

# »»» Development cooperation press conference 2022 KfW Development Bank and DEG

Frankfurt, 11 May 2022



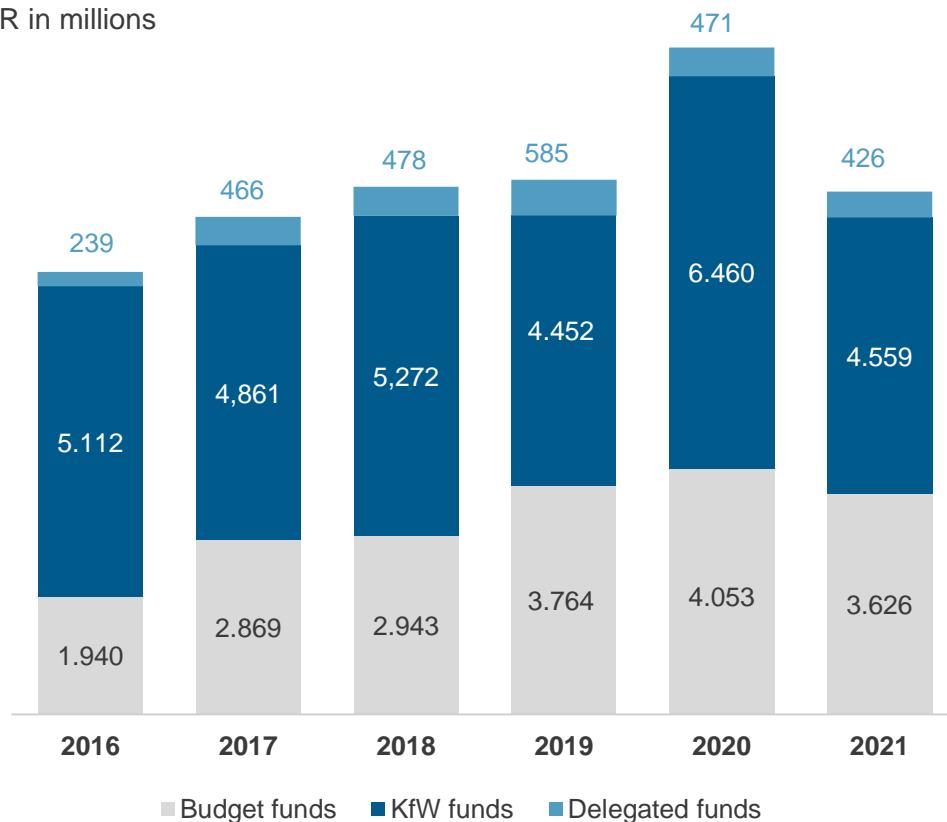
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»»» KfW Development Bank

