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**factsheet**

**on Financing Solutions**

**KfW (Kreditanstalt für Wiederaufbau/  
Reconstruction Credit Institute)**

**KfW**



**Wuppertal  
Institut**

**UN HABITAT**  
FOR A BETTER URBAN FUTURE



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**Urban Electric Mobility Initiative (UEMI)** was initiated by UN-Habitat and the SOLUTIONS project and launched at the UN Climate Summit in September 2014 in New York.

UEMI aims to help phasing out conventionally fueled vehicles and increase the share of electric vehicles (2-,3- and 4-wheelers) in the total volume of individual motorized transport in cities to at least 30% by 2030. The UEMI is an active partnership that aims to track international action in the area of electric mobility and initiates local actions. The UEMI delivers tools and guidelines, generates synergies between e-mobility programmes and supports local implementation actions in Africa, Asia, Europe and Latin America.

**Future Research**, Advanced Development and Implementation Activities for Road Transport (FUTURE-RADAR) project will support the European Technology Platform ERTRAC (the European Road Transport Research Advisory Council) and the European Green Vehicle Initiative PPP to create and implement the needed research and innovation strategies for a sustainable and competitive European road transport system. Linking all relevant stakeholders FUTURE-RADAR will provide the consensus-based plans and roadmaps addressing the key societal, environmental, economic and technological challenges in areas such as road transport safety, urban mobility, long distance freight transport, automated road transport, global competitiveness and all issues related to energy and environment.

FUTURE-RADAR will also facilitate exchange between cities in Europa, Asia and Latin America on urban electric mobility solutions. The FUTURE-RADAR activities include project monitoring, strategic research agendas, international assessments and recommendations for innovation deployment as well as twinning of international projects and comprehensive dissemination and awareness activities. Overall it can be stated that FUTURE-RADAR provides the best opportunity to maintain, strengthen and widen the activities to further develop the multi-stakeholder road transport research area, for the high-quality research of societal and industrial relevance in Europe.

UEMI

Future Radar

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## **KfW (Kreditanstalt für Wiederaufbau/Reconstruction Credit Institute)**

# Name of the Initiative

## Short description

### **KfW is one of the world's leading promotional banks.**

It is committed to improving economic, social and ecological living conditions all around the world on behalf of the Federal Republic of Germany and the federal states. Its global network includes around 80 local and representative offices in the partner countries (see figure 1). KfW promotes and supports programmes and projects that mainly involve state actors in developing and emerging economies – from their conception and execution to monitoring their success<sup>1</sup>. Initially, agreements between partner countries and German federal government are made for KfW programmes and projects. KfW supports and advises its partner countries throughout the entire project cycle, from preparation and execution to long after the start of operations. Local partners are responsible for preparing and executing projects. KfW also takes responsibility for systematic quality assurance/evaluation of the project.

### **KfW works on the following sectors:**

- Promotion of small and medium-sized companies (SMEs) and start-ups
- Provision of equity capital
- Programmes for energy-efficient refurbishment of residential buildings
- Support of measures to protect the environment
- Educational finance for retail customers
- Funding programmes for municipalities and regional promotional banks
- Export and project finance
- Promotion of developing countries and emerging economies
- Financing and consulting for companies investing in developing countries and emerging economies

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<sup>1</sup> [https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2014\\_Selbstdarstellung\\_EN.pdf](https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2014_Selbstdarstellung_EN.pdf)

**KfW supports development programmes** – and consequently prospects for the future – in Africa, Asia, Latin America and South-East Europe.

## Transport

**KfW finance investments and reform programmes** areas include climate and environmental protection, water supply and sanitation, health, rural development, energy supply, education and financial system development. The type of projects and programmes that kfw support varies significantly, depending on local needs and the general conditions in place<sup>1</sup>.

# Geographic Scope

## UEMI area

## Focal point at the national level



1 [https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2014\\_Selbstdarstellung\\_EN.pdf](https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Selbstdarstellung/2014_Selbstdarstellung_EN.pdf)

2 <https://www.kfw-entwicklungsbank.de/Interna->

## India

KfW is supporting the Indian government in finding ways to pursue socially responsible yet climate-friendly growth. The supports entails, for instance, loans to promote renewable energies and to finance credit for small and medium-sized enterprises, or investments in environmentally friendly municipal infrastructure projects.

Mainly works on:

- Renewable energy and energy efficiency (Project example: Solar power)
- Sustainable economic development
- Sustainable urban development
- Natural resources and environment

**Contact: KfW Office New Delhi**

### **Nepal<sup>3</sup>:**

KfW supports Nepalese partners with financial resources and know-how in the following three areas:

- Sustainable economic development
- Energy efficiency and renewable energy
- Healthcare

**Contact: KfW Office Kathmandu**

### **Vietnam<sup>4</sup>:**

KfW, on behalf of the German government, is supporting this economic change in various priority areas:

- Energy
- Vocational Training
- Environment Protection

**Contact: KfW Office Hanoi**

## Nepal

## Vietnam

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[tional-financing/KfW-Development-Bank/Local-presence/Asia/India/](https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Asia/India/)

3 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Asia/Nepal/>

4 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Asia/Vietnam/>

### **Philippines<sup>5</sup>:**

KfW, on behalf of the German government, is supporting in the area of peace building and conflict transformation.

