

»» KfW – The German Development Bank - Infrastructure Development in Sub-Saharan Africa-

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Bank aus Verantwortung

KFW

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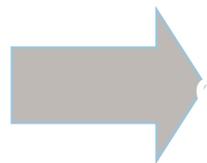
4 Role for EU Blending



»» KfW – Promoting Infrastructure

»» Focus on development and sustainability

- › Clear development mandate from German Government
- › Impact on poverty reduction and sustainability at the core of project appraisal
- › Close project monitoring: focus on sound implementation and O&M
- › Ex-post evaluation of projects: efficiency, effectiveness and development impact



development agency with banking know how and more financial tools

»» Development banks - catalysts for infrastructure financing

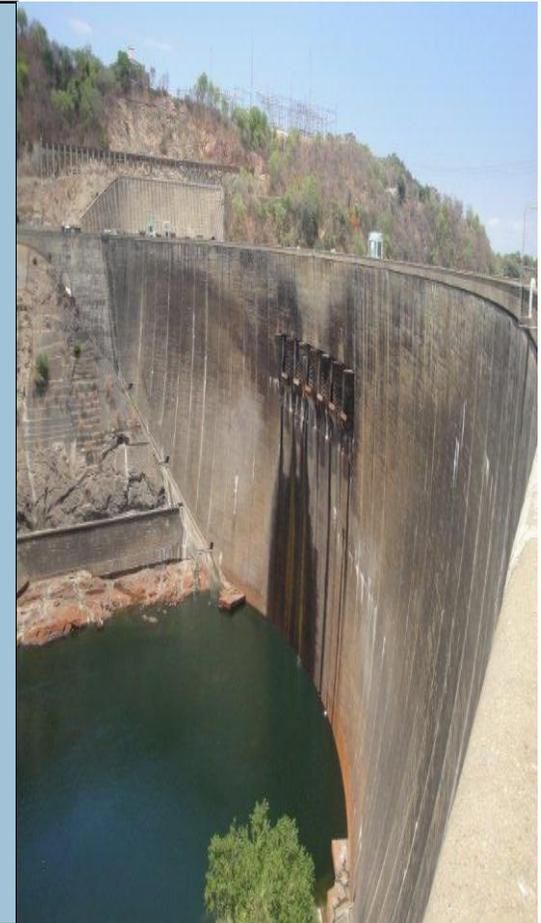
- › Support to project development
- › Tailor made products: from grants to commercial financing according to requirements
- › A catalyst for private sector financing:
 - › Through project preparation
 - › Through risk mitigation
- › Participation in infrastructure initiatives