## Development of new commitments 2016 – 2021

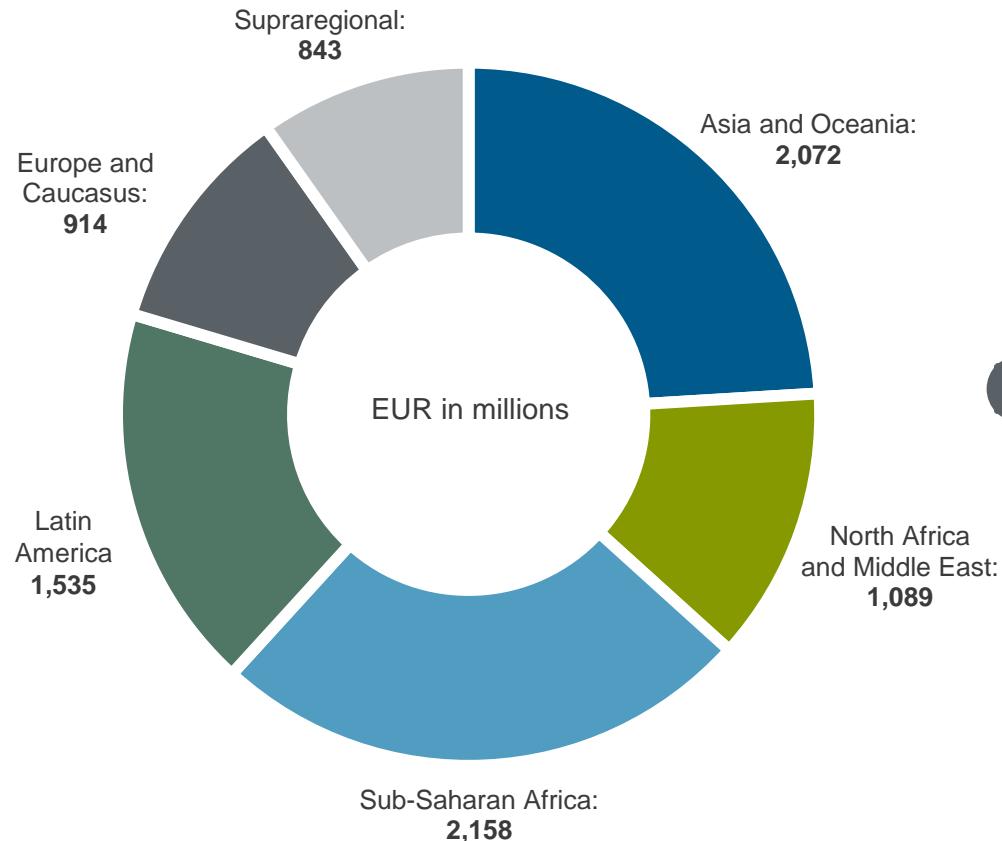
EUR in millions



- Record commitments in 2020 due to the Emergency COVID-19 Support Programme
- At **EUR 8.6 billion**, 2021 commitments are roughly at 2019 level
- Pandemic-related project delays and travel restrictions continue to impact the portfolio
- Slight increase in KfW funds used compared to 2019

# New commitments 2021 – EUR 8.6 billion

## Breakdown by region



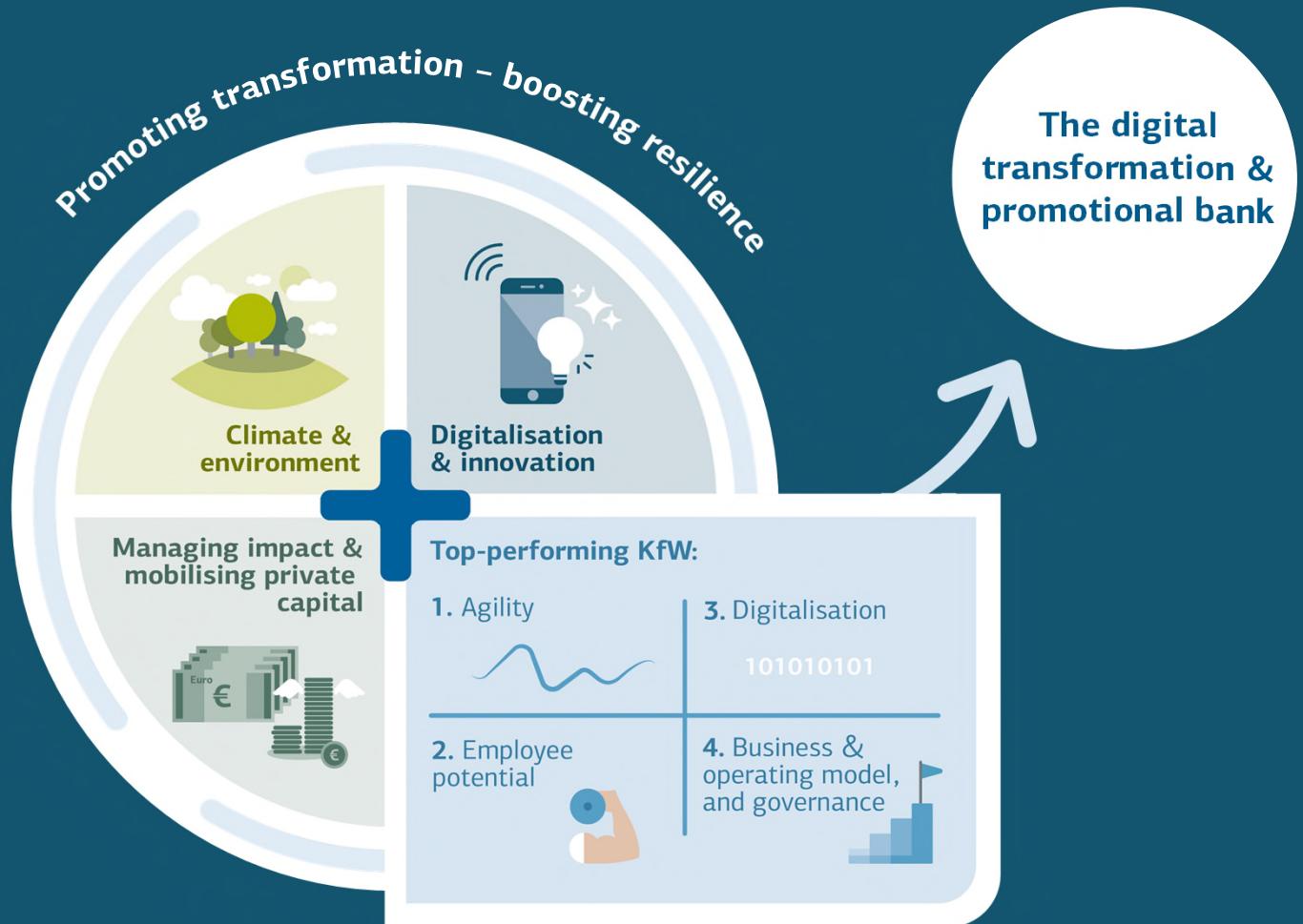
The regional breakdown continues the trend of recent years – Africa's share has grown gradually.

