

Media Release

Costa Rica: USD150m: First Certified green bond for Hydropower Criteria under the Climate Bonds Standard

Proceeds will be used to refinance the construction of the Reventazón Hydropower Plant

SAN JOSÉ: LONDON 23/12/21: 12PM CST: The Costa Rican Electricity Institute (ICE) with the support of the Inter-American Development Bank (IDB) has **obtained the first Certification under the Hydropower Criteria of the Climate Bonds Standard**. The USD150m bond will be used to refinance the debt acquired for the construction of the Reventazón Hydropower Plant; a global benchmark of sustainable infrastructure, which was built between 2010 and 2016. At that time of construction, the Reventazón Plant was financed by the Inter-American Development Bank (IDB), the International Finance Corporation (IFC), the Central American Bank for Economic Integration (CABEI), and the European Investment Bank (EIB).

The use of proceeds from the ICE green bond will refinance nominated assets falling under the Hydropower Criteria. Pacific Corporate Sustainability ([PCS](#)) has Verified the nominated assets and its compliance to the Hydropower Criteria and the Climate Bonds Standard.

The Hydropower Criteria is a screening for investments in sustainable hydropower projects. Certification for Hydropower has been formally available for issuers of green debt products across all markets since [March 2020](#). The Criteria were developed through a Technical Working Group (TWG) process that included representation from WWF, AGWA, IIED, IUCN, IHA and others, was reviewed by an Industry Working Group (IWG) and underwent a public consultation process in 2019-2020.

Reventazón supplies clean energy to approximately 525,000 homes, which represents about 12% of Costa Rica's population. It operates all year round with an average annual generation of 1,465 Gigawatt hours per year (GWh/year). It has four "Francis-type" turbines of 73 MegaWatt (MW) each and an ecological compensation plant that generates 13.5 MW.

The Hydropower Project received the [Blue Planet Prize](#), awarded by the International Hydropower Association (IHA) in 2019. The Sustainability Assessment Protocol was granted by the IHA, during the construction phase of the Reventazón Hydropower Project, obtaining a rating of "best proven practices" in five of these criteria: consultations and communications; resettlement; public health; biodiversity and invasive species; and waste, air quality, and noise.

Juan Carlos Pacheco, CFO, Instituto Costarricense de Electricidad (ICE):

"Since ICE was born it has been implementing sustainability and the best environmental and social practices in its management. The CBI certification was the supreme award for a state-of-the-art hydropower plant, in terms of ESG performance. With the issuance of this green bond, our institution is also a pioneer in the local financial market and set an example to other participants to support the development of infrastructure using sustainable instruments, and with the support of the IDB as a long-time strategic partner, at the same time support the country's goals for the decarbonization of the economy."

Juan Ketterer, Division Chief Connectivity, Markets and Finance Division, Inter-American Development Bank (IDB):

“The IDB is committed to support the growth of the green bond market in Latin America and the Caribbean. For this market to be successful, it is crucial to assure investors that green bonds in our region are meeting the international standards and following the best practices in the management of proceeds, transparency, and impact measurement. This is exactly what this certification accomplishes for the Instituto Costarricense de Electricidad’s (ICE) bonds. It will allow ICE to scale up financial flows and support them to contribute to the goals established by the Costa Rican Government towards a low-carbon economy.”

Oscar Jasai, President, PCR Group

“PCS has achieved another benchmark as a Regional Verifier with the first Hydro certified in the world. We see more hydroelectric power producers going for the CBI seal because Latin America is an outstanding player in the natural electric generation industry. We congratulate ICE for complying with CBI criteria and the IDB for boosting sustainable finance in Latin America!”

Eddie Rich, CEO at the International Hydropower Association

“Well done to ICE on the Reventazón Hydropower Plant becoming the first CBI Certificated Hydropower Climate bond awarded to sustainable hydropower! These challenging Hydropower Criteria for environmental, social and governance (ESG) performance and carbon emissions are aligned with the newly launched Hydropower Sustainability Standard. The recent San José Declaration on Sustainable Hydropower adopted by hundreds of hydropower stakeholders last month states that “Going forward the only acceptable hydropower is sustainable hydropower”. Projects like Reventazón show the way.”

Leisa Souza, Head of Latam, Climate Bonds Initiative:

"We were pleased to see the first hydropower certification coming from Costa Rica and with the assurance of a local verifier. This demonstrates the importance of this financing alternative in local markets. We congratulate ICE, IDB and PCS for this pioneer deal in a highly complex sector. The Hydropower Criteria was launched in March 2021 and we expect to see other certified issuances coming from Latin America. With ICE we have a successful example to share with the market."

