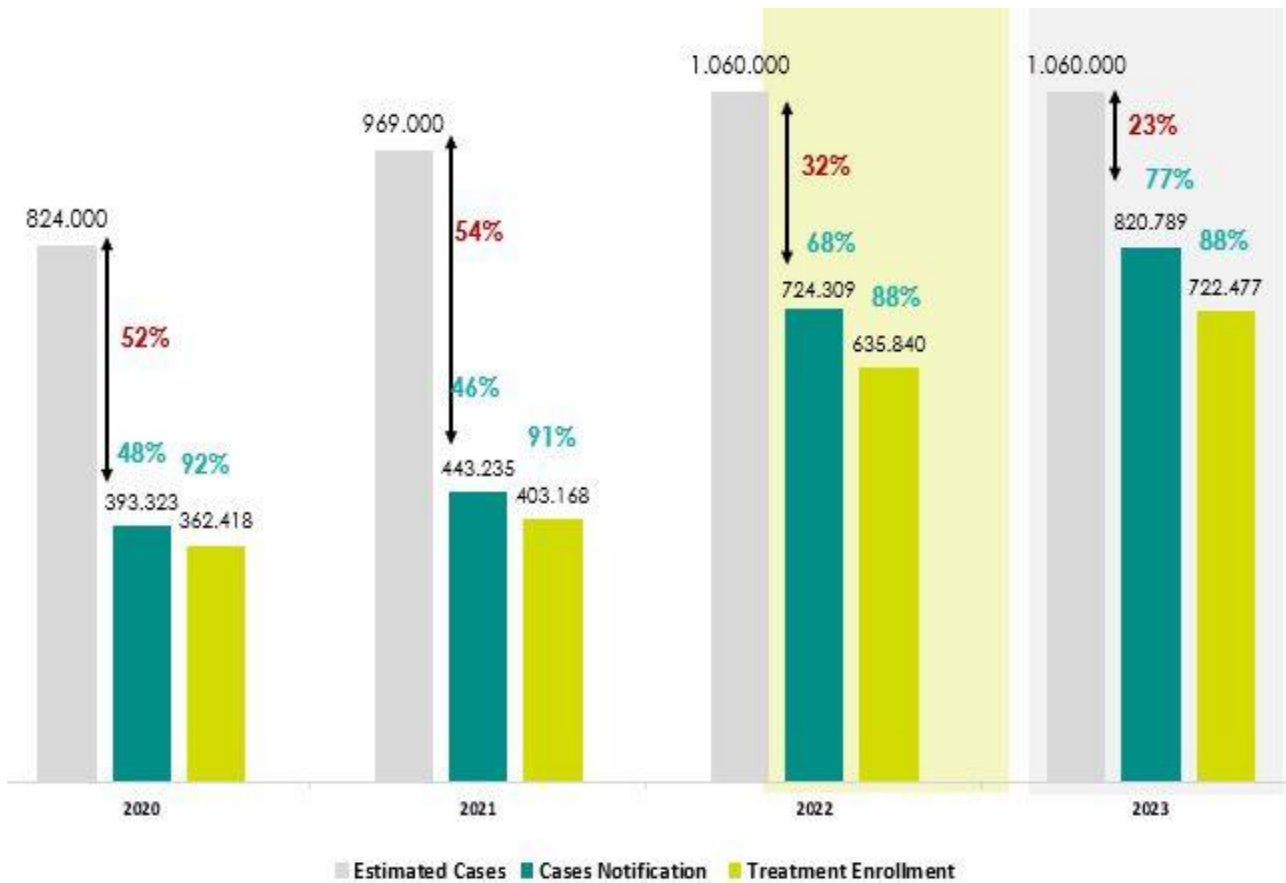
Debt2Health Agreement	Signed	Health investments	Debt cancelled	Benefiting Program	Status <sup>1</sup>
Germany – Indonesia	Sep'07	US\$ 35m	US\$ 70m	HIV/AIDS	Closed
Germany – Pakistan	Nov'08	US\$ 26m	US\$ 53m	Tuberculosis	Closed
Australia – Indonesia	Jul'10	US\$ 35m	US\$ 71m	Tuberculosis	Closed
Germany – Côte d'Ivoire	Sep'10	US\$ 13m	US\$ 25m	HIV/AIDS	Closed
Germany – Egypt	Jun'11	US\$ 5m	US\$ 10m	Malaria (Ethiopia)	Closed
Spain – Cameroon	Nov'17	US\$ 10m	US\$ 27m	HIV/AIDS	Closed
Spain – DR Congo	Nov'17	US\$ 3m	US\$ 8m	Malaria	Closed
Spain – Ethiopia	Nov'17	US\$ 4m	US\$ 9m	RSSH	Closed
Germany – El Salvador	Feb'19	US\$ 11m	US\$ 11m	RSSH	Implementation
Germany – Jordan	Dec'20	US\$ 11m	US\$ 11m	MER <sup>2</sup>	Implementation
Germany – Indonesia	Apr'21	US\$ 56m	US\$ 56m	Tuberculosis	Implementation
Germany – Sri Lanka	Jun'21	US\$ 16m	US\$ 16m	RSSH	Implementation
Germany – Mongolia	Dec'24	US\$ 29m	US\$ 29m	HIV/AIDS, TB, RSSH	Implementation
Germany – Indonesia	Dec'24	US\$ 75m	US\$ 75m	TB, Malaria, RSSH	Implementation

