



»»» KfW Development Bank Facts and figures

KfW Development Bank

What do we do?

KfW has been helping the German Federal Government achieve its goals with respect to development policy and international cooperation for over 50 years. Our role in the field of German development cooperation is that of an experienced bank and an institution specialising in development policy. On behalf of the German Federal Government, primarily the Federal Ministry for Economic Cooperation and Development (BMZ), and the European Union (EU) we promote and support programmes and projects that mainly involve state actors in developing and emerging economies – from their conception and execution through to monitoring their success. In 2018 we committed EUR 8.7 billion worldwide to 371 new projects and programmes, which once again exceeded the record value of the year before.

Where do we operate?

KfW Development Bank supports projects and programmes in Sub-Saharan Africa, North Africa and the Middle East, Asia, Latin America and South-East Europe. We help partner countries to create better living conditions, while protecting the climate and the environment at the same time. The list of partner countries is more heterogeneous and dynamic than ever before. We work with developing and emerging countries, and we are also increasingly active in crisis-hit regions. About a quarter of the new commitments go to fragile states.

»»» Present in almost
70 countries



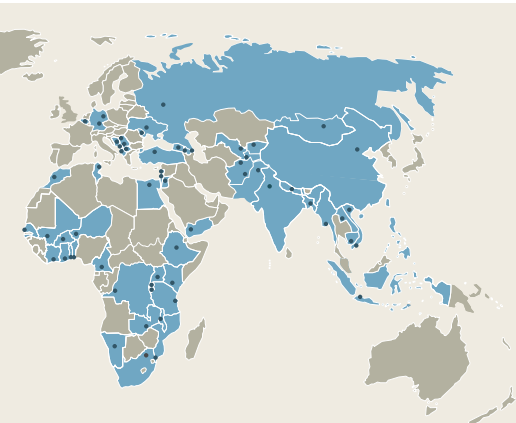
Present in almost 70 countries

To bring us closer to our partners, we have 69 regional offices in 66 different countries in addition to our offices in Frankfurt, Berlin and Brussels.

Which sectors do we promote?

We finance investments and reform programmes in a range of sectors including health, education, water supply, energy and financial system development. The type of projects that we support depends on the local needs and conditions. We are supporting Iraq, for example, in the reconstruction of infrastructure in the areas formerly occupied by the Islamic state, with the aim of creating prospects in their homeland for the occasionally more than 3 million internally displaced persons and thus contributing to the stabilisation of the country.

Another example: last year KfW launched the Clean Oceans Initiative (COI) together with the French development bank (Agence Française de Développement, AFD) and the European Investment Bank (EIB). Over the next five years, the three banks will together invest EUR 2 billion in projects aimed at reducing pollution of the world's oceans.



Funding

Where does our funding come from?

KfW Development Bank receives part of its funding for projects and programmes from the German federal budget. Last year, this figure amounted to almost EUR 2.9 billion. We also use funds received from other public clients such as the European Union or raised on the capital market, which we refer to as KfW funds. In 2018, these KfW funds totalled around EUR 5.3 billion. This allows us to multiply the impact of the budget funds used.

Customised financing

The type of funding opted for depends on the size of a country's debt, its economic output and level of development, the performance capacity of the project partner, and the type of project or programme in question. The funding instruments used include pure non-repayable financial contributions, loans from budget funds (standard loans), loans financed by KfW with interest subsidised by grants from the German Federal Government (development loans), loans financed by KfW at near-market conditions (promotional loans) and equity participations.

We mainly use financial contributions and low-interest standard loans from budget funds in poor, underdeveloped countries. New commitments for development projects in Africa and the Middle East rose disproportionately in 2018, rising to 48% of the total volume. This also includes the implementation of the "Marshall Plan for Africa" in the reform partner countries of the Federal Ministry for Economic Cooperation and Development (BMZ). We use development and promotional loans in advanced developing and emerging economies for projects that are both useful from a development policy perspective and economically profitable at the same time. The partner countries benefit from the favourable refinancing conditions obtained by KfW on account of its AAA rating, the subsidising of interest partly by using German Federal Government funds and the partial assumption of risk by the German Federal Government.



