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Indonesia, Germany agree to use debt funds to fight disease

Jakarta (dpa) - Indonesia and Germany agreed on Monday to convert 50 million euros (77.5 million dollars) of the country's debt into a health programme to fight AIDS, tuberculosis and malaria in the world's fourth-most-populous nation.

Under the so-called Debt2Health programme, which functions similar to a debt swap, Germany agreed to cancel 50 million euros of Indonesian debt while Jakarta agreed to invest half of the amount in public health programmes in the country, supported by the Global Fund.

"This programme allows us to turn debt into new resources for health in Indonesia," said Rahmat Waluyanto, director-general of debt management at the Finance Ministry, after signing the agreement.

"We hope other lending countries will join this initiative and offer similar agreements to Indonesia and other countries struggling with high disease burden and high levels of debt service."


HIV/AIDS, tuberculosis and malaria remain serious threats in Indonesia. The country has approximately 170,000 HIV carriers and the highest number of tuberculosis patients in South-East Asia, with 150,000 people dying of tuberculosis every year. Close to 100 million Indonesians also live in areas susceptible to malaria.

Germany was the first creditor country to offer Indonesia debt swap arrangements. Six debt swap agreements between the two countries have so far been implemented with a total sum of 143.56 million euros, including the Debt2Health programme.

"The Debt2Health is a win-win situation for Indonesia, Germany and the Global Fund," Baron Paul von Maltzahn, the German ambassador to Indonesia, said in a statement.

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