1. The Debt2Health funding cycle: Prospecting ⇒ Negotiations ⇒ Signing ⇒ Implementation ⇒ Closed

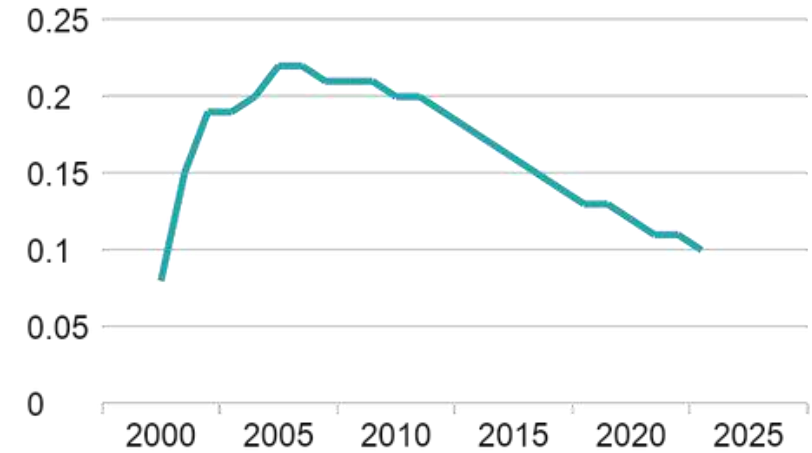
2. The [Middle East Response \(MER\) initiative](#) provides essential HIV, TB and malaria services to key and vulnerable populations including refugees, internally displaced people, women and children in Iraq, Palestine, Syria and Yemen, as well as to Syrian refugees in Jordan and Lebanon

# Illustration : Debt2Health Improving Indonesia Health Program Outcomes

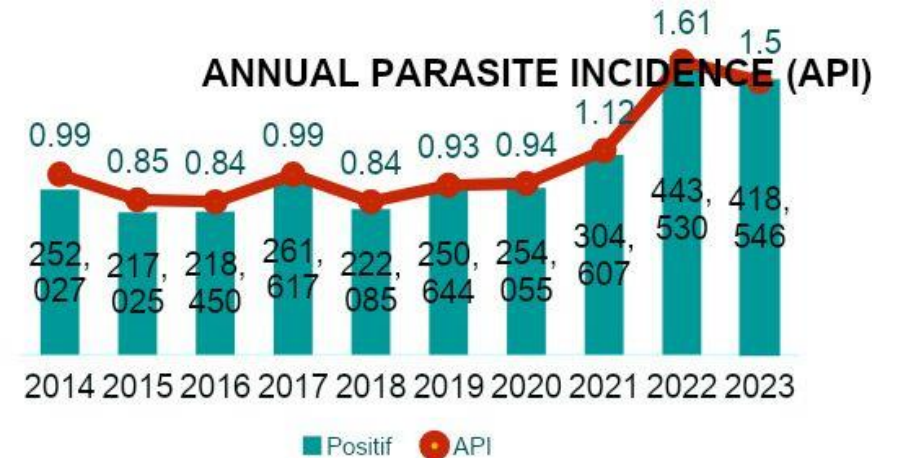
“Between 2015 and 2019, Treatment success rates of diagnosed tuberculosis rose from 39% to 67%, Indonesia TB case notification has positive trend reaching 77% in 2023”



“ Significant Declining in HIV/AIDS Incidence since 2010 at 50%”








“ Keeping API Malaria at low Rates”








# Debt to Health in Indonesia: Then and Now

2007

-  **Lower-middle** income country
-  **Debt Swap Task Force**
-  **Consulted many different stakeholders**
-  **1 : 2 debt cancellation**
-  **Part of proposal to GFATM**

2024

-  **Upper-middle** income country
-  **≠ Debt Swap Task Force**
-  **Identified counterparts**
-  **1 : 1 debt cancellation**
-  **GFATM's Unfunded Quality Demand**

# Recommendations for Future Innovative Financing Mechanisms

## Lessons from the Debt-to-Health experience



### **Serves as a solution to specific problem**

- GAVI's IFFIm: frontloading resources
- GAVI's Advance Market Commitment (AMC) : RoI upfront
- D2H: increase fiscal space



### **Use existing mechanisms, where possible**

- Use what already works



### **Find champions**

- Consult as many stakeholders as possible, to both shape and fine tune

**Thank you**  
•  
**Terima kasih**  
•  
धन्यवाद