

Press Release **- December 15, 2011-**

German-Indonesian Agreement to support the Technical and Vocational Education in selected provinces and New Scholarship Programme: Indonesia and Germany agree to intensify cooperation in higher education

Today, December 15, representatives of KfW Entwicklungsbank (The German Development Bank) on behalf of the Federal Ministry of Economic Cooperation and Development (BMZ) and the Indonesian Ministry of Finance have signed two agreements which will substantially enhance the cooperation in the field of education between Indonesia and Germany. Both programmes support the efforts of the Republic of Indonesia to strengthen the quality of upper secondary and higher education in order to enhance the qualifications necessary for a competitive economy based on technical and scientific knowledge and competencies.

The agreement on an Indonesian-German scholarship programme comprises a debt swap, as Germany agrees to reduce Indonesian debt by 18.8 million Euros (about 228 billion Rupiah) and Indonesia pledges to give scholarships worth 9.4 million Euros (about 114 billion Rupiah) for Indonesian students to study in Germany. Thus, the scholarship programme will bring over 200 Indonesian students to Germany in the coming years.

During his visit to Indonesia, German Federal President Christian Wulff, announced the scholarship programme at the joint Press Appearance with the Indonesian President Bambang Susilo Yudhoyono on December 1st. Germany aims at intensifying its bilateral relations with Indonesia and believes that the scholarship programme will be an additional impulse for more intensified cooperation in the field of education. The programme will be jointly conducted with the Indonesian Ministry of Education and Culture and Indonesian universities as well as the German Academic Exchange Service (DAAD) with its regional office in Jakarta. Every year, the DAAD supports the exchange of over 550 academics from Indonesia and Germany to pursue their careers. Many receive PhD- and Masters- scholarships as well as research possibilities. Students should inquire more information via their universities or the DAAD office in Jakarta.

Since 2002 KfW has signed 6 debt swap agreements with the Indonesian Government with the total amount of 143.6 million Euros. Until now already EUR 111.8 million Euros have been cancelled from the debt of the Government of Indonesia to Germany which is more than half of the debt from the consolidation agreements. Additionally, a debt swap for biodiversity is currently under preparation by the Ministry of Forestry. The German Government has already made the commitment to swap the debt of 20 million Euros for this purpose.

The second agreement signed today makes available funds to the amount of 21 million Euros (about 250 billion Rupiah) in order to finance machinery appropriate for training and industry services as well as equipment, tools and teaching aids. Additionally, advanced training for the proper utilization and maintenance of the purchased machinery and other equipment will be provided. The implementing agencies (Ministry of Education and Culture, Ministry of Industry and Ministry of Manpower and Transmigration) will be supported by an implementation consultant.

The “Sustainable Economic Development through Technical and Vocational Education and Training” Programme continues the successful Indonesian-German cooperation in the vocational training sector which has been going on for over 10 years. On behalf of the German Government KfW has supported over 45 training institutions with nearly 70 million Euros. An example is the well known and very successful Indonesian-German Institute (IGI) Programme where machines, equipment and teaching materials were supplied for selected trades and 22 schools benefitted from this upgrade and modernisation.

For further information or press and picture material, please contact the Press Office of the German Embassy or KfW Office Jakarta.

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