

Signing of Japanese ODA Loan Agreement with the Republic of Costa Rica

Assistance for Geothermal Power Generation Project in the Las Pailas Field of Guanacaste Province

On August 18, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Instituto Costarricense de Electricidad (ICE) in San José, the capital of Costa Rica, to provide a Japanese ODA loan of up to 16.81 billion yen for assistance for the Las Pailas II Geothermal Project (Guanacaste Geothermal Development Sector Loan)

This project will construct a geothermal power plant in the Las Pailas field of Guanacaste Province in northwest Costa Rica, boosting the power supply using renewable energy to mitigate the effects of climate change with the objective of contributing to sustainable development in the country. The funds for this project will be allocated to public works pertaining to steam development and power plant construction, consulting services (including bidding assistance and overall project management) and the like.

With steady economic growth in recent years, the demand for power in Costa Rica is increasing each year, making it necessary to develop new power sources. A country without petroleum resources, Costa Rica is the first developing country to make a pledge of carbon neutrality,* and has announced a basic policy of power sector development with early mainstreamed renewable energy. Geothermal power production which has a particularly high potential in Costa Rica is expected to become a domestically produced power source that can supply stable energy throughout the year.

In advance of this ODA loan agreement, JICA signed a cooperation agreement (C/A) with the ICE on November 19, 2013, for the Guanacaste Geothermal Development Sector Loan with the objective of constructing multiple geothermal power plants in Guanacaste Province, and this project is the first one to be implemented under that C/A. Through this project, JICA will assist in meeting the power demand and fighting climate change in Costa Rica which aims for both economic growth and environmental conservation.

* Costa Rica was the first country in Central America to announce the policy goal of domestically offsetting carbon dioxide emissions with absorption by 2021, and is working proactively to achieve that goal.



After JICA President Akihito Tanaka (left) said, "It is an honor for JICA to be chosen as ICE's geothermal development partner," President Solis praised the signing of the loan agreement and noted that Japan has been assisting Costa Rica for more than 40 years.

Reference

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Las Pailas II Geothermal Project (Guanacaste Geothermal Development Sector Loan)	16,810	0.6	0.01	40	10	General, untied

2. Executing Agency

Instituto Costarricense de Electricidad (ICE)
Address: Apdo 10032-1000, San José, Costa Rica
Phone: +506-220-7940, fax: +506-220-8233

3. Planned Implementation Schedule

- (i) Completion of project: November 2018 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including detailed design work): August 2014
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction:
Procurement package title: Electrical Equipment of Power Plant for International Competitive Bidding (ICB)
Release date: March 2015