COURTESY: OCEAN POWER TECHNOLOGIES

»» **KfW support to Regional Infrastructure Initiatives in SSA**

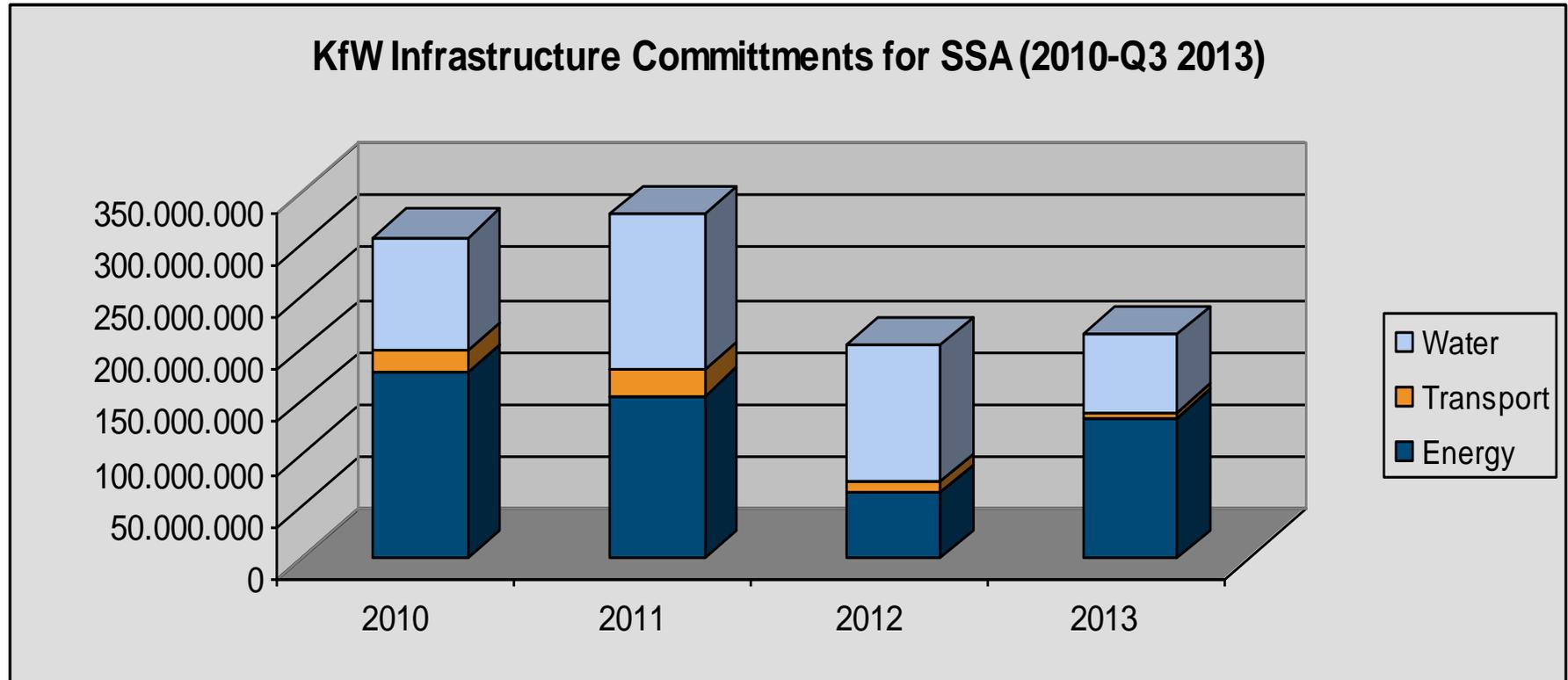
- **AU EU Infrastructure Trust Fund (ITF)**
- **NEPAD IPPF: Chair of Oversight Committee (OC)**
- **Infrastructure Consortium for Africa (ICA): seconded water expert**
- **Geothermal Risk Mitigation Facility (GRMF) at AUC**
- **SADC PPDF**

