

# Development Finance and Geothermal

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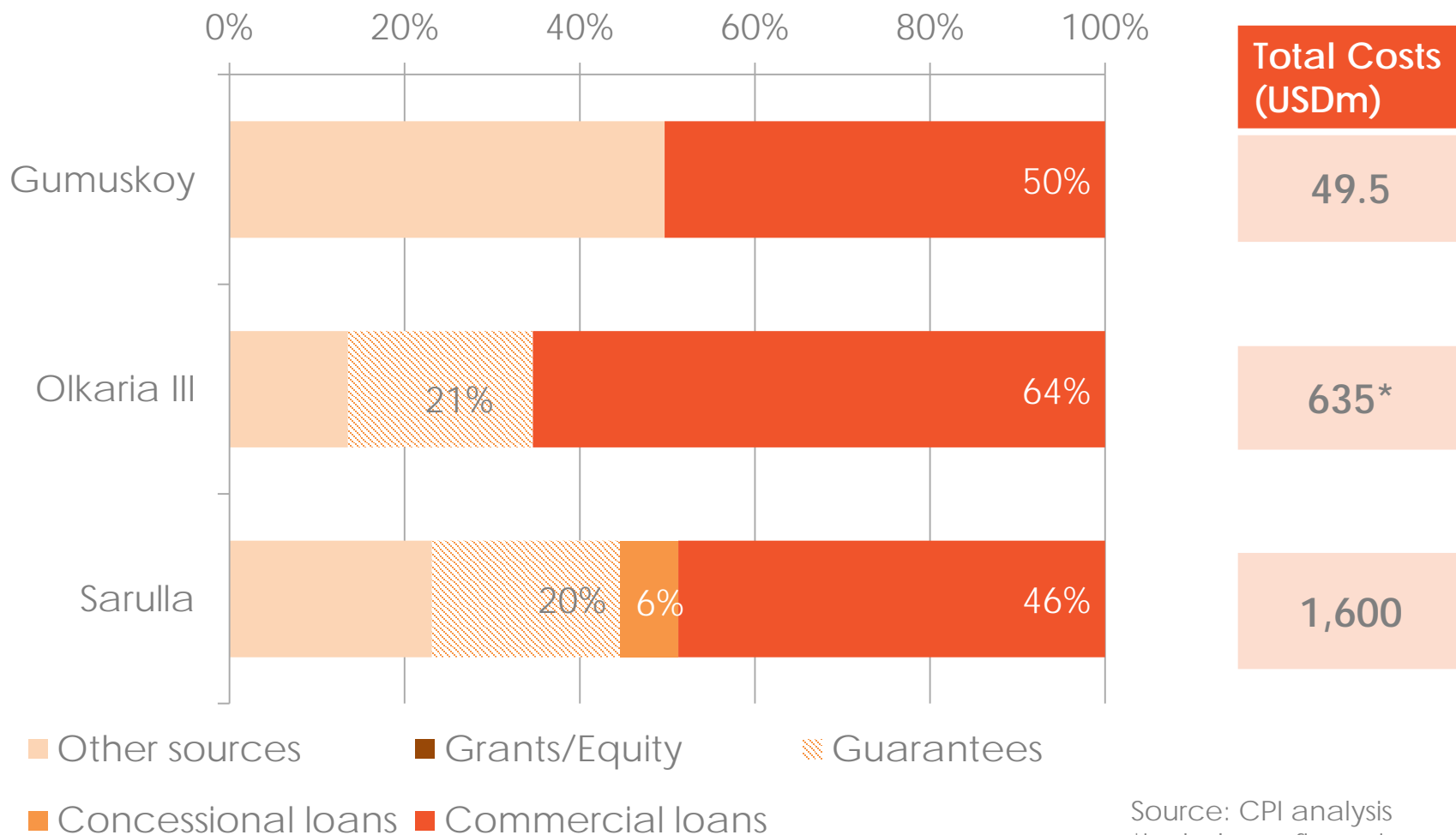


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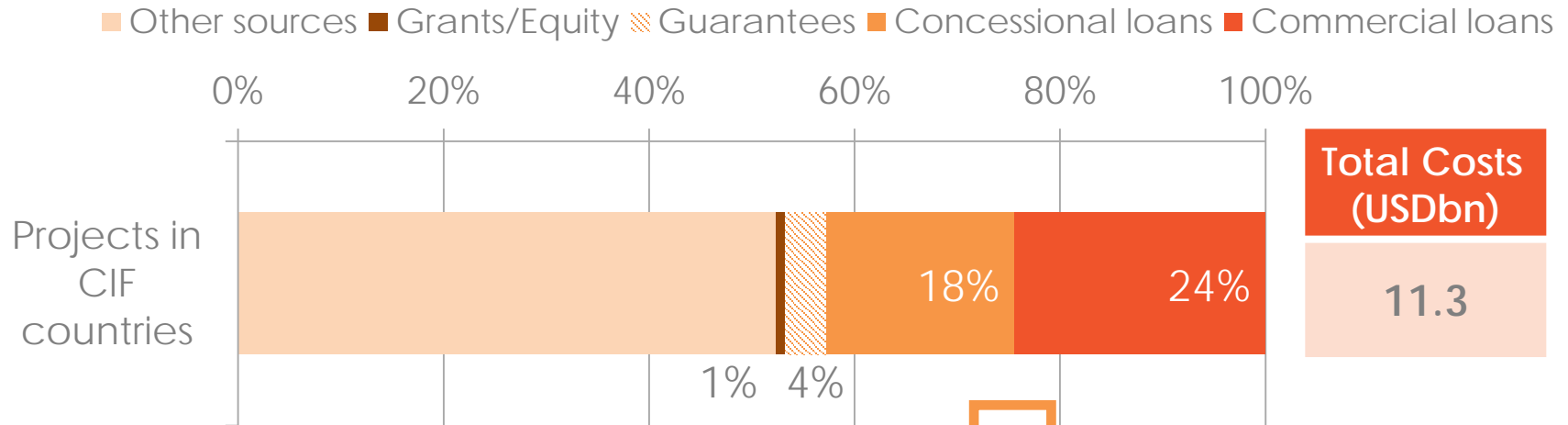
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# Even for innovative projects, international development finance is crucial