### Source of funds

- Budget funds: EUR 3.6 billion
- KfW funds: EUR 4.6 billion
- Delegated funds: EUR 0.4 billion

# Transformation agenda

KfW plus+



A photograph of a modern light rail train at a station platform. The train is white with a yellow and red stripe along the bottom. It has large windows and a prominent front grille. The platform is made of concrete and has a metal railing. In the background, there are more train tracks and a building with a glass roof.

## Sustainable transformation

01

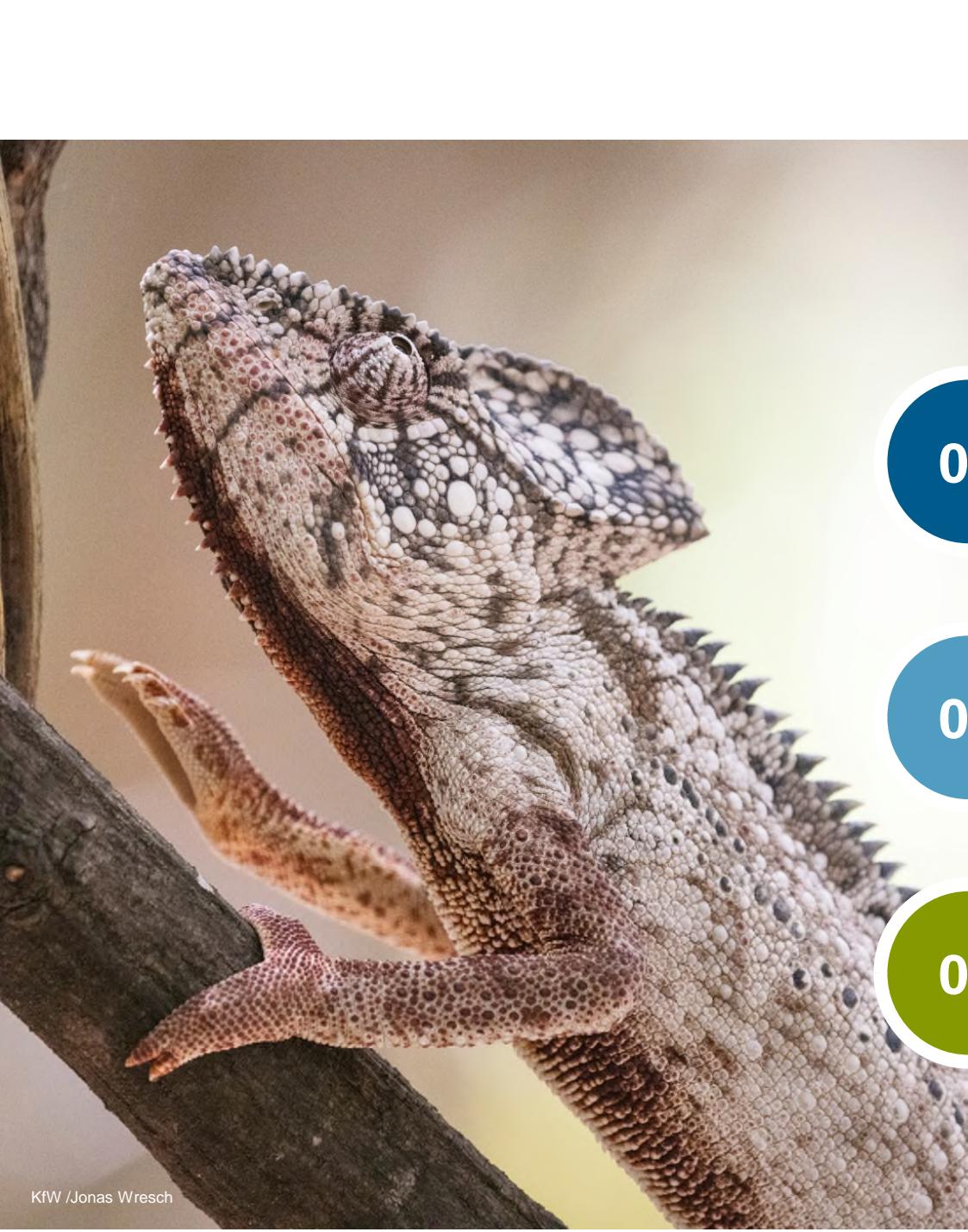
**There is no alternative to the sustainable transformation of the global economy – KfW sees itself as a promotional bank to take on this task.**

