



Support Instruments of the Federal Ministry for Economic Cooperation and Development (BMZ) for Private Sector Investments in Developing Countries Solar Energy

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BMZ – Offers for the Private Sector

Information on **Financing** and Export Promotion

Investment preparation, **financing** and support

Joint **Projects**

Capacity Development and **Technical Qualification**
Programms

Dialog and Information

Competence networks and **Contacts**

Import promotion

Investment preparation, financing and support

Deutsche Investitions- und Entwicklungsgesellschaft (DEG)

- Co-financing (up to 200.000 EUR) of **Feasibility Studies** to prepare an investment project - new technologies, processes or services
- Financing and consulting of long term **Investment Projects** (from 1. Mio EUR upwards))
- **Technical Assistance Programme** for sustainability of DEG financing
- **Loan** for „**Up – Scaling**“ of successful pilot projects

Feasibility studies

Goal

Co- financing of feasibility studies to prepare a realistic, investment project. The planned investment must have development relevance and dovetail with the overall concept for German development cooperation

Target Group

Small and medium-sized companies located and operating within Germany and the European Union with an annual turnover of up to EUR 500 million

Financial Contribution

DEG provides a maximum of 50% of the costs for each feasibility study, but in any case not more than EUR 200,000. The proposing company bears a minimum of 50% of the costs for the study and is responsible for its orderly implementation. Funds from BMZ.

Requirements

The investment project should be plausible in terms of successful implementation and profitability. The study would not be carried out if public funding was not available due to the ensuing risks and costs

