Almost 70 years of KfW
Financing with a public mission

- Promotional bank of the Federal Republic of Germany
- Established in 1948 as Kreditanstalt für Wiederaufbau
- Shareholders: 80% Federal Republic, 20% federal states
- Headquarters: Frankfurt am Main (Germany)
- Representative offices: about 80 offices and representations worldwide (in Jakarta since 1998)
- Balance sheet total 2015: EUR 503.0 billion
- Financing volume 2016: EUR 81 billion, thereof EUR 35 billion for environmental and climate protection projects
- 5,800 employees (2016)
- Best long-term rating: AAA/Aaa/AAA
Introducing KfW
A bank with a wide array of functions

### Domestic Promotion

<table>
<thead>
<tr>
<th>We promote Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Area Mittelstandsbank</td>
</tr>
<tr>
<td>Promotion SMEs, business founders, start-ups</td>
</tr>
<tr>
<td>Business Area Privatkundenbank</td>
</tr>
<tr>
<td>Promotion construction of new housing and modernization as well as education</td>
</tr>
<tr>
<td>Business Area Kommunalbank</td>
</tr>
<tr>
<td>Financing municipal infrastructure projects and loans, Germany/ Europe agency business for Federal Government</td>
</tr>
</tbody>
</table>

### International Business

<table>
<thead>
<tr>
<th>We insure Internationalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Area Export &amp; Project Finance</td>
</tr>
<tr>
<td>International Project and Export finance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>We promote Development</th>
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<tbody>
<tr>
<td>Business Area Promotion of Developing &amp; Transition Countries</td>
</tr>
<tr>
<td>Project and Investment Finance for the private sector</td>
</tr>
</tbody>
</table>

Promotion of environmental and climate protection
German Financial Cooperation with Indonesia
KfW’s soft loan instruments

Indonesian-German Development Cooperation (FC)

**German budget funds**

- **Grants**
  - (Forest Protection, Studies, …)

- **IDA loans**
  - 30y/10y-2%
  - (not applied any more in Indonesia)

**KfW funds**

- **Reduced-interest loans**
  - KfW funds **subsidized by Government funds and German Govt. Guarantee**
  - (only in “Focal Areas” agreed between Bappenas and BMZ)

- **Promotional Loans**
  - KfW funds **subsidized by German Government Guarantee**
  - (also for any other area with a positive development impact)

**Soft Loans** (Official Development Assistance – ODA)
Financing Instruments

Interest-reduced Loans
- Energy
- Solid Waste Management
- TVET

Promotional Loans
- Financial Sector
- Public Transport
- Maritime
- Water Supply / Waste Water

Grants
- Forest Protection
- Biodiversity

…and others
As of March 2016

### Project locations

**Indonesian-German Financial Cooperation**

- **Renewable Energy / Energy Efficiency**
- **Urbanisation / Emission Reduction in Cities**
- **Forest Protection / Biodiversity Conservation**
- **Inclusive Growth (Technical and Vocational Training)**
German Financial Cooperation with Indonesia
KfW’s annual commitments since 2010 (in EUR)
Procurement in various Project Phases

All phases of a project financed by KfW require...

Preparation  Implementation  Operation

... external goods and services: consulting services...

(Pre-) Feasibility Studies  Planning, Tender, Procurement  Project Management, Construction Management  Operational Management

...or goods, works and other services.

Construction Works  Operational Support
Goods  Post-Sale Services
Procurement
Responsibilities of the PEA and KfW

PEA: responsible for procurement
KfW: monitoring of procurement procedure (prior review)

Indonesian law and KfW regulations
Procurement
How to participate in tender procedures (consulting and works/supplies)

- ODA loans are untied
- Tendering is done by Project Executing Agencies (PEAs)
- KfW procurement guidelines apply (www.kfw.de)

Tender
- Indonesian media
- Project Executing Agencies´ websites www.gtai.de
Contact

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Director of KfW Office Jakarta
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Menara BCA, 46th floor
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Jakarta 10310
Indonesia
Phone: ++62 21 2358 7431
Fax: ++62 21 2358 7440
Back up
Projects: Energy and Climate Change
Geothermal Programme

Activity
› Exploration and exploitation of geothermal resources

Financing Volume
› Up to EUR 210 m

Impact
› Rehabilitation of Kamojang Geothermal Power Plant (2x55 MW, rehab.) and extension of Geothermal Power Plants in Flores.
   › Emission reduction
   › Energy supply to consumers and industry

