

German Development Bank (KfW)



KfW Entwicklungsbank (KfW Development Bank) is part of the KfW Bankengruppe (banking group), which gives impetus to the economy, politics, society and ecology in Germany, Europe and the world. For more than 60 years, the KfW has proven to be an efficient promotional bank of the Federal Republic of Germany. KfW is one of the ten biggest banks in Germany with a balance-sheet total of EUR 354 billion (as per 31st December 2007).

The KfW Profile

The KfW Entwicklungsbank finances investments and advisory services in developing countries on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The funds are made available as loans or grants. € 994.5 million have been committed to Jordan in the context of the Financial Cooperation (FC) with Jordan since the beginning of the sixties. These funds were supplemented by € 234 million for Debt Swaps. KfW Entwicklungsbank is committed to the primary goal of the German development cooperation, which is to sustainably improve the economic and social conditions of the people in developing countries. Through FC, the KfW Entwicklungsbank contributes to reducing poverty, protecting natural resources and securing peace worldwide. The KfW Entwicklungsbank also participates in joint financing operations with other donor agencies and development organizations (e.g. World Bank, EIB, AFD etc). The KfW Entwicklungsbank coordinates and works closely with other institutions of German Development Cooperation such as the German Technical Cooperation (GTZ). This is how the KfW Entwicklungsbank aims at contributing to meeting the Millennium Development Goals and acknowledges the need for efficient development cooperation.

Focal Area of Financial Cooperation with Jordan is Water Supply and Sanitation

The total volume of ongoing projects in water and sanitation amounts to € 316 million investments in this area are urgently needed in order to improve the living conditions and reduce health risks of the local population as well as to contribute to a reduction in the overuse of groundwater resources. Thus, the supply of drinking water and sanitation are the main focus of the German Financial Cooperation in Jordan. Given Jordan's scarce water resources, first priority of the German Financial Cooperation are water loss reduction measures in order to raise the efficiency of existing water networks. With the help of the Financial Cooperation funds, network extensions are financed where economically and environmentally viable. In addition, waste water treatment plants are built. The Financial Cooperation supports the use of treated wastewater in agriculture and elsewhere to substitute scarce fresh water. In order to improve the operational efficiency in the



water sector, the KfW assists the Jordanian Government in institutional restructuring and private sector participation.

Further Activities in Jordan: Primary Schools

In order to support Jordan's efforts in the education sector, the construction of 35 primary schools is currently being funded with an amount of FC of € 30 million. Most of the schools are located in poor areas. A total of 635 new class rooms for more than 20,000 students will be financed.

Further Activities in Jordan: Debt Swap Operations

The KfW cancels part of Jordan's debt on behalf of the German Government, after the Jordanian Government gives evidence that it has carried out agreed development projects. These projects are in the fields of wastewater disposal, primary schools and other basic infrastructure in poor areas. The total volume of Debt Swap agreements signed with Jordan is € 234 million.



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