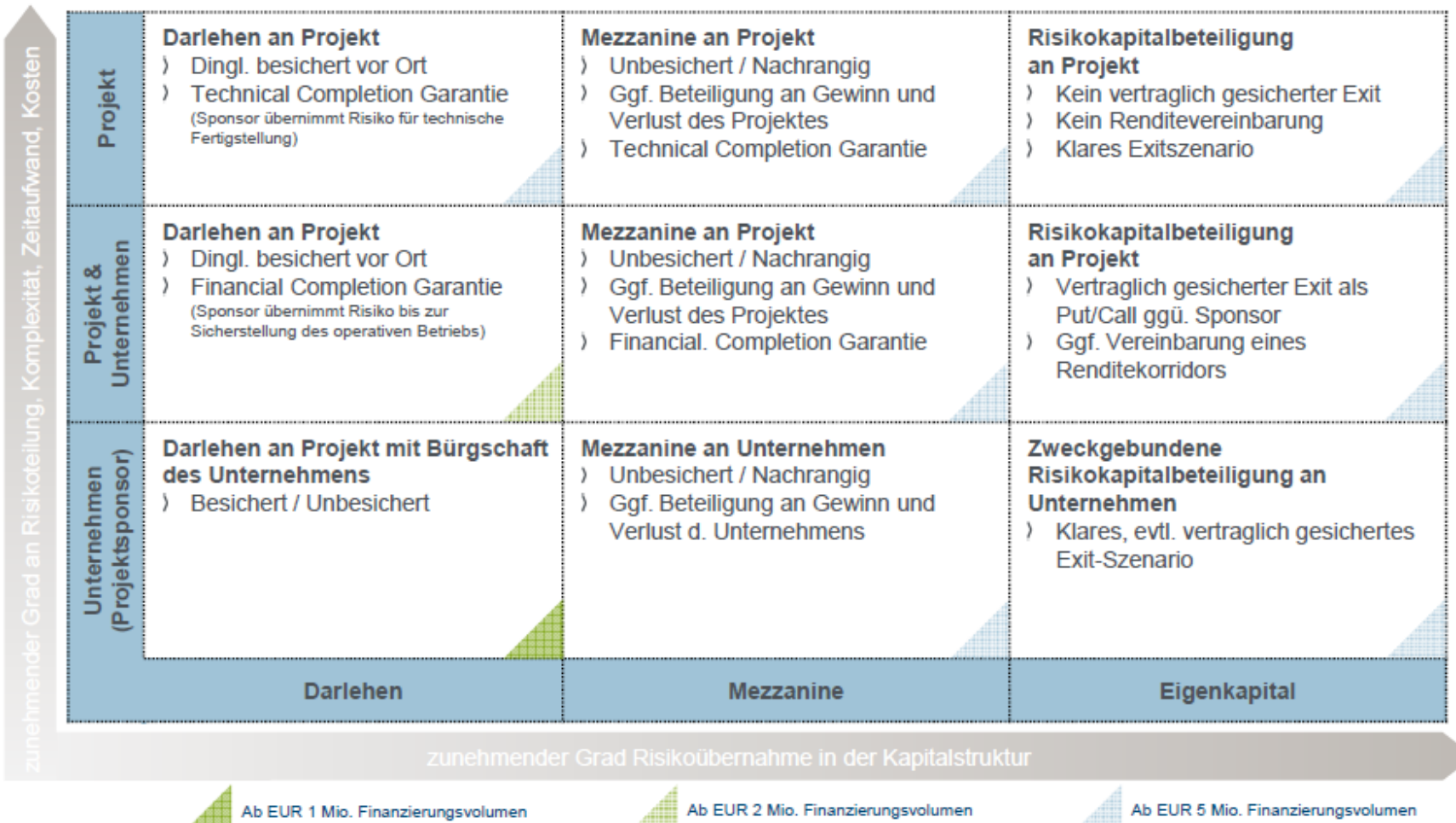
Participation

SME can deliver their proposals to DEG

»» Finanzierungsloesungen nach Maß

Detailliertere Betrachtung

KFW DEG



DEG- Financing

Project-specific solutions for investment in developing countries

- Long term financing + fix interest rates. 4-10 yeas debt tenor +10 years in the case of renewables
- Finance plus advice: Expert knowledge on financing conditions in the countries
- Direkt project finance (SPV) / Local securities
- Loans in local currency
- Federal government agency

Technical Assistance Programme

Goal

Co-financing of measures to boost the development effects of DEG financed projects and making projects bankable

Target Group

Clients of DEG with exiting or upcoming DEG projects

Financial Contribution

DEG structures the Technical Assistance together with the clients and covers part of the cost. The programme is financed by both DEG's own funds and funds from the Ministry for Economic Cooperation and Development (BMZ)

Fields

Educational and qualification measures in the project environment

Social and environmental measures

- Introduction of international standards
- Exemplary measures to boost energy efficiency and resource protection

Business and management consulting

- Corporate Social Responsibility (CSR) / Anti-corruption measures
- Corporate Governance
- Risk management / Risk mitigation for clients
- Improvement / Maintenance of debt service

Special programme “Up-Scaling”

Target

Financing of pioneer investments of small and medium enterprises (SME) in developing and emerging countries that intend to scale up innovative business models. Financing needs between microfinancing and the traditional financing

Target Group

SMEs which are registered in the developing country. This may also be local subsidiaries of German or European companies.

Financial Contribution

A maximum of 50% of the total investment volume (max. EUR 500,000) .The DEG share must be repaid in the event of success of the project (depending on pre-defined financial criteria such as cash flow, revenue or profit).

Requirements

- Project is based on an innovative business approach
- Private sponsors contribute a substantial share of equity (at least 25%)
- Pilot phase has already been successfully completed with proof of concept as regards technology and business model at local level.
- Profitability (proof by means of business plan and financial projections)
- High growth potential owing to the size of the market and the target group
- Almost all developing or emerging-market countries, pref. Africa and LDCs

Participation

Interested companies may deliver their proposals for the co-financing to DEG



Joint Projects

- **Development Partnerships:** Cooperation projects of the private sector and development cooperation
- **Climate Partnerships of DEG**





