

# Financial products of FC – Grants



As of: December 2024

**KfW uses grants from budget funds as a financial instrument of financial cooperation (FC) with developing and emerging countries.**

## **The commissioning party is the German Federal Government**

Grants are an important instrument of the KfW Development Bank to help poor and less developed countries to finance their development projects. These grants enable countries to make the necessary investments in infrastructure, education, health, and environmental protection to improve people's living conditions. For this purpose, funds from the federal budget are given as grants to weakly developed countries.

## **Essential characteristics of grants**

- The aim of the financed projects is to reduce poverty and/or protect the environment and climate and thus to sustainably improve the living conditions of people in the partner countries.
- Beneficiaries of grants are States which usually channel the funds to public project executing agencies.
- Grants do not have to be repaid by the partner country.

In principle, grants are awarded to Least Developed Countries (LDCs). However, this requires adherence to established development criteria, which include ownership and commitment by the partner country. More developed countries, i.e., non-LDCs, that perform projects that directly contribute to poverty reduction or the preservation of global public goods, such as tropical rainforests, can also receive grants.

## **Requests for financing**

Requests for financing should be supported by sound information on the planned financing project. Contact persons for grants are the respective regional departments of KfW Development Bank, e-mail: [info@kfw.entwicklungsbank.de](mailto:info@kfw.entwicklungsbank.de)

## **Publisher / Originator**

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