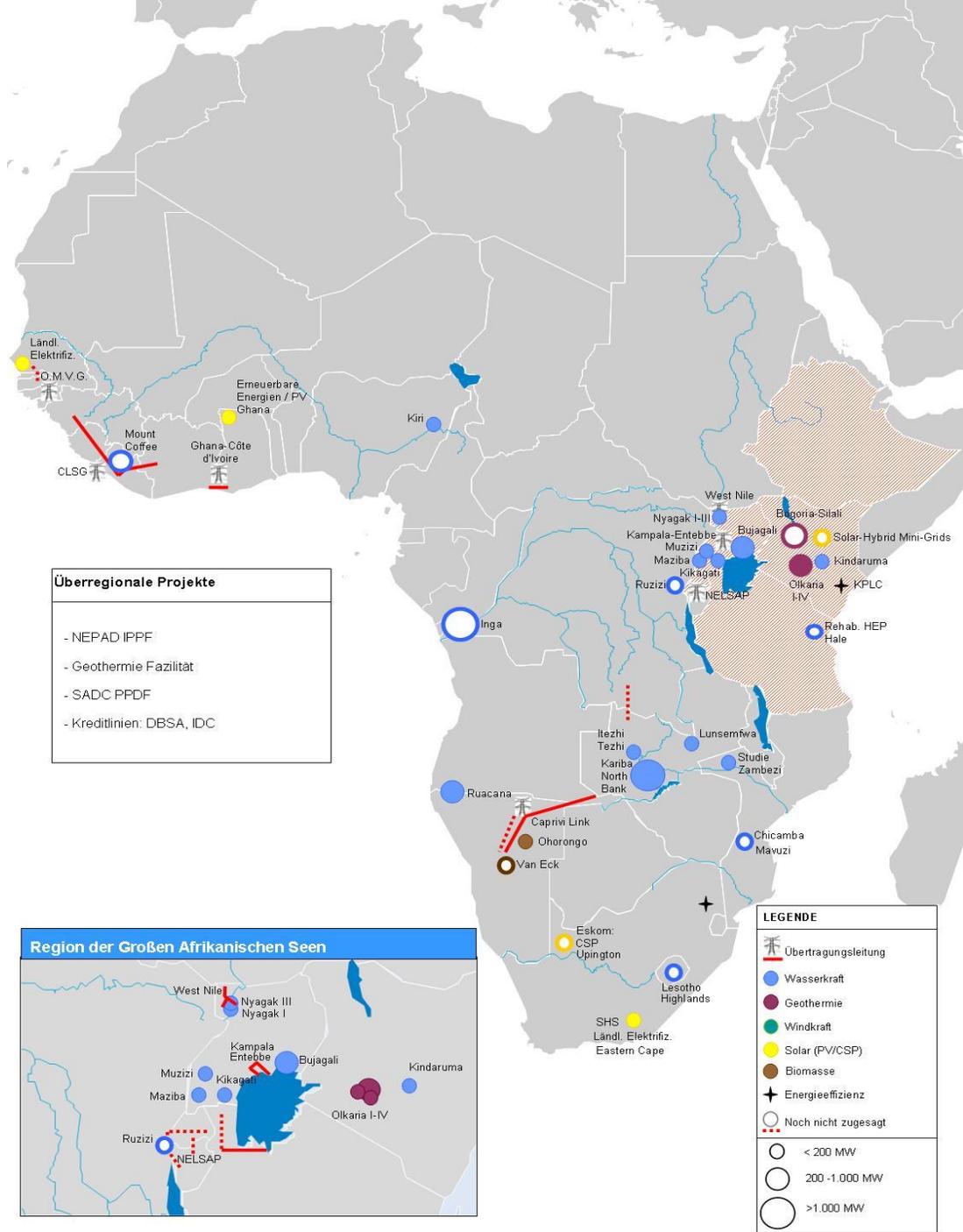




»» KfW's Infrastructure Portfolio

»» KfW's Infrastructure Portfolio in SSA





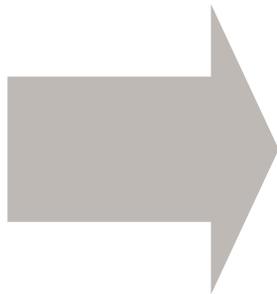


»» Case Studies

»» Case Study 1: GET FiT Uganda

- seeks to address challenges for private sector in a comprehensive way
- Competitive mechanism to leverage early-movers into power markets

1	Technical Assistance	Targeted assistance for FiT implementation guidelines, standardized contract documentation, etc.
2	Guarantee Framework	Political and commercial risk insurance products (partnership with World Bank PRG Program)
3	Incentive Mechanism	Results-based premium payment on top of REFiT to incentivize developers/ financiers to enter the market