Partner
› PT. PLN
› PT. Indonesia Power
### Projects: Energy and Climate Change
- 1,000 Island Renewable Energy for Electrification Programme
- Sustainable Hydropower Programme

#### Activity
- Electrification of remote areas by utilising renewable energy resources (hydropower, solar photovoltaic)

#### Financing Volume
- Up to EUR 600 m in various phases (preparation)
- Cofinancing with multilateral development banks

#### Impact
- Increase access to energy (electrification ratio) in rural areas as precondition for social and economic development
- Reduction of CO\textsubscript{2} emissions
- Reduction of average electricity generation costs

#### Partner
- PT. PLN
- World Bank
- ADB
Projects: Energy and Climate Change
Energy Efficiency Programme

Activities
› Financing of transmission lines and substations
› Modernization of power plants

Financing Volume
› Up to approx. EUR 420 m

Impact
› Reduce GHG emissions by system stabilization
› Increase power plant efficiency
› Integration of renewables in the grid and grid regulation

Partners
› PT.PLN
› ADB
Projects: Energy and Climate Change
Forest Programme

Activity
› Implementation of district-based pilot REDD+ demonstration activities in Kalimantan, Sumatra, Sulawesi and Ecosystem Restauration Concessions
› Cooperation with international donor community on REDD and NGOs (WWF, TNC, Burung Indonesia)

Financing Volume
› Aggregate volume approx. EUR 100 m (BMZ & BMUB)

Impact
› Forest conservation, sustainable forest management & improved livelihood, watershed conservation
› Average potential for emission reduction per demonstration activity: 300,000-400,000 tCO2

Partner
› Ministry of Environment and Forestry
› District Forestry Offices
› NGOs
› GIZ
Projects: Energy and Climate Change
Urbanisation / Emission Reduction in Cities

**Activity**
- Financing of climate friendly solid waste disposal systems (sorting and composting plants, sanitary landfills, leachate treatment, gas flaring) and waste water treatment facilities
- Capacity building for sustainable implementation and operation of investments at national and local levels

**Financing Volume**
- Approx. EUR 300 mn. (in two phases)

**Impact**
- CO2 emission reduction
- Improved solid waste and waste water management
- Old dumpsites are closed, methane gas collected
- 100% of solid waste is delivered to sanitary landfills, 70% is sorted and/or composted
- City’s GHG emission is reduced
Focus Area: Energy and Climate Change
Urbanisation / Low Emission Mobility Concepts

<table>
<thead>
<tr>
<th>Activity</th>
<th>Financing Volume</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Jabotabek Commuter Railways</td>
<td>(1) EUR 52 m (completed)</td>
<td>(1) Ensure functionality of commuter rail system with modern train-sets, infrastructure improvements, organizational reform and efficiency improvement</td>
</tr>
<tr>
<td>(2) Track Maintenance Improvement Programme</td>
<td>(2) EUR 32 m (completed)</td>
<td>(2) Organized and efficient track maintenance system with state-of-the-art equipment and efficient maintenance</td>
</tr>
<tr>
<td>(3) Regional Railway Surabaya</td>
<td>(3) USD 100 m (planned)</td>
<td></td>
</tr>
</tbody>
</table>

Partner
- Ministry of Transport
- PT. Kereta Api Indonesia
- PT. KAI Commuter Jabotabek
Projects: Inclusive Growth
Technical Vocational Education and Training Programme (TVET)

Activity
› Support financing of equipment for vocational training, equipment for tests and quality control, teaching material

Financing Volume
› EUR 21 m (ongoing)

Impact
› Demand oriented training programs for different sectors
› Improved access to qualified staff for companies
› Continuous dialogue between employers and professionals, schools and teachers
› Improved employment chances and mobility of qualified graduates

Partner
› Ministry of Industry
› Ministry of Education and Culture
› Ministry of Manpower and Transmigration
› GIZ
Projects: Inclusive Growth
Healthcare Infrastructure

Activity
› Support financing of equipment for construction of hospitals, medical equipment, training activities and health system development in
  (i) selected districts in Aceh
  (ii) University Hospital Makassar (UNHAS)

Financing Volume
(i) EUR 98 mn (preparation)
(ii) EUR 30 mn (preparation)

Impact
› Improved access to qualified health care
› Strengthening of referral system
› Improved training and qualification of medical staff

Partners
› Ministry of Research, Technology and Higher Education
› Ministry of Health
› Government of Aceh