



German Parliamentary State Secretary Dr. Bärbel Kofler (BMZ) visits German supported Development Bank Ghana (DBG)

The German Delegation, led by Dr. Bärbel Kofler, the Parliamentary State Secretary of BMZ (Federal Ministry for Economic Cooperation and Development), visited the Development Bank Ghana (DBG) on Monday, 23rd May, 2022 as part of her mission to Ghana to attend the Annual General Meeting of the African Development Bank in her capacity as Governor. Dr. Kofler seized the opportunity to engage with the CEO of DBG, Mr. K Duker. Germany contributes to the DBG with about 50 Mio. EUR. The Financing Agreement for the provision of a loan of EUR 46.5 million and a grant of EUR 3 million (for technical assistance) to DBG via KfW was signed in December 2021. The financing aims to contribute to sustainable inclusive growth and job creation, in particular through empowering small and medium sized enterprises.

Dr. Kofler commended the high level of professionalism and enthusiasm with which DBG has started its operations and revealed that Germany is indeed proud of her partnership with Ghana which extends to DBG and KfW. She was confident that KfW's rich development finance experience will benefit DBG in establishing a strong institutional foundation. DBG was set up on the model of KfW and its vision is to be Ghana's leading provider of long-term financing on a sustainable basis. Its mission is to:

- Facilitate and strengthen long-term credit flow to Ghanaian businesses to drive long-term economic growth;
- Empower banks and entrepreneurs through financial innovation and other advisory services to strengthen the ecosystem in which businesses operate; and
- Promote Environmental, Social and Governance excellence within the businesses it supports.

Mr. K Duker expressed appreciation to Germany for supporting the establishment of the Bank and to KfW for making available its expertise. DBG is determined to make a difference in the financial landscape of Ghana by raising long-term affordable capital for MSMEs (micro, small and medium-sized enterprises) through its partner financial institutions. He indicated that DBG is poised for action and to help achieve the economic transformation needed in the country.

With DBG, MSMEs are on the verge of experiencing a turnaround in access to long-term financing which will go a long way to transform their businesses, creating decent jobs and building back Ghana better post Covid-19 pandemic.

Germany and the Development Partners Community are very much looking forward to the official launch of DBG in June this year.

The DBG – KfW strategic collaboration

According to the Hon. Minister of Finance, Ken Ofori-Atta, "The model for DBG was the German promotional bank - the KfW Banking Group - which played a central role in the reconstruction and transformation of the German economy after the Second World War. Through DBG, the Ghanaian government will be able to further strengthen its support to the private sector to drive economic growth and transformation."



In June 2019, a Ghanaian delegation visited KfW Banking Group in Frankfurt, Germany to gain in-depth insight into the bank's history, strategy and current promotional activities.

Like KfW, DBG will not provide retail or direct commercial loans, but will provide funding to existing commercial banks and other qualified financial institutions to offer long-term loans and other innovative products that are currently lacking in the market. Businesses in the agriculture, manufacturing, ICT, high value services sectors will be particularly targeted. DBG is embedded in Ghana's "build back better" efforts during and after the Covid-19 pandemic and in the country's national long-term economic strategy.

Capitalization

In addition to the financing from Germany, the European Investment Bank (EIB) has provided an amount EUR 170 million to DBG through the Government of Ghana. The bank has also received a loan of USD 225 million from the World Bank and a grant of USD 40 million from the African Development Bank.