Remove legal and regulatory hurdles for private investment

Mitigate political and commercial risks

Provide an attractive risk-adjusted return for early mover investors

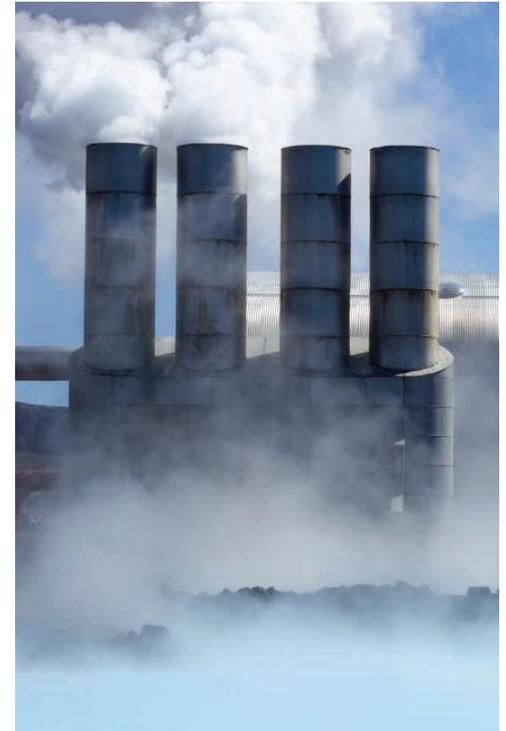
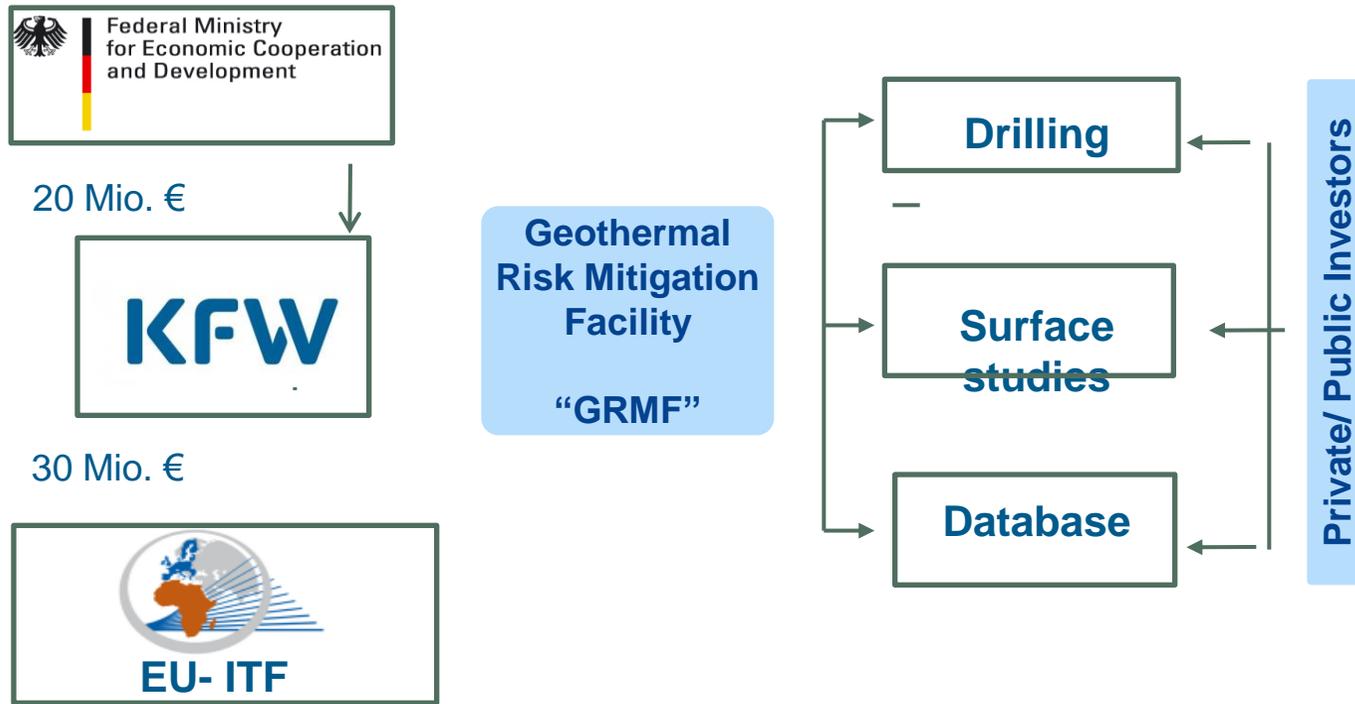
Unlock commercial finance for renewable energy deals

»» Case Study 2: Geothermal Risk Mitigation Facility

(GRMF)
Objective: Encouraging public & private investors to mobilize & provide funds for development of geothermal power plants in East Africa

