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# Costa Rica advances transformative light rail project with GCF–CABEI agreement

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**Costa Rica's landmark Light Rail Transit (LRT) system for San José and the Greater Metropolitan Area has taken a major step forward following the signing of a Funded Activity Agreement (FAA) between the Green Climate Fund (GCF) and the Central American Bank for Economic Integration (CABEI).**

The signing ceremony, held at GCF headquarters on 19 November 2025, marked a milestone for the USD 943.9 million project, which is designed to reduce emissions, improve air quality and enhance mobility across the country's most densely populated region. GCF Executive Director Mafalda Duarte and CABEI Executive President Gisela Sánchez formalised the FAA, paving the way for implementation to begin.

The LRT system is a central component of Costa Rica's long-term sustainability agenda, offering a low-emission, high-capacity transport solution that will help ease congestion and encourage a shift away from private vehicle use.

GCF is contributing USD 200 million to the project, made up of a USD 178.7 million loan and a USD 21.3 million grant. This financing will help mobilise USD 743.9 million in co-financing, including USD 350 million from CABEI, USD 250 million from the European Investment Bank and USD 149.3 million from the Government of Costa Rica.

The agreement positions the Light Rail Transit project as one of the region's most significant sustainable transport investments, with the potential to deliver long-term environmental, economic and social benefits for millions of residents.