

## Portfolio Highlights in Sub-Saharan Africa

### Bujagali Hydropower Project Uganda

Access to electric power is a luxury in Uganda. Current prices for electricity are enormously high, putting it effectively out of reach of the predominantly poor population. In addition, power is in extremely short supply. For much of the past decade, Uganda has experienced a power crisis that has inflicted significant economic damage on the national economy. KfW Entwicklungsbank is part of a consortium that finances the construction of HPP Bujagali on the Nile River. HPP Bujagali:

- is the largest hydropower IPP in Sub-Saharan Africa (250 MW);
- will raise Uganda's installed generation capacity by 50 %;
- will significantly lower generation cost in Uganda.

### Geothermal Development in East Africa

Geothermal resources are abundant in Eastern Africa and the use of geothermal energy provides reliable baseload power at low cost and with low emissions. KfW Entwicklungsbank has supported geothermal projects in Kenya since the 1980s. Our projects include:

- **Financing for Olkaria III, Africa's first, privately operated geothermal power plant in Kenya (Sponsor: Ormat).**
- **Extension of Olkaria I and IV to 280 MW (Sponsor: KenGen).**
- **Geothermal Risk Mitigation Facility to reduce drilling risks and to encourage investments in new geothermal sites.**

### Labour Based Road Construction – Namibia

KfW Entwicklungsbank is financing a labor-based road construction project in Northern Namibia. That project will result in the construction of more than 400km of rural road and will contribute to economic and social development in Northern Namibia by

- **providing all-year road access to at least 40 schools and 15 health centers**
- **fostering development of small and medium enterprises (SME) in road construction. SMEs are playing a key role in the project, working together with experienced plant contractors who provide mentoring**
- **generating monetary income for men and women in rural areas that are characterized by high unemployment rates.**

Division Energy and Environment, Sub-Saharan Africa

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Promoting Infrastructure in Africa

## Division Energy and Environment Sub-Saharan Africa



Geothermal plant Olkaria II in Kenya

## Infrastructure: Key to Africa's Development

High quality infrastructure is a key ingredient for sustainable economic and social development. Every country needs efficient and durable energy, transport and telecommunications systems to leverage their full economic potential. The frontier countries of Sub-Saharan Africa are confronted with significant infrastructure bottlenecks that slow down development. Less than 1 out of 4 people in Africa have access to power; access to the Internet remains scattered and is often prohibitively expensive; international transport links that could facilitate trade and investment remain underdeveloped. There is overwhelming evidence that poor infrastructure performance is not just affecting economic competitiveness but also slowing achievements in health, education and is disproportionately harming the poor.



Road construction in Namibia

KfW Entwicklungsbank is working with public and private sector partners around the world to realize infrastructure projects. From hydropower projects to international seaports, from the promotion of rural electrification to the implementation of global communications networks: KfW Entwicklungsbank has a proven track record in successfully financing and supporting key infrastructure projects in Sub-Saharan Africa.

## KfW Entwicklungsbank

KfW Entwicklungsbank is a competent and strategic advisor on current development issues. Reducing poverty, securing peace and protecting climate and environment are the main priorities of KfW Entwicklungsbank. On behalf of the German Federal Government it finances reforms, infrastructure and financial systems for socially and ecologically compatible economic growth. As part of KfW Bankengruppe it is a worldwide financing partner, and it also employs funds of its own for development projects. KfW Entwicklungsbank currently implements about 2,000 projects in 110 countries. Total commitments in 2010 amounted to more than 4,5 billion EUR. The Division for Energy and Environment in Sub-Saharan Africa has worked for more than three decades on promoting infrastructure projects in Sub-Saharan Africa. During the past five years, we have successfully arranged or participated in financing of more than 30 infrastructure projects in the region. Our current project portfolio consists of more than 60 projects with a volume of close to 630 million EUR across 12 countries in Africa.

### Our Products

We provide tailor-made solutions for our partners, going beyond finance to include technical assistance as well as capacity-building measures. We offer two groups of products and services:

#### Concessional finance

On behalf of the German Government, we are promoting infrastructure development in Sub-Saharan Africa through our concessional finance window. That includes grant financing (e.g. for rural electrification projects) as well as loans at highly concessionary conditions.

#### Promotional loans

We offer promotional loans at conditions similar to those prevailing in the international capital markets. The purpose is to close the gap in the supply of loans between the concessionary loans and financing through commercial banks.

## Our Strengths

KfW Entwicklungsbank has been a trusted partner of public and private clients in African infrastructure for several decades. We combine a number of key strengths with our commitment to promoting infrastructure development:

- **We merge long-standing development expertise with the toolbox of a bank.**
- **We offer a unique range of financial products that can be tailored to almost any infrastructure project in the region.**
- **We put a premium on poverty-orientation and long-term sustainability of projects we finance.**
- **We have a strong presence in our client countries.**



Bujagali hydropower project in Uganda.