	Project Competitions	Strategic alliances	Integrated Development Partnerships	Africa Facility	Fund Fragile States West Africa
Private partner	German & European companies	German & European companies	All companies (local, regional & international)	African companies, international companies with a branch office in an African country	Companies of the respective country, international companies with a branch office in a respective country
Sector	all	Supra-regional, often entire sectors, different stakeholders	Direct contribution to achievement of Technical Cooperation (TC) project objectives	Sectors of the target Countries: Ghana, Kenya, Cameroon, Tanzania, Southafrica, Tunisia	Sectors of the target countries Ivory Coast, Liberia, Sierra Leone, (Guinea)
Term	max. 3 years	max. 3 years	Within project duration	max. 3 years	max. 3 years
Contribution	Up to EUR 200,000 Public share GIZ ≤ 50%	At least EUR 750,000 Total volume GIZ ≤ 50%	Up to EUR 193,000 Public share possibly more in co-operation agreements	Up to EUR 193,000 Public share GIZ ≤ 50%	Up to EUR 193,000 public share GIZ ≤ 50%
Acquisition	Through ideas competition, GIZ advisory services	Active acquisition	Active acquisition	Active acquisition	Active acquisition
Public share funded by		develoPPP.de	TC-project	Africa Facility	Fund Fragile States West Africa

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Three official partners



Deutsche Gesellschaft für
Internationale
Zusammenarbeit (GIZ)

- Sectoral and Regional expertise
- Intercultural Know-How
- Advice on the ground
- Global Network



Deutsche Investitions- und
Entwicklungsgesellschaft
(DEG)

- Ressourc and Climate Protection
- Agriculture
- Processing Industry
- Infrastructur
- Financing Sector



sequa

- Vocational Training
- Qualification of personell

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Goal

Co-financing of projects of companies that invest in developing and emerging countries and are seeking ways to shape their corporate commitment in the long term

Target Group

German and other European companies, as well as companies in developing and emerging countries in which EU-registered companies or European nationals own at least a 25% share

Financial Contribution

up to 200,000 euros can be provided per project. The company has to bear at least 50% of the project cost and is responsible for the realisation of the project in terms of finance, content and manpower. BMZ funds

Requirements

- private partner would not otherwise implement the develoPPP.de project without the public partner;
- project is not required by law;
- project gives rise to an appropriate economic development benefit for the country that exceeds any commercial benefits of the private partner;
- and the project implementation is not already underway

Participation

develoPPP.de ideas competitions four times per year. Interested companies can submit project proposals six weeks before the end of each quarter 31 March, 30 June, 30 September, 31 December



Requirements

Counties

- OECD DAC List

Economic strength of the company

- annual turnover of at least EUR 1 million
- ten employees
- three years of business operations

Project

- **Compliance:** Every development partnership has to comply with the development-policy principles of the German Government.
- **Complementarity:** Public and private contributions must be mutually complementary, i.e. cooperation must enable both partners to achieve their objectives more cost-efficiently, effectively and swiftly.
- **Subsidiarity:** Public support for the partnership measure is only given if the private partner would not otherwise implement the project and if the project is not a legal necessity.
- **Competitive neutrality:** The measure must not distort competition.
- Private sector's **own contribution:** The company has to make a substantial contribution to the measure that can be assessed in monetary terms



Case Studies: Solar Energy



El Salvador

Deployment of PV-systems and know-how transfer for local worker

Solera GmbH

01/2012 – 12/2014

Volume: 383.000 €

Public: 190.000 €



10.06.2014

Challenge

- High potential but marginal deployment of PV-systems
- Unclear national regulation for electricity feed in
- Administration, utilities and industry lack practical experience with PV technology
- Lack of financing instruments
- Lack of skilled worker

Approach

- Demonstration roof-top PV plant and grid connection
- Cooperation with ITCA engineering school: curricula development and apprenticeship for students
- Development of financing models with local banks
- Software to calculate economic viability of projects
- Workshops with utilities and grid operators on Solar Power
- Distribution of project results

El Salvador

Deployment of PV-systems and know-how transfer for local worker

Solera GmbH

01/2012 – 12/2014

Volume: 383.000 €

Public: 190.000 €



10.06.2014

GIZ contribution (selection)

- Financial contribution
- Facilitation of contacts: authorities, associations, companies
- Outreach activities and events

Impact

- Market development for PV systems and financing instruments
- Utilities, industries and businesses are able to plan, finance and implement PV Systems
- Supply of affordable energy for local business: increased competitiveness and economic development
- Reduction of CO² Emissions

