



Innovative Financing of the Global Fund

Debt2Health

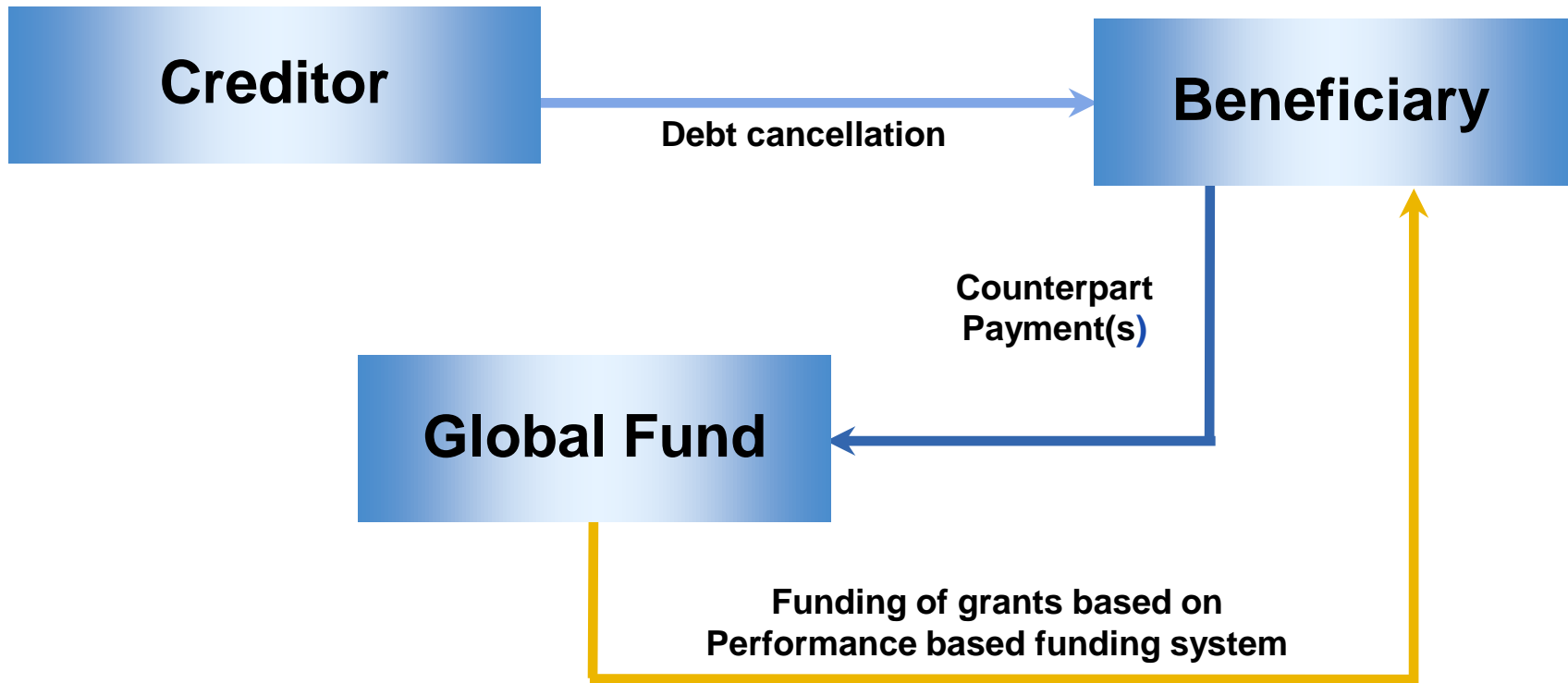
OECD Global Forum on Development

Robert Filipp

What is Debt2Health?

- bilateral debt swap but using existing Global Fund system for disbursement and results
- increases resources for global health
- increases local investment in health

The Mechanism



Incentives for the Beneficiary

- debt stock reduction
- discount
- up-front debt cancellation
- no foreign currency
- investment in health
- political visibility as donor/ co-financier

Incentives for the Creditor

- ODA
- aid harmonization/ Paris Declaration
- resources for health
- political visibility

Incentives for the Global Fund

- increase in resources
- increase in national ownership
- credibility of & trust in Global Fund system

Value of Global Fund in DebtHealth

- up-front debt cancellation
- demand-driven programming
- country ownership
- performance-based funding
- independent audit

Contracts Signed

- **Framework Agreement on Debt2Health with Germany for US\$283 million (years 2007-10)**
- **First Debt2Health Agreement**
 - ◆ Conversion of €50 million at 50% discount between Germany, Indonesia



Debt2Health is Supported by:

