

Climate Finance Strategy and Costa Rica's Progress and Goals on the SDGs

Ministry of Environment and Energy (MINAE)



MINISTERIO DE
AMBIENTE Y ENERGÍA

GOBIERNO
DE COSTA RICA

- Costa Rica has been committed to the SDGs since 2015.
- In 2024, over **59% of SDG indicators show a positive trend.**
- The country has defined **55 specific national goals** with annual monitoring.



Costa Rica's Progress in 2024 by SDG

- **SDG 1 – No Poverty**
 - **Extreme poverty reduced from 5.9% (2020) to 4.8% (2024).**
 - **Over \$1.56 billion invested in social programs.**
 - **2030 goal: Extreme poverty reduced to 3.5%.**
- **SDG 2 – Zero Hunger**
 - **Food security programs cover 680,000 people.**
 - **40% of agricultural production is certified as sustainable.**
 - **2030 goal: 50% of agricultural production with environmental certification.**



- **SDG 3 – Good Health and Well-being**
- Life expectancy: **80.3 years in 2024.**
- Universal healthcare coverage: **97% of the population insured.**
- Infant mortality reduced to **7.8 per 1,000 live births.**

- **SDG 4 – Quality Education**
- Education investment: **6.5% of GDP.**
- Secondary school enrollment rate increased to **92%.**
- 2030 goal: **Dropout rate reduced to 2%.**

- **SDG 5 – Gender Equality**
- Female labor market participation: **46% in 2024.**
- **55% of new businesses are led by women.**
- 2030 goal: **50% female workforce participation.**



- **SDG 7 – Affordable and Clean Energy**
- **99.2% of electricity in 2024 comes from renewable sources.**
- Investment in renewable energy: **\$2.39 billion.**
- 2030 goal: **100% electricity from renewable sources.**

- **SDG 8 – Decent Work and Economic Growth**
- GDP growth: **4.2% in 2024.**
- **80,000 new green jobs created** in sustainable sectors.
- 2030 goal: **Unemployment reduced to 6%.**

- **10. SDG 13 – Climate Action**
- **Costa Rica is carbon neutral in key sectors.**
- **1.3 million hectares reforested** since 1997.
- 2030 goal: **45% reduction in CO₂ emissions**



Costa Rica's Goals for 2030

- **11. Goals for Poverty Reduction and Education**
 - Extreme poverty: 3.5%.
 - Secondary school graduation rate: 95%.
 - 100% of students with internet access.
- **12. Goals for Energy and Climate Change**
 - 100% renewable electricity.
 - 45% reduction in CO₂ emissions.
 - 5,000 electric buses deployed.
- **13. Goals for Economic Development and Equity**
 - GDP growing at 5% annually.
 - 20% reduction in gender wage gap.
 - Sustainable exports representing 50% of total exports.



SDG Acceleration Plan 2024-2030

- **SDG Acceleration Strategy**
- **17 key commitments.**
- **Total investment: \$31.43 billion (4.4% of annual GDP).**
- **High-Impact Actions**
- **Digitization of public services.**
- **Boosting the circular economy.**
- **Sustainable mobility investment: \$4.41 billion.**
- **Monitoring and Evaluation Methodology**
- **253 national indicators.**
- **Annual monitoring by MIDEPLAN.**



Climate Finance and Innovation Strategy for Costa Rica

Sources of Climate Adaptation Funding

- \$ 4,5 millions in climate adaptation investment.
- **Public funding (government budget allocations).**
- **International climate finance (e.g., Green Climate Fund, World Bank, IDB).**
- **Private sector investments in sustainability projects.**

Private Sector Contribution to Green Projects

- **Green infrastructure projects: \$0.79 billion.**
- **Sustainable agriculture initiatives: \$0.30 billion.**
- **Renewable energy investments: \$1.98 billion.**



