Lessons from the cooperation between IDB, CTF, NAFIN and Munich RE in Mexico

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Early stage
- Pre-survey
- Exploration
- Test drilling

Medium stage
- Project planning
- Drilling
- Field development

Late stage
- Power plant engineering & construction
- Commissioning
- Operations

Seed capital
- Developers
- IPPs
- Public contribution
- (Venture capitalists)

Drilling equity
- PPP equity
- Gvmnt. guarantees
- Private equity
- (Inst. (Co-)investors)

Project & tax equity
- Institutional investors
- Large IPPs

Bankability

Insurability
**Purpose**

- Mechanism to mitigate upfront resource risk
- Financing mechanisms for all stages

**Lessons**

- To combine forces leads to “win – win – win”
- Global idea - local circumstances
- Green field – private money
The insurance structure for Mexico:
Collaboration with IDB/NAFIN/CTF/MR

New ERI

Exploration Risk Insurance – Munich Re
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Legal Relations

Fiduciary Structure with NAFIN as trustee

- Loss reserve fund
- Premium subsidy fund

Developer

Loan Agreement

Insurance Contract

Framework Agreement

Munich RE

In cooperation with local Fronter

1 preferred option – one contract between NAFIN & MR, depending on legal quality of Fiduciary Structure