



Promoting Climate-Friendly Energy Investments in Developing Countries – Approach and Experiences of KfW-Entwicklungsbank

Conference on Climate Change and Financial Service Providers

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We are part of KfW Bankengruppe.



Promotion of housing,
environment and
climate protection, education,
infrastructure, social issues



Financing volume in 2006
EUR 35.5 billion (- 8.3%)

Promotion of SMEs,
business founders,
start-ups



Financing volume in 2006
EUR 22.8 billion (+ 47.1%)

International project and
export finance



Financing volume n in 2006
EUR 15.0 billion (+24%)

Promotion of developing
and transition countries



Financing volume in 2006
EUR 3.4 billion (+ 30.8%)

What are the Objectives in the Energy Sector?



- **Cost-effective supply** of energy services
to enhance growth / reduce poverty
- **Provide access** to energy services
for the poor at affordable rates
- **Sustainable supply and use** in ecological terms
provide energy mix which supports sustainability
- **Secure commercial viability** of all service providers
allow sufficiently high tariffs / provide support
- **Security of supply**
reduce dependence on imports and price fluctuations

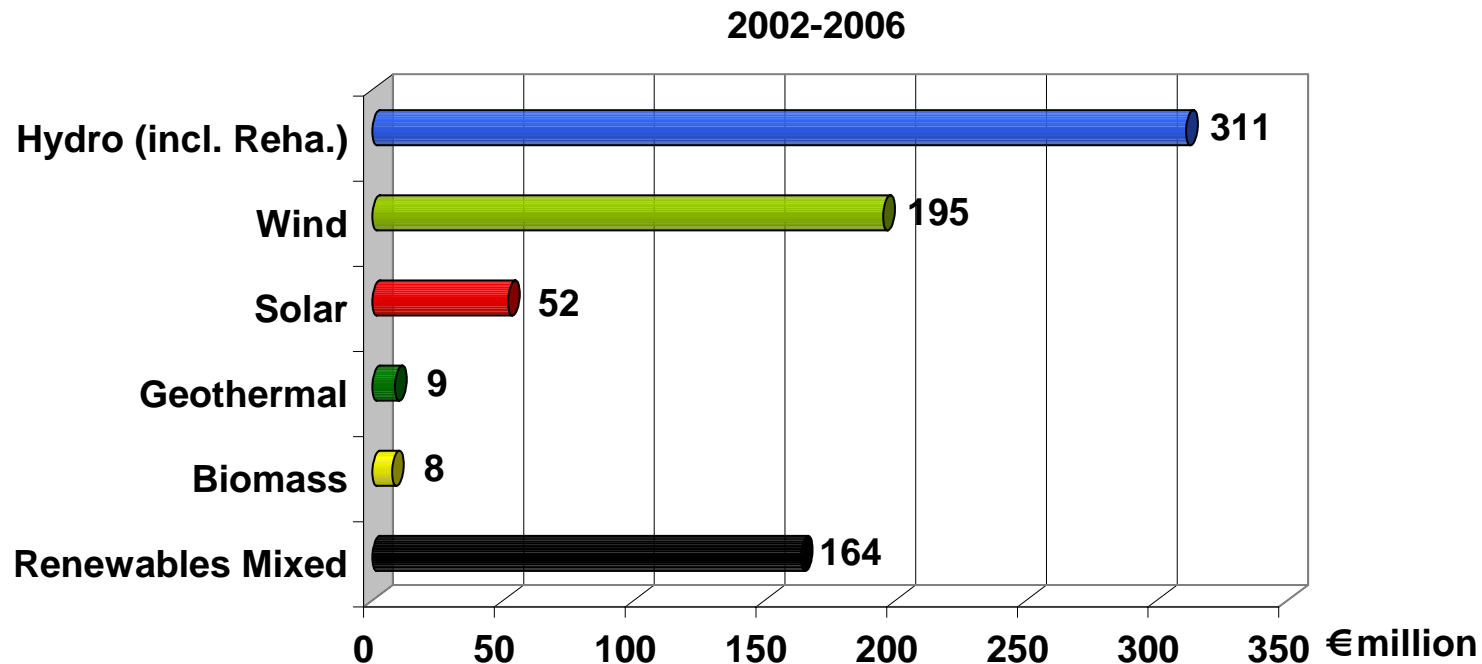
Energy Portfolio

Renewables- ODA-Financing

(Commitments 2002 – 2006 incl. market funds)



