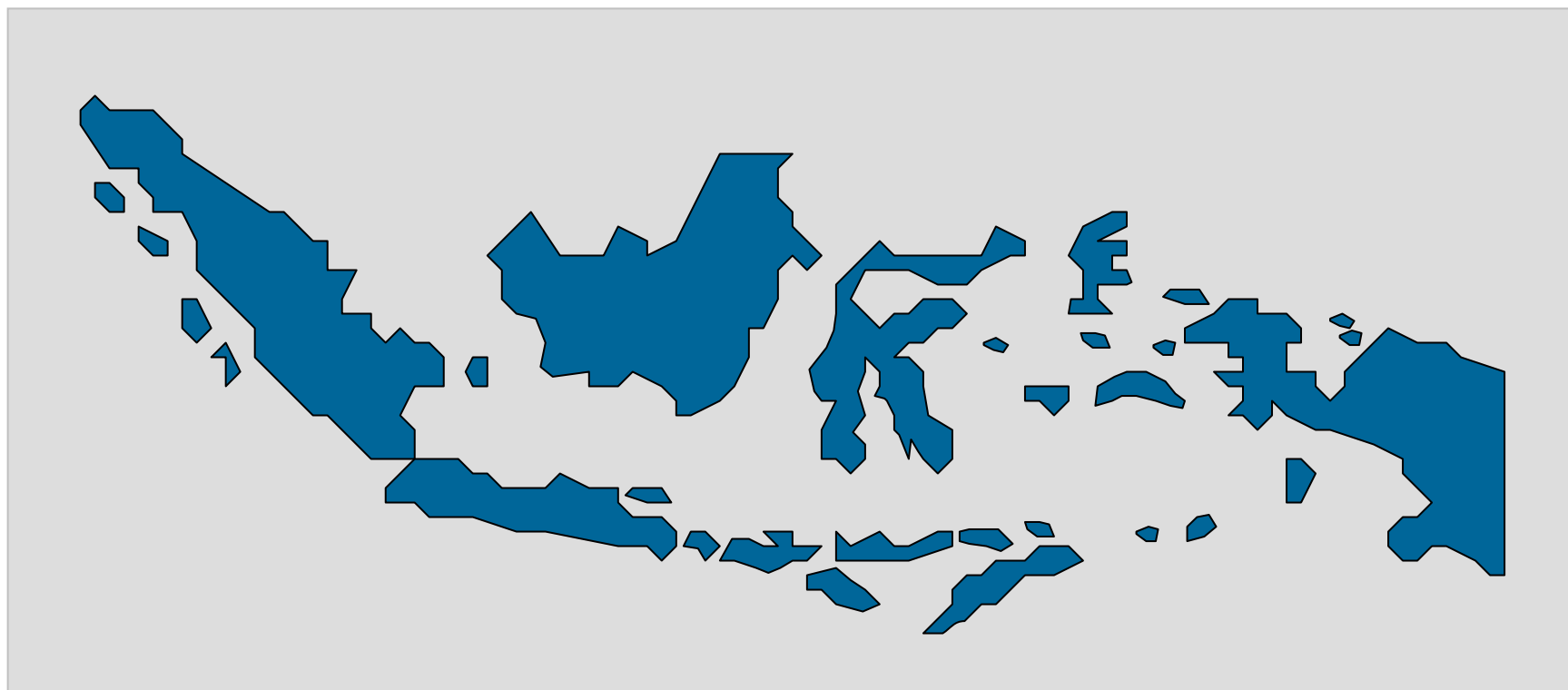


Starting activities in Indonesia





AGENCE FRANÇAISE DE DÉVELOPPEMENT

(French Development Agency)

1. About AFD

OUR STATUS : A **BILATERAL AID AGENCY**

- **Statutory body**
- **Financial institution**, in compliance with French banking regulations

1. About AFD

OUR MISSION : TO **FINANCE DEVELOPMENT**

- 3 pillars :
 - **poverty alleviation** (MDG)
 - **economic growth**
 - **Global Public Goods**
- In line with local governments' priorities
- In co-operation with other donors
- Fully untied aid

1. About AFD

OUR GEOGRAPHIES

- French overseas territories
- Sub-Saharan **Africa**
- **Mediterranean area** and **Middle east** :
 - *Maghreb ; Lebanon, Palestinian Territories ; Jordan, Egypt ; Turkey*
- more recently, **Asia** :
 - *Vietnam, Cambodia and Lao PDR*
 - *China, Thailand (2003 / 2004)*

1. About AFD

OUR RESOURCES

- Bonds on the **financial markets** (AAA rating)
- French Government **budgetary allocations** for grants and subsidized loans

1. About AFD

PROPARCO : A SUBSIDIARY COMPANY
DEDICATED TO THE PRIVATE SECTOR

- 33% owned by 32 private shareholders (French and foreign)
- A **wide range of financial services** :
 - *project or corporate finance*
 - *greenfield or brownfield projects*
 - *senior or junior debt*
 - *equity*
 - *guarantees*
- Loans at **market conditions**

1. About AFD

*THE **FRENCH GEF (FFEM)** : A COMPLEMENTARY TOOL OF THE FRENCH CO-OPERATION*

- AFD is responsible for FFEM administration
- Provides **grants** (average 1 - 2 M€) to promote the protection of the global environment in developing and emerging countries
- 6 focal areas : *Biodiversity, climate change, international waters, desertification and land degradation, persistent organic pollutants (POPs), ozone layer.*
- Eligibility criteria :
 - **Co-financing** : *participation limited to 50% of the project cost*
 - **Innovative and demonstrative** projects

2. Prospects in Indonesia

A SPECIFIC MANDATE FOR **EMERGING COUNTRIES**
(Indonesia, India, Pakistan, Brazil + China and Thailand)

