

The Public-Private Partnership (PPP) Programme:



Public co-funding meets entrepreneurial interests

International Agenda Setting Conference

October 12, 2006

Königswinter

DEG – Our business is developing



- DEG is Germany's financing institution for the promotion of the private sector in developing and transition countries.
- DEG invests in commercially viable private projects of all sectors that contribute to sustainable economic development of the country and comply with environmental standards.
- DEG provides tailor-made long-term debt financing, equity, mezzanine and guarantees.

DEG - Corporate Data.



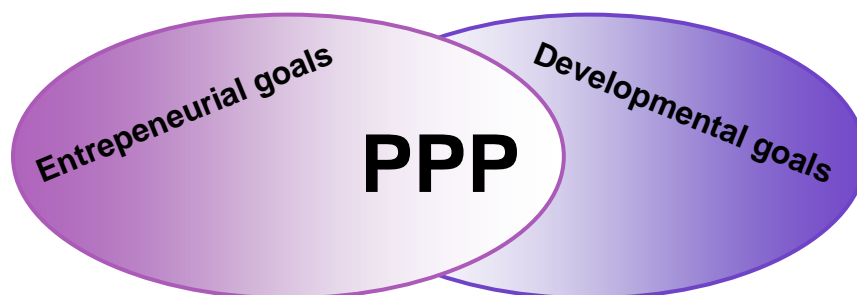
- Founded: 1962
- Headquarter: Cologne
- Capital: EUR 750 million
- Employees: 348
- Owner: KfW

KfW - Kreditanstalt fuer Wiederaufbau - is a statutory body of the Federal Rep. of Germany. KfW is AAA rated and has a balance sheet total of EUR 341 billion in 2005.

3

As of: 2005

Joining forces, doubling success. Public Private Partnership.



4

PPP-Programme: solutions for entrepreneurial problems.



Problems abroad:

- Lack of qualified staff
- Poor performance of local suppliers
- Lack of laws, regulations, quality and other standards
- Risks to introduce / adapt new technologies
- ...

PPP offers solutions!

5

Public-Private Partnership



Who can benefit from the PPP Programme?

- West European companies and their joint venture companies or subsidiaries
- Projects in emerging markets

6

Public-Private Partnership



PPP contribution

- up to 50% of eligible cost, max. 200,000 euros per project
- not reimbursable (possible returns may be creditable)
- competent, country-specific support by DEG

The entrepreneur's contribution

- renders a significant contribution in terms of finance and manpower
- is in charge of the realisation of the project

7

Specifics of a PPP-Project. What criteria need to be fulfilled?



- Project **contributes to local development**
- Project is **not** legally demanded
- Project would **not** be realised **without** public finance
- Project **complements** entrepreneurial core activities
- Project complies with priority areas of German development cooperation defined for the respective country (exemptions possible)

8

Public-Private Partnership



Preparing and accompanying long-term investments

- Pilot and demonstration plants
- Sustainable management of natural resources (e.g. forestry / re-forestation, renewable energy ...)
- Technology transfer
- Process adjustments
- Vocational training
- Qualification of suppliers
- Environmental projects
- if applicable, socially oriented projects

9

Community Center in Kenya



Problem for flower farm:

Workforce suffers from lack of infrastructure
in health care and education
in remote rural area

PPP- Project:

medical clinic / orthopaedic workshop / dental surgery /
pre-primary school for 180 children including handicapped



Improvement of health service and education in rural community
= improvement of public administration

PPP-DEG contribution: 41 % of the costs

10

Health Care Centre in Kenya



Problem in coffee farm:

Increased general health hazards by the spread of water borne diseases, high HIV/AIDS infection rate.



PPP- Project:

Implementation of wetland purification system for treating waste water and health care centre including HIV/AIDS- prevention campaign

Clean water supply for 3.000 people, health care, reduction of HIV/AIDS infection rate = positive developmental effects

PPP-DEG contribution: 48 % of the costs

11

Coconut Fibres in Brazil



Problem:

Increasing environmental destruction and rising poverty due to misguided settlement policy in Amazonia.



PPP- Project:

Production of stuffing material for seats and head rests in the automobile industry from renewable resources (Coconut fibers)

Raising employment opportunities / afforestation of the rain forest
= positive developmental effects

PPP-DEG contribution: 13 % of the costs

12

Plant Oil Stove



13

Traditional Cooking on open fire




- Efficiency < 10 %
- > 1,6 Mio. Deaths p.a. due to Indoor Air Pollution
- Time consuming collection of wood
- Increasing prices for wood
- Deforestation



14

Plant Oil as Cooking Fuel



Non-edible Oils


- Jatropha oil
- Castor oil
- Babassu oil
- Neem oil


By-Products

- Caoutchouc seed oil
- Kapok seed oil

Used oils

Plant oil ester





Large Production

- Palm oil
- Coconut oil
- Rape oil
- Sun flower oil

→ No competition to food production!

15

PROTOS business model ...



a sustainable and economical system

stove



+

•Raw Materials

Production

•Marketing
•Sales

•Service

plant oil



16

Project Philippines: high user acceptance



Main results

- **Economically attractive / competitive**
- **Advantages:**
safety, fast cooking, fuel and stove frame locally produced, low emissions
- **Willingness to pay** (one flame): 30 €
(> Kerosene pressure stoves: 8 – 20 €)



17

Get in touch!



Ms Daniela Söhngen

DEG – Deutsche Investitions-
und Entwicklungsgesellschaft mbH
Belvederestrasse 40, 50933 Köln, Germany

Phone: ++49 (0) 2 21 / 49 86 1335
Telefax: ++49 (0) 2 21 / 49 86 1472

E-Mail: sh@deginvest.de
Internet: www.deginvest.de

18