Energy Total 2002-2006: 1.597 billion Euro
Renewables out of Total: 748 million Euro (47%)



KfW Development Bank - Examples Sustainable Energy Portfolio



- **Windfarms** in China, Egypt (e.g. Zafarana, Gabal el Zeit), India and Marocco, further windfarms under preparation
- **Geothermal power:** Olkaria, Kenia
- **Biogas:** household biogas digesters: Nepal, Bangladesh
- **Hydro power projects:** rehabilitation and new projects in India, Nepal, Pakistan, Egypt, Macedonia
- **Solar power:** in Bangladesh, Marocco, South Africa, China
- **Energy Efficiency:** whole range from combined heat and power, loss reduction, efficient thermal power plants etc.

Financing Services for Developing Countries (1)



- **Concessionary financing** (KfW Development Bank)
 - Financial cooperation (soft loans or grants from Government budget)
 - Development loans with interest rates below commercial rates (ODA-financing)
 - Study & Expert Fund for preparatory activities
 - Special Fund for Renewable Energy and Energy Efficiency
 - Cooperation with German Technical co-operation (GTZ) and bi- and multilateral financial institutions



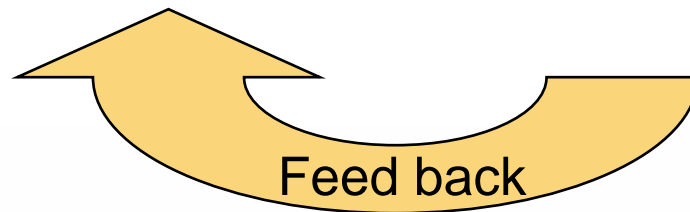
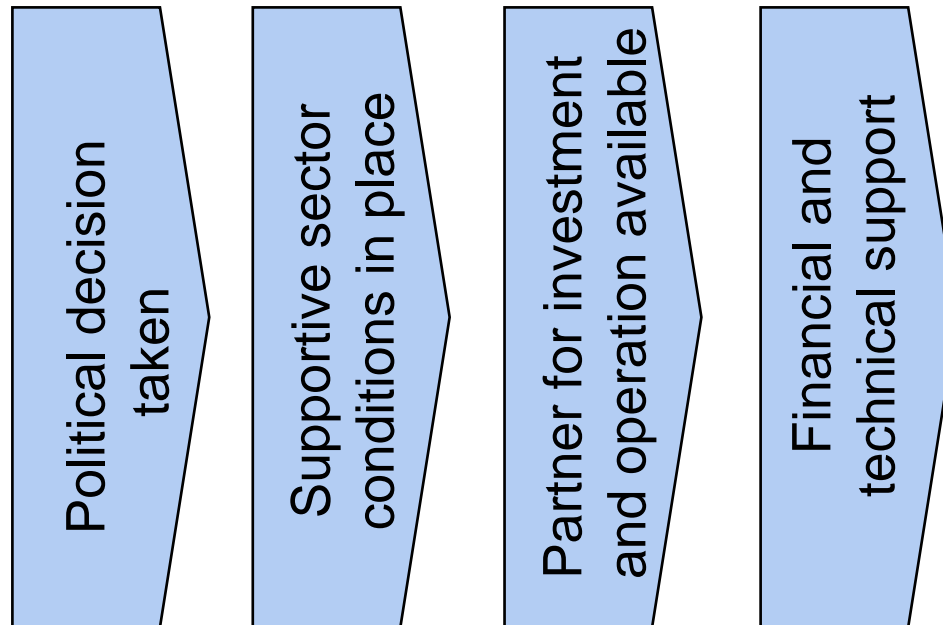
Financing Services for Developing Countries (2)



- **Commercial financing**
 - Export and project financing (IPEX-Bank)
 - Equity participation and mezzanine loans for the private sector (DEG)
- **Carbon Finance**
 - KfW Carbon Fund



How to be successful in sustainable energy finance?



Prepare and implement viable projects!

Get in touch with us – www.kfw.de



Thank you for your attention !

Further Information:

www.kfw.de

www.kfw-entwicklungsbank.de

www.deginvest.de