Source: CPI analysis  
 \*includes re-financing debt

# Flows of international public finance in projects in CIF countries



Note: preliminary estimates

Only exploration

Only construction

Both phases

# What funds are available for the different project stages and risks

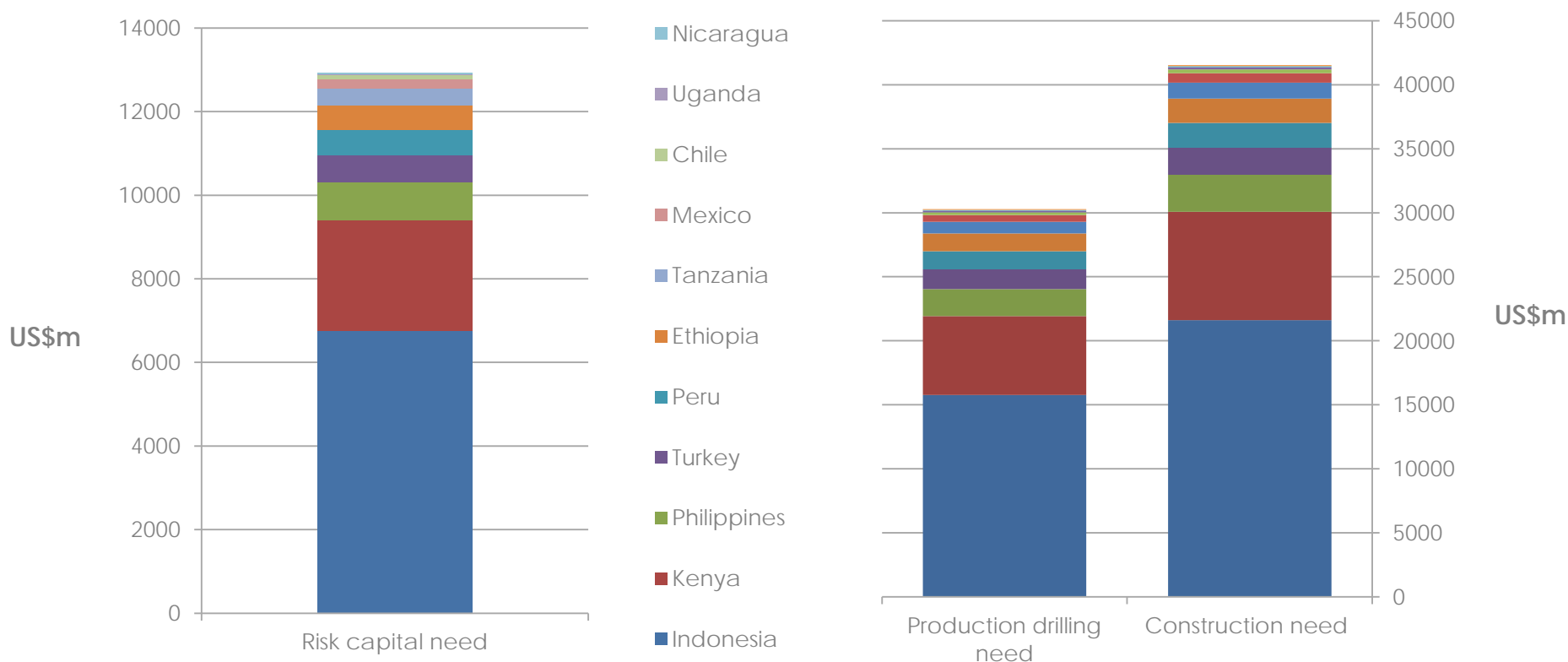
Project stage	Early-stage, Exploration and Test drilling	Production drilling, field development, construction
2014 - ongoing	\$430m of risk capital	\$1.5bn of concessional/commercial capital

Type of instruments available for each project stage		
Grants	✓	
Contingent grants	✓	✓
Insurance	✓	✓
Guarantees	✓	✓
Conc. Loans	✓	✓
Loans		✓

Note: preliminary estimates

# Much more risk capital will be needed to meet country targets

- Indicative cost estimates per activity add up to a need of **\$13bn** in risk capital to achieve deployment targets in 11 CIF countries;
- **\$30bn** for production drilling; **\$41bn** for construction



Source: CPI calculation based on ESMAP indicative cost estimates

Note: preliminary estimates

# Questions

## For projects:

- Origination of risk capital
- Best instruments in risk capital – contingency grants; insurance; guarantees
- Carbon emission solutions

## For policy environment:

- The role of TA with government – how to engage
- Preference for IPPs vs state-owned developers

## For the local financial sector:

- Due diligence for co-financing
- Exit stage left...



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