Clients and partners

Who do we act on behalf of?

KfW Development Bank's main client is the German Federal Ministry for Economic Cooperation and Development. We also act on behalf of other government departments such as the German Federal Foreign Office, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the Federal Ministry for Economic Affairs and Energy and the Federal Ministry of Education and Research. Our most important international client is the European Union.

Who do we work with?

Regardless of the client and financing partner, responsibility for the programmes always lies with an institution in the partner country. These institutions are mostly ministries, government authorities, state development banks or other public sector authorities. They implement the projects and programmes



financed by KfW and are responsible for their success. However, we also work with non-governmental organisations, private foundations and UN organisations. It is essential that the joint project or programme fulfils the development policy criteria of the partner country and the German Federal Government.

In addition, we work very closely with other institutions involved in German and international development cooperation. In Germany, we mainly deal with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). At an international level, we work closely with other European institutions such as the Agence Française de Développement (AFD) and the European Investment Bank (EIB), as well as with multilateral development banks such as the World Bank.



»» Thinking
ahead together

Our figures 2018

Financial instrument

	In m EUR
Non-repayable financial contributions	2,625
Standard loans	297
Development loans	3,069
of which budget funds	21
of which KfW funds	3,048
Promotional loans	2,223
Delegated funds	478
Total	8,692

Source of commitment funding

	In m EUR
Budget funds	2,943
KfW funds	5,271
Delegated funds	478
Total	8,692

Commitments by region

	Budget funds		Total commitments	
	In m EUR	%	In m EUR	%
Sub-Saharan Africa	1,245	42	1,744	20
Asia and Oceania	478	16	2,596	30
Europe and Caucasus	209	7	855	10
Latin America	128	5	1,071	12
North Africa / Middle East	851	29	2,390	27
Supraregional	31	1	36	1
Total	2,943	100	8,692	100

Commitments by OECD Development Assistance Committee priority sector¹

	In m EUR	%
Social infrastructure and services	3,387	39
Education	622	7
Health	347	4
Population policies	55	1
Water and sanitation	1,303	15
Government and civil society	967	11
Other social infrastructure and services	92,5	1
Economic infrastructure and services	3,443	39
Transport and storage	27,5	1
Energy generation and supply	2,813	32
Banking and financial services	597	6
Private sector and other services	5	0
Production sectors	354	4
Industry, natural and mineral resources, mining, construction	4	0
Trade and tourism	204	2
Agriculture, forestry and fishing	146	2
Multisectoral/cross section	1,029	12
Environment in general	448	5
Other multisectoral measures	581	7
Commodity aid and other general programmes	86	1
Humanitarian aid	394	4
Total	8,692	100

Differences in totals are the result of rounding

¹ Corresponds with the Creditor Reporting System (CRS) sector codes of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

How do we work?

Everything starts with intergovernmental agreements

Agreements between partner countries and the German Federal Government that confirm the financing of specific programmes form the basis of the funding provided by KfW. KfW supports and advises its partners throughout the entire project cycle, from preparation and execution through to the operating phase. Through the whole process, the focus is on the targeted effects and sustainability of projects and programmes.

Assistance with invitations to tender

We assume joint responsibility for success from a development policy perspective. Local partners are responsible for preparing and executing projects and programmes. They draft the public tenders for consulting work, supplies and services, and sign the relevant agreements on them, subject to appraisal by KfW. In this appraisal, we check that the invitation to tender and the award of contracts are conducted fairly and transparently according to internationally recognised rules. The procurement guidelines are public. With all of the projects we promote, we take care to ensure that all parties involved comply with high international standards regarding social aspects and efforts to fight corruption as well as protection of the climate and the environment.



How do our projects and programmes work?

Systematic quality assurance

Even after the execution phase, we do not lose sight of our projects. Our evaluation department, which is an independent unit, takes care of that. It appraises projects selected via random sampling several years after their completion and evaluates whether the desired outcomes have been sustainably achieved. Overall, around half of the financed projects are thus subjected to evaluation. Systematic evaluation helps to guarantee the quality of the work, enabling us to learn from the results for new projects. We want to know what works, as well as how and why, so that we can achieve the most sustainable impact possible for the people in partner countries with the funds employed.