[Mariana Caminha](#)

Regional Head of Communications

mariana.caminha@climatebonds.net

+55 (61) 981351800

[Luiza Mello](#)

Communications & Media Assistant

luiza.mello@climatebonds.net

+55 (61) 982098126

[Leena Fatin](#),

Senior Communications & Digital Manager,
Climate Bonds Initiative (London).

+44 (0) 7593 320 198

Leena.fatin@climatebonds.net

Notes for Journalists

About the ICE: The Instituto Costarricense de Electricidad is the Costa Rican government-run electricity and telecommunications services provider. Together with the Radiographic Costarricense SA and Compañía Nacional de Fuerza y Luz, they form the ICE Group. For more information, please visit <https://www.grupoice.com/wps/portal/ICE/Inicio>

About the IDB: The Inter-American Development Bank is devoted to improving lives. Established in 1959, the IDB is a leading source of long-term financing for economic, social and institutional development in Latin America and the Caribbean. The IDB also conducts cutting-edge research and provides policy advice, technical assistance and training to public and private sector clients throughout the region. For more information, visit <https://www.iadb.org/en>.

About PCS: Pacific Corporate Sustainability (PCS) is the subsidiary of Pacific Credit Rating Group (PCR) aimed to provide advice on sustainable finance, corporate sustainability, and **corporate** governance. It is entitled to provide second-party opinions and verification on behalf of our PCR Group throughout Latin America and the Caribbean. <https://www.pcslatam.com/>

About the Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. It undertakes advocacy and outreach to inform and stimulate green bond markets, provides policy models and government advice, international development programs, market data and analysis and administers the Standards & Certification Scheme. For more information, please visit www.climatebonds.net.

About Climate Bonds Standard: It is an overarching science-based, multi-sector standard overseen by the [Climate Bonds Standards Board](#) that allows investors and intermediaries to easily assess the climate credentials and environmental integrity of bonds and other green debt products. Launched in [2011](#), with periodic [updates](#), the Climate Bonds Standard is the most detailed, climate aligned investment criteria available in the market and provides guidance to issuers, investors, governments and regulators.

Standard V3.0 and supporting documentation is [available here](#).

Hydropower Criteria Development Process: Climate Bonds Initiative convened a Technical Working Group (TWG) in [June 2016](#) and an Industry Working Group (IWG) in July 2017 to develop Criteria for this sector. Public consultation was opened in [June 2019](#). Full membership of both the TWG and IWG can be [found here](#) and is listed on page 3.

Hydropower Criteria Resources:

Four core documents available for download on the [Hydropower Criteria Website](#):

[Hydropower Criteria Brochure](#)

[Hydropower Criteria Document](#)

[Hydropower Background Document](#)

[Frequently Asked Questions \(FAQ\)](#)

About Climate Bonds Certification: Climate Bonds Certification framework has been designed to work in parallel with the normal process for issuing bonds, loans or other debt products. It has 2 phases, Pre-Issuance or Post-Issuance. Certification of a Climate Bond at the pre-issuance phase enables the

issuer and underwriters to market the bond or debt product as Certified. Further assurance activities in the post-issuance phase must be undertaken to maintain the Climate Bonds Certification. The full Climate Bonds Database of Certified issuance can be [found here](#). The full Climate Bonds Directory of Approved Verifiers can be [found here](#).

Disclaimer: The information contained in this communication does not constitute investment advice in any form and the Climate Bonds Initiative is not an investment adviser. Any reference to a financial organisation or debt instrument or investment product is for information purposes only. Links to external websites are for information purposes only. The Climate Bonds Initiative accepts no responsibility for content on external websites.

The Climate Bonds Initiative is not endorsing, recommending or advising on the financial merits or otherwise of any debt instrument or investment product and no information within this communication should be taken as such, nor should any information in this communication be relied upon in making any investment decision.

Certification under the Climate Bond Standard only reflects the climate attributes of the use of proceeds of a designated debt instrument. It does not reflect the credit worthiness of the designated debt instrument, nor its compliance with national or international laws.

A decision to invest in anything is solely yours. The Climate Bonds Initiative accepts no liability of any kind, for any investment an individual or organisation makes, nor for any investment made by third parties on behalf of an individual or organisation, based in whole or in part on any information contained within this, or any other Climate Bonds Initiative public communication.