Uganda

Solar power for mobile phone tower and villages

Kirchner Solar GmbH

08/2012 – 07/2014

Volume: 422.000 €

Public: 193.000 €



10.06.2014

Challenge

- Low rate of rural electrification and related barriers for economic development
- High cost of electricity supply for infrastructure in rural areas, eg. mobile telecommunication
- Unclear regulations / licensing procedures for IPP and direct electricity sales

Approach

- Cooperation with a local mobile phone provider for operation of pilots
- Design and testing of a „solar container“ to supply cell tower and village
- Installation of mini-grid in village and development of a development-oriented business model, mobile prepaid system and tariff structure
- Capacity building for technicians and training of trainers
- Strategic market development in the region

Uganda

Solar power for mobile phone tower and villages

Kirchner Solar GmbH

08/2012 – 07/2014

Volume: 422.000 €

Public: 193.000 €

GIZ contribution (selection)

- Financial contribution
- Knowledge and contacts in the sector
- Site selection and assessment of electricity demand
- Permission procedure for licenses etc. with local government and authorities
- Awareness-raising for end-user
- National and international roll out of supply, operational and business concept

Impact

- Kirchner: development of a new market segment and business model (electricity supplier)
- Mitigation of CO₂ emissions and reduction of energy costs
- Increased electrification and economic development



10.06.2014



Mexico

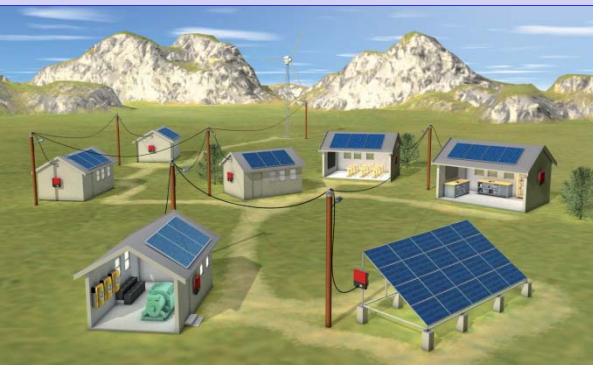
MEXICO SOLAR PV hybrid Mini-Grid for sustainable electrification of rural areas

SMA Solar Technology & Fraunhofer ISE

11/2011 – 12/2013

Volume: 600.000 €

Public: 190.000 €



10.06.2014

Challenge

- Mexican government aims at providing access to power in rural off grid areas through PV hybrid mini grids
- Limited basic knowledge and PV training and teaching facilities / capacities for engineers technicians and project developers

Approach

- Technology and know-how transfer through a demonstration centre
- Qualification for rural electrification for decision-makers at national and provincial level
- Installation / operation of a demonstration system with local partners

Impact

- Market development through reliable information on market conditions and technology requirements
- Establishment of service structures
- Increased exchange on R&D projects
- Increased awareness of decision maker on PV hybrid mini grids:

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Contact

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Further Information

www.bmz.de/wirtschaft

www.developpp.de



Förderung durch die Deutsche Bundesstiftung Umwelt (DBU)

Ziel

Finanzielle Förderung für Entwicklung und Anpassung umweltentlastender Produkte und Verfahren für den Kontext der Entwicklungs- und Schwellenländer.

Wirtschaftliche und technische Risikominderung Markteintritt

Zielgruppe

Deutsche kleine und mittlere Unternehmen (KMU)

Umsatz ≤ 50 Mio. EUR; Mitarbeiter ≤ 250

Finanzieller Beitrag

40%- 50% Förderung der Projektkosten in Höhe von ca. 10.000 bis 300.000 Euro (Ø 120.000)

Förderungswürdige Vorhaben

- Prozesse der Technologieanpassung/-innovation an den Kontext in EL/SL
- Umsetzung von Pilotprojekten (im Einzelfall)
- Vormachbarkeitsstudien und Begleituntersuchungen mit konkretem Mehrwert für die Markterschließung/ Projektumsetzung
- Wissensaustausch zwischen Wirtschaft, Wissenschaft und öffentlichen Institutionen.
- Auch Verbundvorhaben zwischen KMU und Forschungseinrichtungen werden gefördert.

Teilnahme

Interessierte Unternehmen können 3-5 seitige Projektskizzen bei der DBU einreichen. ..