We publish the results of all our evaluations. The success rate is high: around 80% of the projects funded by KfW Development Bank are evaluated as successful by the evaluation department.



Evaluation reports

On our website we offer summaries – arranged by country – of all our evaluation reports created since 2002: <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Evaluations/Results>

What will be achieved?

The following examples show the progress brought about in partner countries thanks to our support.

Climate and environmental protection

KfW Development Bank is one of the world's largest financiers in this area. Climate and environment projects, which received EUR 5 billion in funding on behalf of the German Federal Government in 2018 – corresponding to about 58% of all new commitments of KfW Development Bank – will presumably generate annual savings of around 5.1 million tonnes of carbon dioxide equivalents in the partner countries in the years to come.

Displacement, crises, migration

Last year a quarter of all new commitments went to fragile states. In 28 countries 126 projects with a total volume of EUR 4.1 billion (new commitments: EUR 1.1 billion) were supported. 63% of these funds went to the North Africa and Middle East region.

Employment

33 million years of employment or around 1.6 million permanent jobs* can be created and secured with the support of the commitments made in 2018.

Support to the financial sector

New commitments totalling approximately EUR 597 million in 2018 allow banks, funds and microfinance institutions to issue around 800 000 loans with a total volume of EUR 2.4 billion, mainly to small enterprises.

Health

128 million people benefit from the new commitments entered into in 2018 in fields comprising reproductive health, healthcare infrastructure and combating infectious diseases. Almost half of the commitments are aimed at directly improving the health of mothers and children.

* Based on an average technical and economic lifetime of approximately 21 years for the investment financed by KfW

Water and sanitation

Through the new programmes and projects agreed in 2018 in the field of water, waste water and solid waste disposal, we are able to reach more than 60 million people.

Energy supply

EUR 2.8 billion was committed in 2018 for projects in the energy sector, in particular for the expansion of renewable energies. In many developing countries and emerging economies there is great potential for this – but often a lack of infrastructure to put it to use. The improvement of energy efficiency is also being promoted. 1.6 million people were given access to modern energy supply for the first time or improved access to it.

Education

3.5 million people will benefit from the commitments made in the education sector in 2018 in the amount of EUR 622 million. Around 74% of these funds will allow for an improved access of school-age children to education facilities. EUR 165 million are being assigned to activities designed to improve vocational training opportunities.



More information

Would you like to find out more?

We are convinced that transparency can improve development cooperation. That is why we make our data available online. Our **transparency portal www.kfw.de/transparenz** provides information about the origin, use and impact of both the public funds and KfW's own funds used for development – for each country and each project.

Our website **www.kfw-entwicklungsbank.de** also offers up-to-date background information on development policy topics and our projects, as well as standard contracts and our guidelines on subjects such as the procurement of supply and work contracts, the assignment of consultants, fighting corruption and complaints management.

The website **www.deginvest.de** offers information on the KfW subsidiary DEG, which contributes to KfW's engagement in developing and emerging countries supporting and financing private companies who invest in these economies. KfW's international business is rounded off by KfW IPEX-Bank: **www.kfw-ipex-bank.de**.

Do you want to stay informed?

The KfW **electronic newsletter “Development in Focus”** regularly offers information in German and English on the current focus of activity, events and publications on development funding by KfW. You can subscribe to the newsletter at the following web address: **www.kfw-entwicklungsbank.de/newsletter**.



Responsible banking

KfW is one of the world's leading promotional banks. On behalf of the Federal Republic and the federal states of Germany, it applies its decades of experience to improving economic, social and ecological living conditions at home and abroad.

KfW Development Bank is responsible for part of KfW's international business, in which its two subsidiaries KfW IPEX-Bank and DEG are also involved. While KfW IPEX-Bank is active in international project and export finance, DEG provides financing and consulting to private companies investing in developing countries and emerging economies.

Photos

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