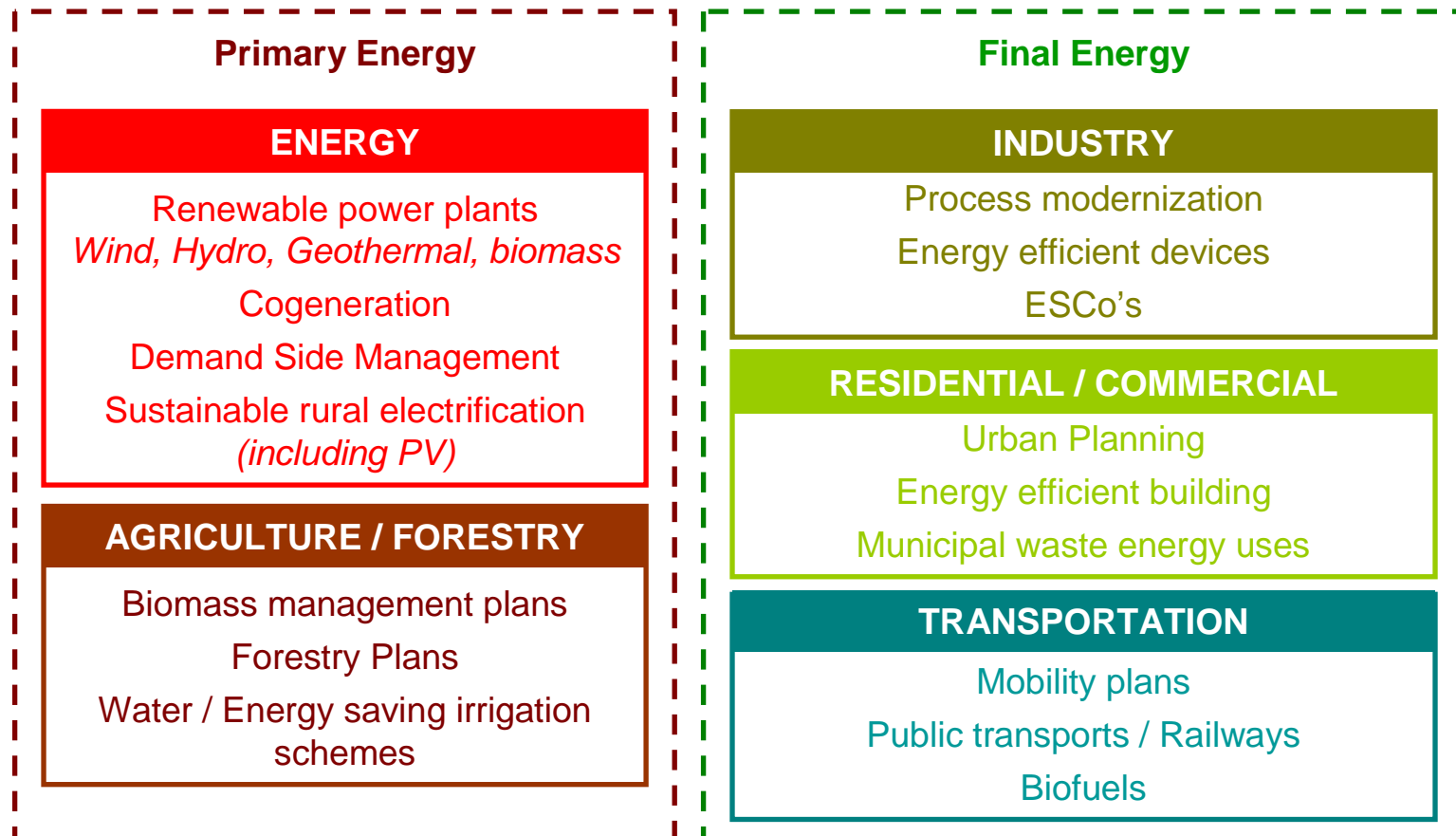
- Focusing on **Global Public Goods**
 - **Emerging and transmissible diseases**
 - **Biodiversity**
 - **Climate change** (energy efficiency, renewable energy...)
- Promotion of **CSR** (public and private companies)
- Non-concessional or slightly concessional loans

Opening of Indonesia resident mission : August, 2007

2. Prospects in Indonesia

A WIDE RANGE OF *ELIGIBLE PROJECTS*

➤ For example, in the energy sector :



2. Prospects in Indonesia

OUR *FINANCIAL TOOLS*

- **Sovereign loans :**
 - *Co-financing with other donors*

- **Sub- and non-sovereign loans :**
 - *Local authorities and SOEs without Government guarantee*
 - *Private sector (PROPARCO or AFD) : directly or through the banking system*

- **PPPs :**
 - *Combination of AFD and PROPARCO loans*

- Equity, guarantees

2. Prospects in Indonesia

OUR COMPARATIVE ADVANTAGE

- Financial terms :
 - Access to international **financial markets** with AAA rating
 - **Subsidized loans** for enhanced protection of GPG, CSR procurements, support to public policies
- Additional to commercial banks :
 - **Longer duration and grace period**
 - Risk sharing
 - Alternative financing products (equity / guarantee / loan)
- €, \$ or local currency lending

2. Prospects in Indonesia

OUR POTENTIAL **ADDED VALUE**

- Mobilization of relevant **expertise** :
 - *AFD expertise* :
 - *experience in innovative implementation schemes*
 - *appetite for risk*
 - *specific sectoral expertise (e.g. energy efficiency / environment credit lines)*
 - *Other French and Indonesian expertise (universities, research centers, consultants, NGOs, ...)*
- Securing of transactions (for foreign investors)
- Syndication of funding