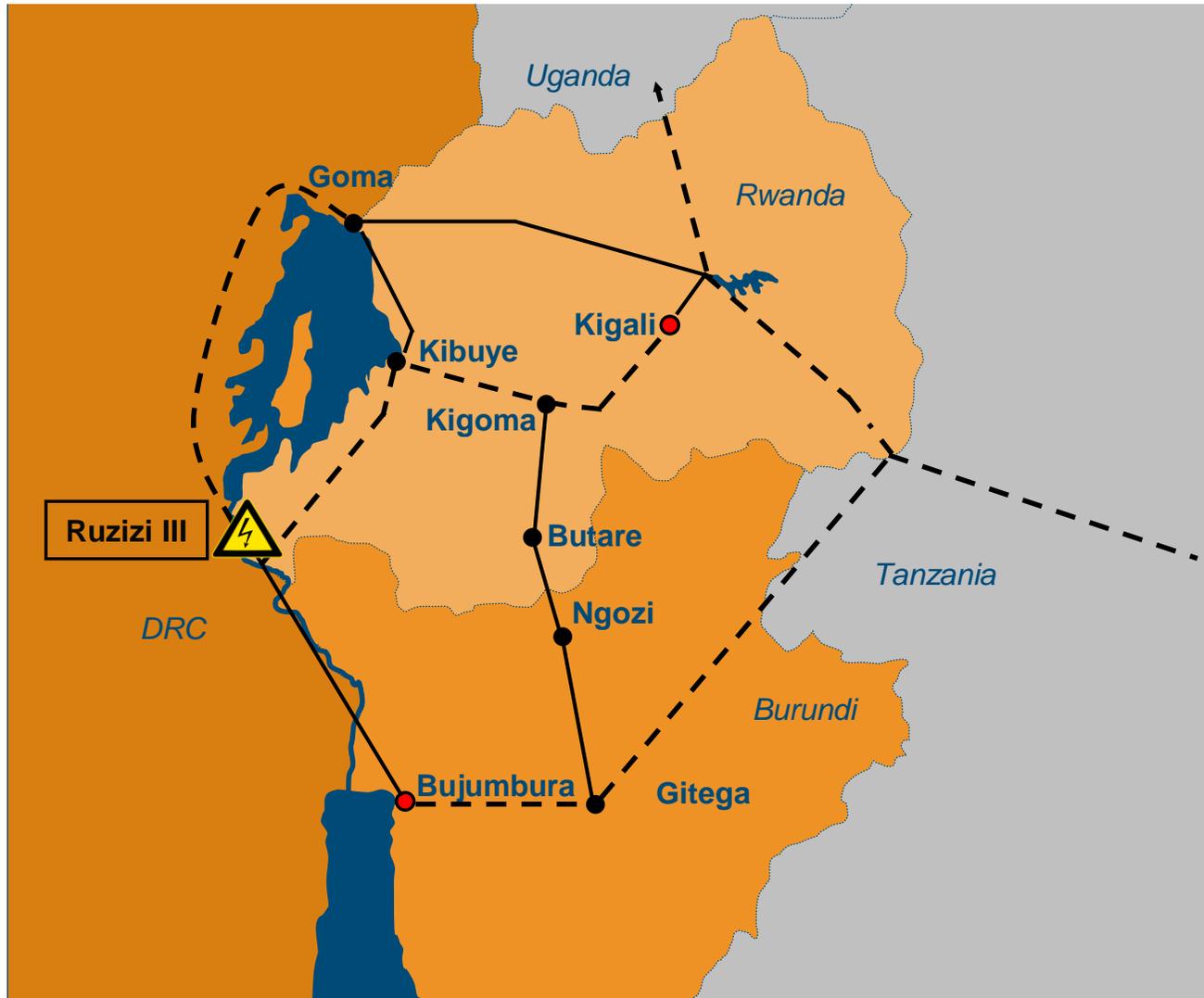
Pilot Countries: Ethiopia, Kenya, Rwanda, Tanzania, Uganda

Additional countries next round: Burundi, Comoros, Djibouti, DRC, Eritrea & Zambia