### **Brazil<sup>6</sup>:**

Brazil is a strategic partner of Germany in the management of global challenges: the country has an important role to play in protecting the climate as well as species. KfW, on behalf of the German government, is supporting in the area of:

- Protection and sustainable use of tropical forest
- Renewable energies and energy efficiency

**Contact: Agencia do KfW Brasilia**

### **Ecuador<sup>7</sup>:**

KfW Development Bank is supporting Ecuador in harmonising economic development with the protection of natural resources. KfW, on behalf of the German government, is supporting in the area of:

- Environment
- Governance

**Contact: KfW Office Quito**

### **Morocco<sup>8</sup>:**

KfW, on behalf of the German government, is supporting in the area of:

- Energy
- Water
- Sustainable economic development

**Contact: KfW Office Rabat**

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5 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Asia/Philippines/>

6 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Latin-America-and-the-Caribbean/Brazil/>

7 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Latin-America-and-the-Caribbean/Ecuador/>

8 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/North-Africa-and-Middle-East/Morocco/>

Philippines

Brazil

Ecuador

Morocco



## Ghana

## Kenya

### **Ghana<sup>9</sup>:**

KfW, on behalf of the German government, is supporting in the area of:

- Sustainable financial management
- Governance
- Agriculture

**Contact: KfW Office Accra**

### **Kenya<sup>10</sup>:**

KfW Development Bank is supporting Kenya in establishing an improved water supply and sanitation system, assisting to bring forward a productive agricultural development and the introduction of a widespread healthcare system. KfW focus areas are:

- Agriculture and rural development
- Health
- Water sector
- Education
- Energy

**Contact: KfW Office Nairobi**

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9 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Subsahara-Africa/Ghana/>

10 <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Subsahara-Africa/Kenya/>

## Scope of funding and requirements

KfW Development Bank's funding support is adapted to the requirements and conditions in the respective partner country. The funding model depends on the size of a country's debt, its economic output and level of development, the performance capacity of the project partner as well as the type of project. The funding models can be pure grants and loans from budget funds, but also loans that combine budget funds and KfW's own funds. The conditions for these kinds of loans are particularly favourable (interest, term). KfW also grants loans which are only comprised of KfW's own funds at terms and conditions commensurate to risk.

## Grants

Under German Financial Cooperation, grants funded from the German Federal Government's budget are mainly allocated to poor and poorly developed countries. In 2017, 41% of the German Federal Government's budget funds were dedicated to Sub-Saharan Africa. For the eligibility, development policy criteria must be met including the partner country's ownership and commitment. More developed countries are also eligible for grants for projects that contribute directly to reducing poverty or to protecting global public goods such as, e. g., tropical rainforests.

# Scope of funding

## Grants

## Development loans

KfW's development loans were formed in collaboration with the Federal Ministry for Economic Cooperation and Development (BMZ) to increase the funding volume for the projects and programmes in the partner countries. KfW combines budget funds of the German Federal Government with own funds that it raises at favourable terms on the capital market. When KfW's own funds are used, partner countries benefit from the cheap refinancing options available to KfW – reduced-interest loans. The terms and conditions are structured to ensure that the projects are able to bear the costs and that the loans comply with the international agreements for Official Development Assistance (ODA). Even though the terms of the development loans are higher than pure budget funds, they are significantly below market level.

## Promotional loans

Promotional loans are loans to KfW partners in developing countries and emerging economies commissioned by the government that are 100 % funded by KfW on the capital market. The loans are deployed for projects that are effective when it comes to development policy and viable in economic terms for which, however, funding is not available from the commercial banking sector (e. g. due to long financing terms required).

The FC promotional loans aim to fill the gap between FC development loans and commercial bank loans and give German Financial Cooperation more flexible options for action. By granting promotional loans, KfW can provide more funding for eligible development projects without burdening the budget.

## Time frame

variable

## Institutions typically involved in the implementation

KfW runs programmes through institutions in the partner countries. These institutions are mostly ministries, government authorities (national, state/local), state development banks or other public sector authorities. They execute the projects and programmes financed by KfW and are responsible for their success. KfW also works indirectly via banks with private institutions or with civil society organisations in fragile states.

## Website

<https://www.kfw.de/kfw.de-2.html>

# Development loans

## Promotional loans

## Time frame

## Involved Institutions

## Website



[www.uemi.net](http://www.uemi.net)

More Information

Implementing  
Partners



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