



## »» KfW Development Bank

### Implementing Indo-German Financial Cooperation



A history of almost

**60**  
years

Projects under implementation

**EUR**  
**3.6 bn.**

Current annual commitments

**EUR**  
**~1.0 bn.**

Bank aus Verantwortung

**KFW**

# »» Energy transition in Germany and India

A natural partnership arising from different challenges  
yet similar goals

## A mutual goal to...

- Significantly **increase the share of renewables** in their energy generation portfolio, focusing on solar (rooftop) and wind
- Improve **energy efficiency**
- Reduce **climate gas emissions**



... all while ensuring a **sustainable energy supply** which does not undermine **economic growth** or **international competitiveness**

India is moving towards its own Energiewende – and Germany is a crucial partner on this way

# »» Indo-German Financial Cooperation in the Energy Sector

## Overall objective

Broad range of partners and activities with special focus on rooftop solar

### RE generation



- Solar Power Plants
- Hydro Power Plants
- Lines of Credit (IREDA, REC)
- Solar Energy Partnership

### Transmission & Distribution



- Support transmission infrastructure for the evacuation of RE power - **Green Energy Corridors**
- Support distribution infrastructure for loss reduction measures

### Energy efficiency



- EE in appliances and lighting (EESL)
- EE in MSME (SIDBI)
- EE in irrigation pumps and housing

### Access to energy



- Establish successful business model for rural electrification (LoC)

# »» Green Energy Corridors

Support the evacuation of RE by strengthening the transmission infrastructure



## »» Joint Declaration on Indo-German Development Cooperation regarding the Establishment of Green Energy Corridors signed in Berlin on April 11<sup>th</sup>, 2013

A basis for the strategic cooperation between Germany and India to foster grid integration






- **Financial contribution** more than 1 billion Euros for Inter and Intra state transmission lines.
- Loans with PGCIL and 7 STUs already signed.
- **Technical assistance** is given for forecasting, market design and the establishment of REMC



# »» Indo-German Solar Energy Partnership

Broad range of partners and activities with special focus on rooftop solar



	1	2	3
	<p><b>Cooperation in the field of solar rooftops</b></p> 	<p><b>Development of solar parks/ zones</b></p> 	<p><b>Solar off-grid applications</b></p> 
<b>Focus</b>	<ul style="list-style-type: none"><li>▪ Rooftops in commercial, industrial &amp; residential segment</li><li>▪ Captive use (feed in for long term)</li></ul>	<ul style="list-style-type: none"><li>▪ Solar park infrastructure financing</li><li>▪ Land neutral solar: irrigation, floating, ...</li></ul>	<ul style="list-style-type: none"><li>▪ Solar powered mini-grids</li><li>▪ Solar Home Systems</li><li>▪ Agricultural water pumps</li></ul>

**KfW** India to receive **concessional loans** in the range of **EUR 1 billion** through **KfW**; partner institutions will be supported by additional TA grants.

**giz** **GIZ** to provide technical assistance, policy advisory services, pilot project promotion capacity building and training

**PTB** **PTB** to support skill development curriculum as well as the quality control framework for solar power components

# »» KfW Development Bank offering

## Key Information on Reduced Interest Loans (RIL)

<b>Financing Volume</b>	<ul style="list-style-type: none"><li>› Loan volume: from EUR 40m up to EUR ~250m (INR 320 – 2000 Crores)</li><li>› Currencies: USD or EUR.</li></ul>
<b>Conditions</b>	<ul style="list-style-type: none"><li>› Maturity: up to 15 years, including a grace period of up to 5 years.</li><li>› Interest Rate: below market rates.</li><li>› Variable Interest rates based on 6 M LIBOR or 6 M EURIBOR.</li><li>› Fixed interest rate, which are fixed at the time of signing.</li><li>› KfW can pass on attractive refinancing conditions to borrower.</li><li>› Usually covered by a government guarantee.</li></ul>
<b>Partners</b>	<ul style="list-style-type: none"><li>› Public sector corporations and public sector financial institutions</li></ul>
<b>Technical Assistance</b>	<ul style="list-style-type: none"><li>› Grants may be provided for institutional capacity building and related aspects</li></ul>

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