

Invest with Impact

Investing in a wind park in Costa Rica

Diversification of clean energy

Hydroelectric power plants are Costa Rica's principal source of clean energy. In addition, at a smaller scale, use is made of solar, biomass, geothermal and increasingly wind energy. But not all energy generation in Costa Rica is clean: until recently, it had to switch during dry periods to the use of fossil fueled energy sources. This left the country dependent on the imports of fossil fuels. And that's what Costa Rica wanted to depart from, especially when Mother Nature offers a more interesting alternative. The diversification of its clean energy generation capacity became more important, especially if it is a given that dry periods will continue to occur ensuring that hydroelectric power stations cannot continue throughout the year. Besides wind energy provides an excellent alternative energy source for Costa Rica.

More benefit from wind

Together with Globeleq Mesoamerica (Wind) Energy Ltd (Globeleq) FMO saw the need for Costa Rica of spreading sources of renewable energy and decided to invest in a new wind farm in 2013 with the capacity of 53MW: Inversiones Eólicas de Orosí Dos S.A (Orosí). The wind speed in the sparsely populated province Guanacaste is exceptionally high and stable. Since 2013 25 turbines have been installed, transmission lines have been pulled and related infrastructure has been built. For the trees that had to be felled, a reforestation program started. It provided for replanting of a tenfold of the number of felled trees. At the bottom line, the project reduces the emissions of carbon dioxide in the atmosphere.

The wind farm is already suppling 37,000 Costa Ricans with electricity and that number will increase to 100,000. Wind farms such as Orosí therefore offer the country a strategic and sustainable alternative and moreover a good diversification of the energy mix. In 2015, 99% the production of electricity in Costa Rica was sustainable, of which at least 250 days completely run on renewable energy. The country is worldwide view a true leader. Their ambitions will be achieved as the various clean sources of energy can be used now and for many years to come. This is made possible with the right kind of long-term financing.

The FMO loan

Our fund participation is part of a USD 28 million FMO loan with a term of 15 years. This is also for FMO a considerable amount with a long duration. Financing of energy projects generally requires such a long duration. There are usually few or no commercial parties which can offer appropriate financing. FMO can: one of FMO's conditions is that its project is carried out by a reputable and professional party both during construction and operational phases. In the case of Orosí this is Globeleq. This company is also involved in the successful wind park project Eólo in Nicaragua and in the construction of another wind farm that is expected to become operational in Costa Rica in 2017. Just like in Nicaragua, the project in Costa Rica is now profitable and generates more electricity than initially estimated.



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THE GLOBAL GOALS
For Sustainable Development

A broader perspective

Can a country completely run on clean energy?

Costa Rica proved that it should be possible as the country already virtually achieved this goal for the past 2 years. Nevertheless, even a country like Costa Rica needs to continue to diversify to remain independent of fossil.

Every country has for its geography applicable and increasingly affordable forms of clean energy. In Costa Rica, thanks to the construction of new wind parks, the percentage of wind energy considerably increases and the dependence on hydro energy is reduced. As of next year, wind will be more than 10% of the entire energy yield according to the 'Instituto Costarricense de Electricidad' (ICE). To compare: a sustainable leader as Germany currently produces just over 30% of her energy sustainable with 13% of the total by wind.



The development of

OROSÍ



25 Windmills / 50MW



50MW, 213GWh per annum



76,352t GHG avoided



100,000 Connections eq. to homes

FMO investment

FMO	USD 28 mln
Fund Participation	USD 2.5 mln

“Wind farms such as Orosí offer the country a strategic and sustainable alternative.”



The Fund Manager

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The Investment Advisor

FMO Investment Management BV ('FMO IM') is a MiFID licensed Dutch investment firm and 100% subsidiary of the Dutch development bank FMO NV. FMO IM advises on the loan portfolio at the request of the Fund Manager. All loans offered to the fund have successfully completed the investment process of FMO and have thus been added to FMO's own loan portfolio.

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Don't take any unnecessary risk. Read the Key Investor Information Document.

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