02

Use of more stringent **control mechanisms** and **impact monitoring**

03

Example of Green Infrastructure Initiative  
**Indonesia:** Over five years, EUR 2.5 billion will be made available for projects relevant to the climate.



## Protecting ecosystems – preserving livelihoods

01

The loss of species endangers people's livelihoods. Ecosystems are important CO2 sinks. Pandemics are also a consequence of the exploitation of nature.

02

New FC commitments in 2021 promote 165 conservation areas worldwide. Goal: transformative change. Sustainable agriculture, fisheries and forestry. Incorporation of the rights and needs of the local population.

03

The Legacy Landscapes Fund, founded by the Federal Ministry for Economic Cooperation and Development and KfW in 2021, brings together public and private capital for conservation



## Using private capital

01

02

03

Mobilising **private investments** is an important task for all promotional banks – including KfW Development Bank – in their efforts to achieve sustainability goals.

2021: Investment in 30 new and existing **impact funds** with a volume of EUR 575 million

The “**AfricaGrow**” umbrella fund is creating 25,000 jobs in innovative African companies. “**LAGreen**” is the first fund for green bonds in Latin America

A photograph of a woman with dark skin and curly hair, smiling and holding a young child. She is wearing a red and yellow patterned dress. A white adhesive bandage is visible on her right shoulder, indicating she has received a vaccination. The background is slightly blurred.

## Coronavirus aid

01

02

03

Developing countries and emerging economies have been hit hard by the pandemic, both on a human level and in economic terms. **Challenges:** Fighting the pandemic and mitigating the social and economic consequences.

**Commitments** of EUR 6.6 billion in 2020 and 2021. **Disbursements** of EUR 4.2 billion to date for 212 projects in 71 countries. Approx. **44.5 million people** have been reached by the Emergency COVID-19 Support Programme.

**Local vaccine development and production** in Rwanda, Senegal, South Africa



## Gender equality – promoting women

01

**Goal for development policy:** All people are given the opportunity to use their potential and advocate for sustainable development.

02

**FC 2021:** approx. EUR 2.8 billion in new commitments contribute to gender equality as the primary or secondary objective

03

**KfW's own commitment:** Reviewing gender impact for each new project, raising employee awareness.



## Activities in Ukraine – before the war and currently

01

28 ongoing FC projects for approx. EUR 820 million, especially in the sectors of energy efficiency, urban development, sustainable economic development and nature conservation.

02

Further projects for more than EUR 600 million have been committed by the Federal Government, including a **Green Fund** and an untied financial loan of EUR 150 million (UFK) for an **economic emergency assistance programme in Ukraine** for securing the liquidity of the Ukrainian budget.

03

It is expected that KfW will participate in **reconstruction measures**; projects for **supporting internally displaced persons** are also planned.



## Consequences of the war in Ukraine for DC

01

The **war in Ukraine** is not only causing incredible suffering for the people of the country, it is also having global consequences.