- **Green Bonds and Carbon Fund**
- **\$1.58 billion in green bonds** dedicated to financing sustainable energy and infrastructure.
- **\$2.97 billion carbon fund** supporting reforestation and emission reduction projects.
- **Climate Change Law Reforms and Clean Energy Tax Incentives**
- **New regulatory frameworks to promote carbon neutrality.**
- **Tax incentives for electric vehicles and renewable energy projects.**
- **Investment tax credits for companies adopting sustainable practices. Green Taxonomy.**
- **National Economy Strategy.**



Strategic Resource Mobilization and Financing for Climate Adaptation

General Objective:

“To facilitate and support decision-making regarding financing and appropriate resource sources for the implementation of the National Adaptation Plan 2022-2026, with a strong and sustainable resource mobilization approach”

Reach:

- Timeline of National Adaptation Plan (NAP) 2022-2026 with a focus on long term sustainability
- 232 adaptation measures defined and prioritized in the NAP

Purpose of the Strategy

- Supports the National Climate Change Adaptation Policy (PNACC 2018-2030)
- Focuses on building capacity and accessing funding for adaptation through:
 1. Estimating investment needs Assessing actors' ability to mobilize resources Identifying alternative funding sources
 2. Assessing actors' ability to mobilize resources
 3. Identifying alternative funding sources



Strategy Development

Based on key Plan-A products:

- National Adaptation Plan (PNA) 2022-2026: Defines 232 adaptation measures
- Funding Analysis (2021): Identifies national/international financial sources
- Cost Estimation (2021-2022): Calculates costs of all 232 measures
- Consultation Process: Engaged stakeholders for feedback and validation

Strategy Components

The strategy defines **four key components**:

1. Financial Instruments Development: Identifying tools for efficient adaptation investment
2. Funding Source Management: Engaging public and private funding options
3. Capacity Building: Strengthening skills for resource mobilization
4. Monitoring and Evaluation: Tracking financial flows and decision-making

Action Plan and Implementation

- Action Plan: 11 courses of action 30 strategic actions (short to mid-term)
- Two funding scenarios:
 - With institutional budgets — integrates adaptation into planning
 - Without institutional budgets — seeks alternative financing through project proposals
- Monitoring: Led by MINAE with support from implementing actors
- Goal: Sustainable, long-term financing for climate adaptation



Total NAP Investment

Axis	Total Cost of Measures (₡)	Total Cost (US\$)	%
Axis 1. Knowledge management on the effects of climate change, climate services, and development of local and institutional capacities.	₡ 41,693,890,528	\$ 65,061,311	4.44%
Axis 2. Promotion of conditions for the resilience of human and natural systems through territorial, marine, and coastal planning.	₡ 15,230,759,650	\$ 23,766,868	1.62%
Axis 3. Management of biodiversity, ecosystems, watersheds, and marine and coastal spaces for adaptation.	₡ 352,002,143,605	\$ 549,282,416	37.50%
Axis 4. Adapted public services and resilient infrastructure.	₡ 219,971,696,581	\$ 343,255,253	23.43%
Axis 5. Adapted and eco-competitive productive systems.	₡ 305,060,307,378	\$ 476,031,938	32.50%
Axis 6. Investment and financial security for climate action.	₡ 4,706,093,181	\$ 7,343,632	0.50%
TOTAL	₡ 938,664,890,923	\$ 1,464,741,419	100.00%



Nationally Determined Contributions

- Costa Rica's 2020 NDC is informed by linkages with various national and international agendas.

These linkages include, but are not limited to, the Sustainable Development Goals (SDGs), ensuring that each commitment aligns with specific SDGs.

- NDC 3.0 is currently under the planning process.
- As part of Costa Rica's climate finance strategy, the country aims to enhance the investment plan associated with its NDCs, making it more realistic and better aligned with actual implementation needs.



Conclusion and Call to Action

- **Costa Rica is making significant progress, but greater investment and partnerships are needed.**
- **Multisectoral collaboration is key to achieving the SDGs by 2030**

