

Catalysing Investment in Low-Carbon, Climate-Resilient Growth

**How public policy can trigger private investment in climate protection –
cases from Germany**

Paris, 7 November 2011

Gudrun Gumb, KfW Bankengruppe

Die Zukunftsförderer



Energy efficiency

Renewable energy

Information and
Consulting

Energy
Conservation Ordinance

Promotional
Programmes

Energy Prices

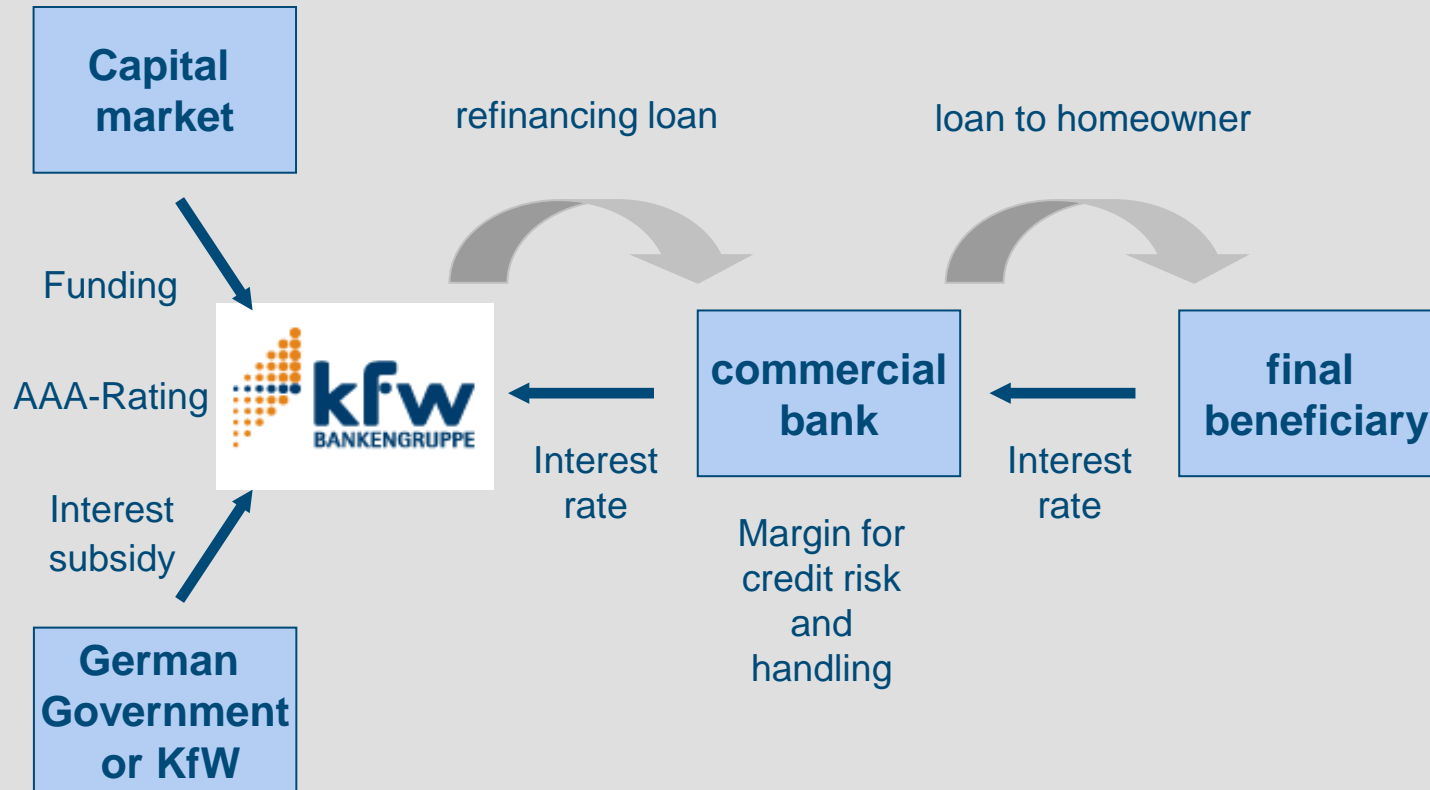
- Integrated energy and climate programme
- Climate Initiative (national and international component)
- Integrated energy and climate programme
- Regulatory context housing sector

- Adaption strategy

German CO₂ reduction targets

- **2008 – 2012** ⇨ 21% less compared to 1990
- **by 2020** ⇨ 40% less compared to 1990

Housing sector
share of KfW's
programmes 28%



KfW Bankengruppe is one of the world's biggest financing institution for energy efficiency and renewable energy

Basic Facts

- Programme started 2001
- 1.8 m housing units
- 630.000 loans with a volume of 40 bn euros
- Sustained CO2 reduction of 7.7 m tons p.a.
- Investments of 70 bn euros
- On average 200.000 jobs per year safeguarded or created
- Accumulated savings in heating costs of 1.5. m euros

Promotional concept

- All groups of investors can apply
- Focus on interest subsidised loans
- KfW-Efficiency House as a brand for energy efficiency
- On-lending principle



Basic Facts

- Relaunch of promotional schemes 2009
- more than 160.000 loans so far
- commitment volume of 23 bn euros
- Commitment volume 11 bn euros
- More than 70.000 loans
- sustained CO2 reduction of 5.6 m tons p.a (only renewables included so far)



Promotional concept

- Energy efficiency: combination of financing and consulting
- experts platform as an access to consulting know how
- Renewable Energy: subsidized loans provide financial resources
- Investments in production of heat and power with renewable energy



International Climate Initiative (ICI) – An Innovative Mechanism for Financing Climate Projects

Basic Facts since 2008:

- more than 240 projects;
with funding of approx. € 506 million + additional public & private sources = total volume of approx. €1.3 billion
- Germany's implementing agencies (KfW, GIZ);
UN-organizations; "Others" (national & international NGOs, private companies, foundations, etc.)
- Developing countries & newly industrialized countries
- Mitigation, Adaptation, REDD+



The Federal Ministry
for the Environment,
Nature Conservation
and Nuclear Safety

Programmbüro
**Internationale
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ICI also aims at the mobilisation of financial resources from investors:

- Finance instruments (e.g. credit lines; micro-financing systems; climate insurance schemes; innovative mechanisms)
 - Public-private partnership models; business/ contracting schemes
 - Technology cooperation
 - Policy advice on framework conditions
 - Capacity development (matchmaking TA and FA)
- Reducing private sector risks and demonstrating options for positive rate of returns
- Improving regulatory framework conditions

Thank you for your attention !

Contact Details

Dr. Kerstin Pfliegner

Kerstin.Pfliegner@bmu.bund.de

+49 30 18305 2307

Gudrun Gumb

Gudrun.Gumb@KfW.de

+49 69 7431 3831

Markus Kurdziel

Markus.Kurdziel@programmbuero-klima.de

+ 49 30 408190 165

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