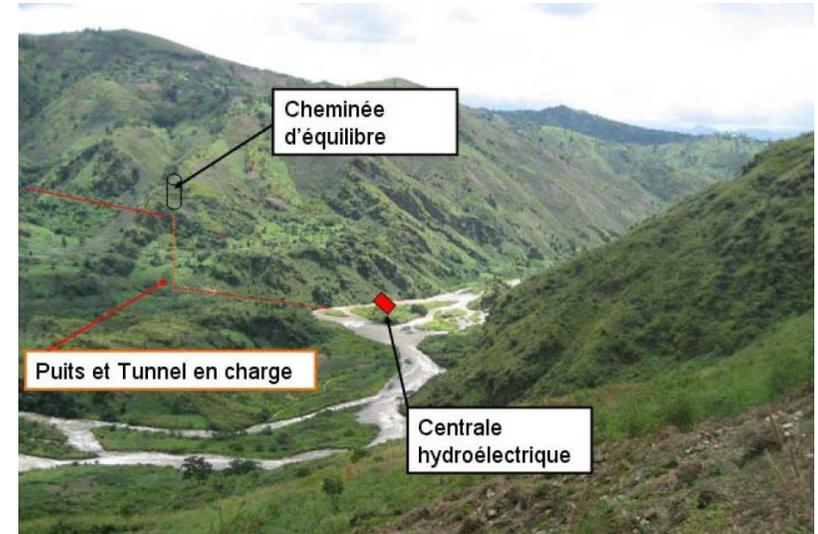
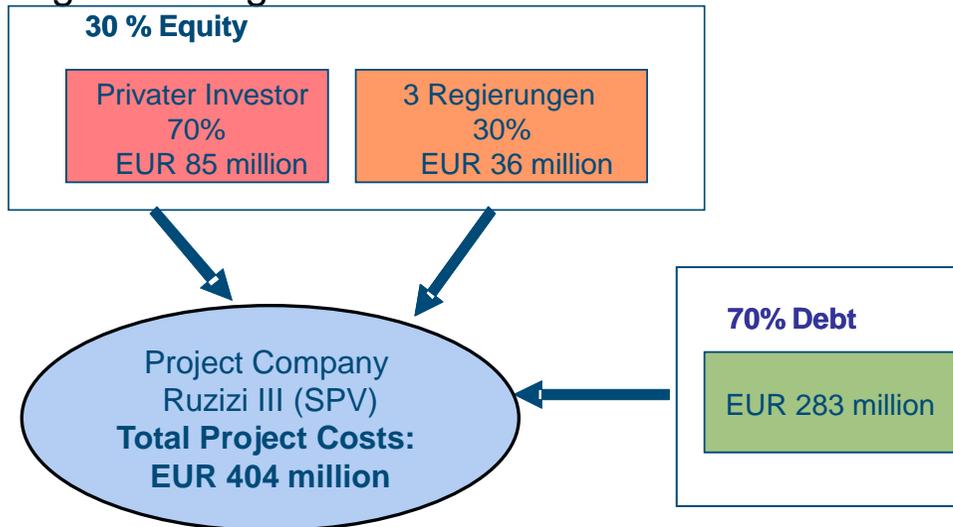
AUC Regional Geothermal Coordination Unit (RGCU)

»» Case Study 3: Regional Approach in Great Lakes Region



»» Hydropower Station Ruzizi III

- › 147 MW Ruzizi III Hydropower Station at the Ruzizi River at the border between **Rwanda, Burundi** and **DRC**
- › Complex PPP Structure, Risk allocation between private developer and three Governments → mobilisation of private financine
- › **Firest Regional PPP Project in SSA**
- › Successful infrastructure development through regional integration



- › Complex and intensive project preparation – political and financial support from EU, EIB, KfW, AFD, DBSA and AfDB
- › German Contribution through KfW: EUR 12 Mio grant funding for equity participation of Burundi in the project company and EUR 30 Mio for necessary infrastructure



»» EU Blending – Suitable Instrument for Infrastructure Development

»» Role of EU Blending



1. Grants will remain very important for many countries and projects.

2. EU Blending as catalyst for infrastructure development in SSA

3. AU EU ITF – a successful instrument for infrastructure preparation and financing

4. EU Blending: project preparation should remain a key focus

»» Thank You for Your Attention!