

Green Climate Fund

Parhelion Underwriting Limited and Camco Management Limited are pleased to have been shortlisted for the Green Climate Fund (GCF) #Pitchfortheplanet \$500m funding competition. Their joint proposal includes funding for the GeoFutures Facility and the GreenInvest Blended Finance Platform.

The GeoFutures Facility will offer direct finance and insurance instruments to geothermal projects with an initial geographical focus on Kenya and Ethiopia. GeoFutures will maximise the use of private sector capital to remove investment barriers to development of the geothermal power sector.

Geothermal power generation achieves substantial greenhouse gas emission reductions compared to fossil fuels. It also has one of the lowest levelised costs of energy¹ of all generation types and importantly provides base load power supply (i.e. it does not suffer from the intermittency in generation faced by wind and solar and the seasonality of hydropower). The construction of new geothermal capacity in Kenya and Ethiopia will greatly contribute to the achievement of the countries' Nationally Determined Contributions (NDCs) under the Paris Agreement.

The GreenInvest Blended Finance Platform was developed from a G20 backed initiative to mobilise private sector capital at scale for climate compatible development. The blended finance platform will develop and implement other innovative risk mitigation and insurance instruments for the climate finance sector. It will use private sector re/insurance capital for underwriting specific well-defined risks that currently act as barriers to other forms of finance and investment (i.e. debt and equity).

CEO Julian Richardson said "We are delighted to have been shortlisted by the GCF for their #pitchfortheplanet initiative. Insurance capital has an important role to play in supporting investment into clean energy and climate finance more broadly. The geothermal sector is an attractive source of clean, cheap, baseload power generation and our innovative insurance solution will support investment into this sector. This will also support Kenya and Ethiopia in the delivery of their Nationally Determined Contributions made under the Paris Agreement."

¹ LCOE – compares average total cost to build and operate a power-generating asset over its lifetime of the project.