

Why Germany's KfW IPEX-Bank sees lasting potential in South America

Marc Schieting, director and head of KfW IPEX-Bank's representative office in São Paulo, speaks with BNamericas about the areas of interest in the region for the European institution.

[KfW IPEX-Bank](#), an arm of German development bank [KfW](#), is aiming for deeper involvement in South America in the coming years, as the region holds significant potential to drive development across multiple sectors.

"We're deeply committed to Brazil and South America. It's a region with great potential and one where we want to expand our financing and support for client projects," said [Marc Schieting](#), director and head of KfW IPEX-Bank's representative office in São Paulo, supporting the institution's activities in Brazil, Argentina, Paraguay, Uruguay, and Chile.

Schieting speaks with BNamericas about the areas of interest in the region from the perspective of the European institution.

BNamericas: What are the areas of greatest interest for the institution in the region?



Schieting: First, let me explain how we are structured. KfW IPEX-Bank, which I represent in Brazil, is part of KfW Banking Group, a fully state-owned German bank. Within the group, KfW Development Bank focuses on public sector financing, DEG [Deutsche Investitions- und Entwicklungsgesellschaft mbH] on private sector support and we at IPEX act as the commercial arm focused on international projects and export finance.

We operate across the Americas, with offices in São Paulo, Bogotá, Mexico and New York, with our headquarters in Frankfurt.

We organize our work into four key sectors: energy, infrastructure, mobility and industry & commerce.

For us, energy includes renewables and water & sanitation; infrastructure includes digital and traditional [infrastructure]; mobility covers aviation, shipping and rail; and industry & commerce includes mining, trade and financial institutions.

Our most significant portfolios in South America are in Brazil and Chile, followed by Peru and Colombia.

In Brazil, we've been very active in pulp and paper financing and recently we closed a successful sanitation sector deal. In Chile, we have a longstanding involvement in mining and renewable energy, including energy storage as well as in financing transmission lines.

BNamericas: Looking ahead, what are the major areas where you see potential in Brazil and across the region?

Schieting: We see significant potential in pulp & paper and sanitation.

In [sanitation](#), investment demand is high and we're pleased with a recent deal we closed.

Regionally, mining remains a major trend – especially for [lithium](#), [copper](#) and [rare earths](#) – with activity in Brazil, Chile, Peru and increasingly Argentina.

In Chile, [desalination](#) is vital due to water scarcity.

Energy generation, including [battery projects](#), is also expanding, particularly in Brazil and Chile.

Digitalization is another megatrend. We've been strong in [data center](#) financing in Europe and the US, and we aim to grow in Latin America too.

BNamericas: In Brazil's sanitation sector, where there is a great need for financing amid growing investments, what kinds of operations are you involved in? Do you work jointly with local or international banks, considering that most players are local companies?

Schieting: We can only provide financing in hard currency, which filters the projects we can engage with. We primarily target large local companies and projects involving major local or international banks. These are our core partners in sanitation financing.

BNamericas: You mentioned growing activity in mining sector. As Brazil seeks to shift from being iron-ore-dependent toward critical minerals, do you see yourselves playing a role in financing that transformation?

Schieting: Definitely. Brazil has significant potential in critical minerals beyond iron ore. Projects in rare earths and other sectors are emerging, albeit in early stages. If there's a link to Europe [in projects], either via exports or use of European machinery, we're very interested.

BNamericas: With the ongoing [global trade tensions](#), what impact have you observed on business sectors across South America?

Schieting: It's complex. As a long-term financier, we often see shifts in the business climate gradually. While trade tensions are real, their effects take time to show in our portfolio. We continue to support global trade and hope for progress, such as the EU-Mercosur [trade] agreement, which would reaffirm the value of international trade.

BNamericas: German players seem interested in green hydrogen projects. What's your view on the development of this in Brazil and South America, and what lies ahead?

Schieting: We see [green hydrogen projects](#) across all the markets we cover. Brazil is unique because it can use green hydrogen for export, internal industrial use and agriculture, as green ammonia. This diversity and Brazil's geographic position make it strategic.

The challenge remains the off-take contracts. Once secured, these projects are very attractive for us, especially since much of the required equipment is European. We've participated in major international financings like NEOM in Saudi Arabia and Stegra in Sweden. We're also supporting Germany's 270mn-euro [US\$305mn] Power2X development fund, with Brazil and Colombia as eligible countries, highlighting the region's appeal.

BNamericas: ESG appeal is under pressure recently across the globe. How does KfW perceive this, and how has the appeal of ESG changed?

Schieting: It's true that the ESG agenda is under pressure. But we, especially given our ownership, remain strongly committed. Brazil is in the spotlight this year with COP30 in Belém, where KfW will be present in force. ESG remains a core part of our mission.

BNamericas: How concerned are you about potential changes to [environmental legislation](#) in Brazil? Could these changes affect Brazil's international image?

Schieting: It's uncertain whether any proposed changes will pass. But 2025 is crucial due to [COP30](#), especially regarding the Amazon. Any environmental developments this year will receive extra scrutiny globally.

AboutKfW IPEX-Bank GmbH

The description contained in this profile was taken directly from an official source and has not been edited or modified by BNamericas researchers, but may have been automatically translated.

KfW IPEX-Bank strengthens the European and German economy as a specialist in international project and export finance. By offering tailored medium- and long-term financing solutions and leveraging deep industry expertise, the bank supports projects that drive digitalization and sustainability. Its financing activities also contribute to the global transformation needed to mitigate climate change, aligning economic interests with a commitment to a sustainable future.

With over 65 years of experience, KfW IPEX-Bank stands as a pioneer among export banks. Its mission—to provide financing that supports the German and European economy—is embedded in the legal mandate of KfW Group. KfW-IPEX-Bank is a wholly owned subsidiary of the German development bank KfW.