

»»» KfW Financial Instruments in the GH2 Sector South Africa

Kelly Slaffa
16 May 2024

Financial Instruments for Green Hydrogen: KfW Development Bank

Purpose: Promoting the developing & emerging countries by funding their public sector

Grants



- Funds entirely from the **German Federal Government budget**
- Investment **grants** or **technical assistance**
- **Not repayable**

Development loans



- Combination of **KfW funds** and grants/loans from the **German Federal Government**
- Mainly **interest rate subsidies**
- Significantly **better conditions than loans at market prices**
- Maturity up to **maximum of 20 years**

Current GH2 Supporting Measures:

IDC-KfW Grant Program: Promotion of Green Hydrogen South Africa

Grant of 23m EUR for PtX project development and construction via IDC

PtX Development Fund

Purpose: Enabling the green hydrogen economy in developing and emerging countries



Financial Contribution

The PtX Development Fund will allocate up to **EUR 270 million in PtX projects on behalf of BMZ.**

The financial contributions will be disbursed in the form of **non-reimbursable grants** as part of the overall financing package of KfW, including debt, equity as well as mezzanine financing.

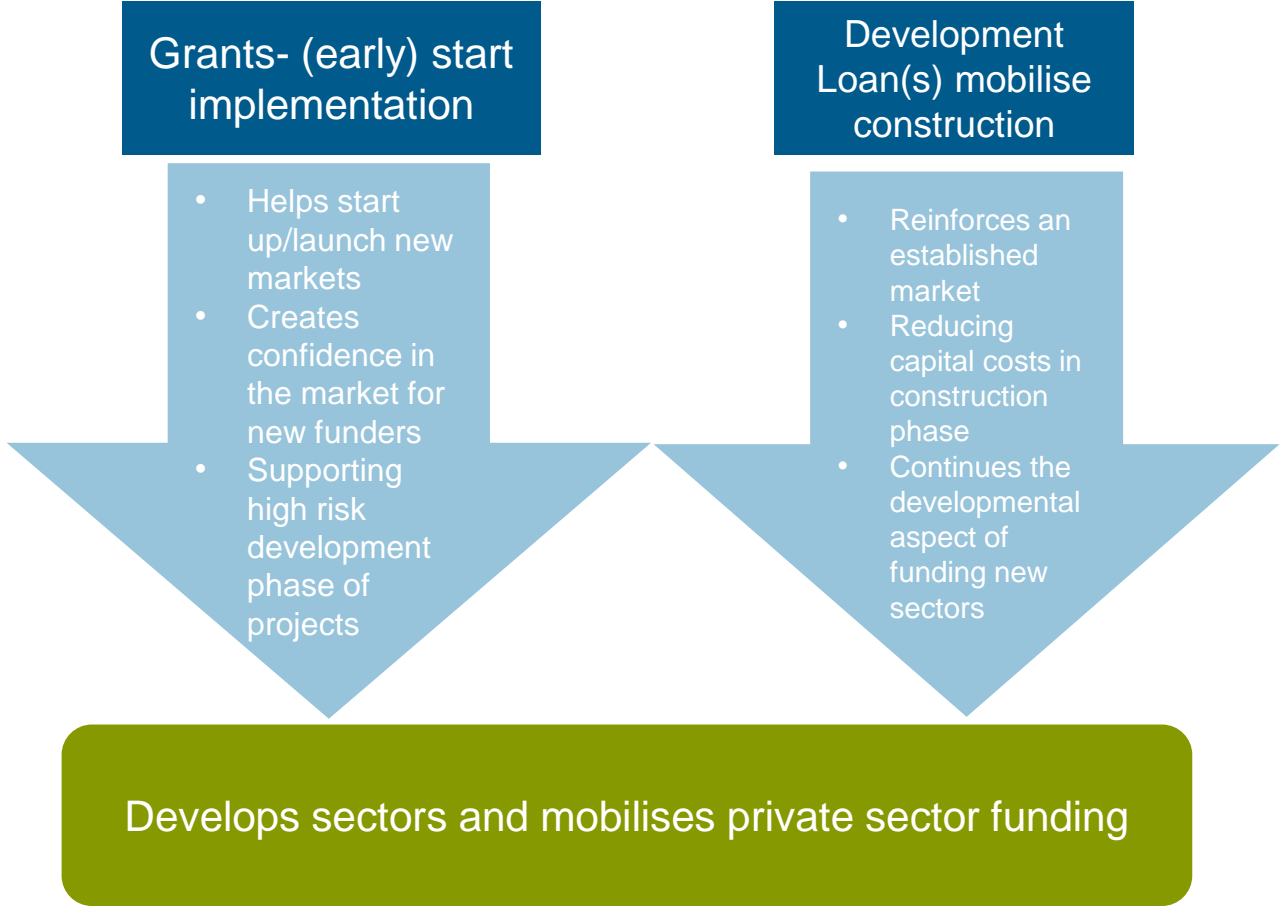
Fund Investments & Impact

By providing non-refundable grants, the PtX Development Fund will help PtX Project Partners bridging the **bankability gap** of their projects. The aim is to **facilitate Financial Investment Decisions** and to enable the final realization and construction of the projects. Special care will be paid to creating positive **contribution on local value chains and job opportunities.**

Additional integrated financing solutions

Supplementing the PtX Development Fund, a broad range of innovation and investment financing can be provided by KfW Group's **PtX Platform** - including that of KfW's three business areas **DEG, IPEX and KfW Development Bank**. Serving as a one-stop-shop, KfW's PtX Platform offers a broad range of financing instruments, including **grants, promotional loans, equity and debt financing as well as mezzanine financing.**

The importance of Development Finance to ramp up the sector



The value of collaboration

Partners, institutions and governments working together

- Enabling emerging sectors
- Mapping requisite instruments for the right phases of projects
- Creating positive dialogue and quick and innovative solutions
- Providing expertise together with funding

Achieving results through a basket of opportunities

>>> Thank you

For further information please contact us:

Kelly Slaffa
Energy, Finance and Infrastructure Lead
Kelly.slaffa@kfw.de

KFW