02

**Food security** – no grain deliveries from Russia and Ukraine.

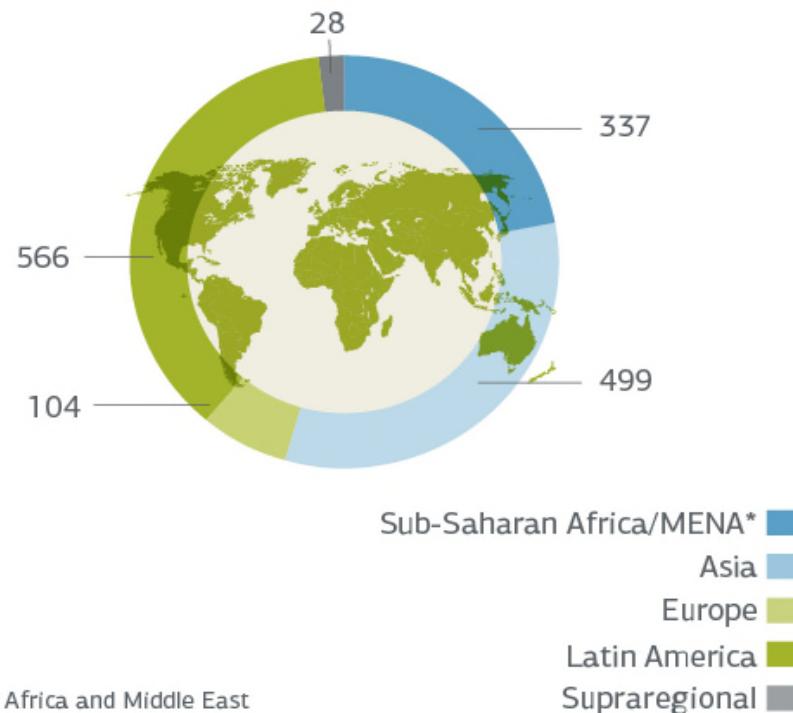
03

**Energy security** – long-standing support to partner countries in reducing dependence on fossil fuels.



# »»» DEG – Deutsche Investitions- und Entwicklungsgesellschaft

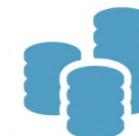
# DEG: a development finance institution for private companies



1.5

billion euros

New commitments 2021 (own funds)



EUR 507m in funds  
mobilised from other  
investors



2.8m employees in  
businesses financed by  
DEG



## Experiences from the coronavirus pandemic

01

02

03

**Evaluations show:** so far, DEG customers have come through the COVID-19 crisis better than expected, continuing to employ millions of people in 2021 and generating significant local income.

**Continuation of COVID-19 response measures:** Businesses have an increased need for advice due to the pandemic. For this reason, DEG uses advisory and promotional programmes to co-finance coronavirus-related measures for businesses, for example in the area of health and for the continued payment of wages.

**Contribution to measures including medical diagnostics in Africa:** Africa Connect loan for Potsdam-based medical company “Das Labor.”: One of the first production facilities for rapid COVID antigen tests in Africa.



## DEG 2030: Focus on impact + climate

01

02

03

**Global challenges such as climate change, sustainability requirements and megatrends such as digitalisation lead to changing markets and potential.**

**New DEG business strategy from 2022:** It focuses even more on high-impact and climate-friendly projects. The aim of the strategy is to contribute even more effectively to achieving the SDGs together with our customers.

**A partner for transformation:** DEG is expanding its support and advice for businesses who realise and wish to take advantage of the opportunities offered by transformation.



## DEG as a partner for transformation

01

02

03

**Potential:** We see a great deal of potential in advising and supporting businesses who want to take a consistent approach to transformation. Many companies in developing countries lack the resources and expertise to do this.

**Transformation has a range of facets:** environmental (climate and resource conservation), social (social standards, training and education) and economic (sustainable supply chains, resilience of the business model).

**Transformation using the example of a dairy cooperative in Costa Rica:** DEG loans for updating and expanding production, improving cold chain infrastructure. Advisory service measures: Resource and energy efficiency check, feasibility study for recycling centre and expansion of sewage treatment.



## Digitalisation and innovation

01

**DEG contributions** to digitalisation in developing markets and as a promoter of innovative business models are in demand.

02

**Examples:** DEG investment in East African online retailer Copia and role as an anchor investor in FinTech fund Integra in Asia.

03

**Outstanding:** Two DEG customers have become the only African companies to make it into TIME magazine's list of the 100 most influential companies.

# Systematically recorded: Development impacts 2021



## Good, fair employment

84% of all **DEG customers** offer good, fair employment. The remaining customers are working to improve their employment relationships with support from DEG.



## Local income

The employment of local employees, local tax payments and the procurement of goods from local suppliers generated more than **EUR 147 billion of local income** in 2021 alone.



## Development of markets and sectors

61% of **DEG customers** are active in **less developed markets**. With their investments, they contribute to developing infrastructure or enabling access to financing.



## Environmentally sound management

Energy suppliers financed by DEG produce **42 TWh of electricity from renewable energies every year**, currently supplying around **38 million people**.



## Benefits for local communities

86% of **DEG customers** engage in their surrounding communities on a **not-for-profit basis** and invest in education and local infrastructure, for example.



## Outlook for 2022

01

**Challenges:** In view of the war in Ukraine and global geopolitical tensions, we expect the environment in 2022 to be even more difficult.

02

**Aid for refugees:** To help people affected by the war, we have provided one of our office buildings for the care of around 50 children from Ukraine. Our partner: Cologne-based youth support organisation himmel & ääd.

03

**Many years of experience:** DEG is experienced in looking for and finding solutions in a changing world in dialogue with its customers and partners – and has been doing this for a number of decades: DEG is turning 60 this September.

»»» Thank you very much!



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