

FACT SHEET

CORE: A Strategic Partnership between Japan and the

Inter-American Development Bank (IDB)

April 9, 2016

**Expansion of CORE mechanism**

* On April 9, 2016, during the IDB Annual Meeting in The Bahamas, Inter-American Development Bank (IDB) President Luis Alberto Moreno and Japan International Cooperation Agency (JICA) Vice President Hidetoshi Irigaki signed, in the presence of Japanese State Minister of Finance Mr. Manabu Sakai, an agreement to expand **CORE** (Co-financing for Renewable energy and Energy efficiency), a co-financing mechanism between the IDB and JICA. The expanded CORE will have the following features:
* **Target amount**: JICA will provide US$3 billion of highly concessional loans as a co-financing resource until April 2021 (currently US$1 billion), to be leveraged by IDB sovereign guarantee loans.
* **Target region**: LAC region (currently, Central America and the Caribbean)
* **Eligible projects**: Projects/programs which contribute to the mitigation of negative impact of climate change through investments in **Quality Infrastructure** for the promotion of renewable energy (RE) and/or energy efficiency (EE). Quality infrastructure is defined as infrastructure that entails the following infrastructure-related aspects: economic efficiency in view of life cycle cost, safety, resilience against natural disasters, reduction in environmental burdens and social costs, and transfer of know-how.
* **Eligible countries**: IDB Borrowing Member Countries which are eligible for Official Development Assistance (ODA) Loans of JICA. As for the Caribbean region, the following countries are also eligible: i) non-ODA recipient Small Island States (SIDs) (currently not included) and ii) IDB non-member countries, on the condition that the loans are provided through the Caribbean Development Bank (CDB).
* **Additional assistance**: Preparation and implementation of CORE projects may be supported by non-reimbursable resources (technical cooperation) of both the IDB (i.e. **Japan Trust Fund**) and JICA.
* **Terms and conditions**: A Sovereign Guarantee is required. The terms of both IDB loans and JICA’s concessional loans are subject to periodical revision. [JICA’s terms](http://www.jica.go.jp/english/our_work/types_of_assistance/oda_loans/standard/index.html) for concessional loans (as of the end of 2015) are as follows:



**Track Record**

* In March 2012, the IDB and JICA signed the framework agreement of the CORE mechanism to support the promotion of renewable energy (RE) and energy efficiency (EE) with a special focus on Central America and the Caribbean. Under the CORE mechanism, JICA committed to providing up to US$300 million in highly concessional loans as a co-financing resource to be leveraged by IDB loans.
* In March 2014, as the result of a rapid and successful track record, the IDB and JICA agreed to increase the target amount of JICA loans from US$300 million to US$1 billion.
* As of the end of 2015, the following projects have already benefitted from CORE. Several other projects are being identified and prepared for financing.

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| Country | Project | IDB Loan Amount | JICA Loan Amount |
| Nicaragua | *National Sustainable Electrification and Renewable Energy Program III* | US$35M  (Nov. 2012) | US$17M  (Sep. 2013) |
| Honduras | *Cañaveral-Río Lindo Hydropower Complex Rehabilitation and Uprating Project* | US$23M  (Mar. 2015) | US$135M  (Feb. 2015) |
| Costa Rica | *First Renewable Energy (Guanacaste Geothermal), Transmission and Distribution of Electricity Program* | US$200M  (Nov. 2015) | US$645M  (Mar.2013) |