Initiative for Climate Action Transparency - ICAT

Phase II

Final Report

Dirección de Cambio Climático, DCC del Ministerio de Ambiente y Energía (MINAE)

–

UNEP DTU Partnership

San José, Costa Rica

15/09/2021

AUTHORS

Félix Torres Martínez
Sustainable Development Consultant

Reviewers

Mirko Dal Maso
UNEP DTU Partnership

DISCLAIMER

This publication has been produced as part of a component of the Initiative for Climate Action Transparency project (ICAT) implemented by UNEP DTU Partnership (UDP). The views expressed in this publication are those of the authors and do not necessarily reflect the views of UDP.

PREPARED UNDER

Initiative for Climate Action Transparency (ICAT) project supported by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, the Children´s Investment Fund Foundation (CIFF), the Italian Ministry of Ecological Transition (IMET) and ClimateWorks.

The ICAT project is managed by the United Nations Office for Project Services (UNOPS)

Table of contents

1. Introduction

This Final Report presents an overview of the activities, results, lessons learned, and challenges of the implementation of the second phase of the Initiative for Climate Action Transparency (ICAT) in Costa Rica. The document is developed with the purpose of sharing insights with other ICAT countries and partners, and in this way promote peer-to-peer learning.

The report begins with a description of the country context, followed by an overview of the phase II of the project. Then, in the third chapter the activities and results obtained are described, and finally, in chapter fourth the lessons learned and the recommendations are pointed out, as well as, the next steps.

2. Country context

Costa Rica is located in the Central American Isthmus and shares borders with Nicaragua, on the north, and Panama, on the south (Figure 1). The total area of Costa Rica is 51,100 km², and the population is around 5 million, as of 2020. The country is characterised by a tropical climate and more than half of its land is covered by forests.

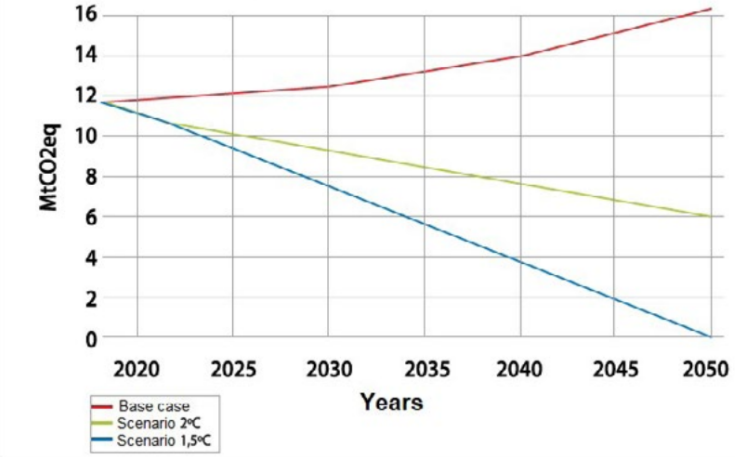
Figure 1. Map of Costa Rica.

One of the most prosperous and politically stable countries in the region, Costa Rica has been characterised by an important GDP growth since the second half of the 20th century - with an average of 4% growth between 2000 and 2018 (World Bank, n.d.). This has contributed to social mobility and a growing middle-class (OECD, 2016). Nevertheless, around 20% of the population still lives below the national poverty line (The World Bank, 2020). Costa Rica has quite a diversified economy with important sectors being tourism, agriculture, renewable energies, IT, and services. Electricity generation is virtually 100% renewable, with hydro constituting around 80% of the mix, while the total primary energy is around half renewable and half oil-based (IEA, n.d.).

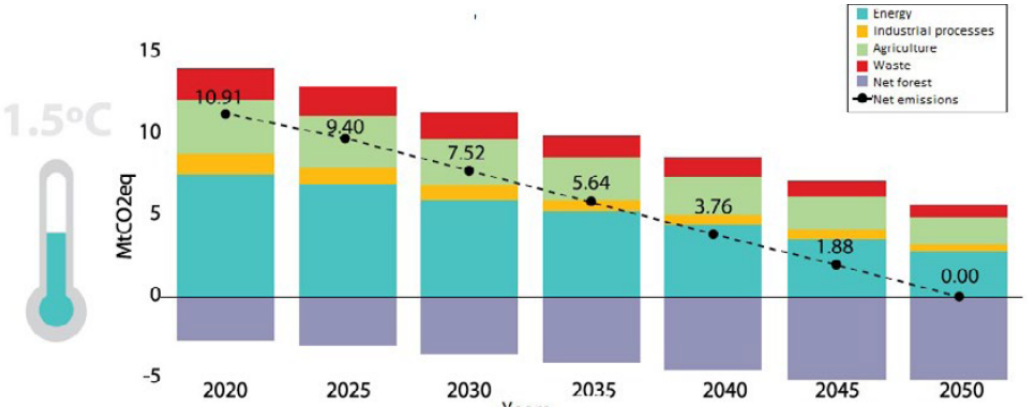
Costa Rica lies in one of the regions most threatened by the impacts of climate change. Changes in rainfall patterns and levels and spikes in temperatures are responsible for extreme weather conditions that cause both floods and drought. Vulnerability has also to do with the presence of

populations in areas prone to volcanic eruptions and in unstable lands, degraded by wide-spread cattle ranching, or in poorly planned settlements prone to landslides and flooding.

Costa Rica is widely recognized as a global leader in environmental policy and climate action. In 2018, the country has published its National Decarbonisation Plan to 2050, which sets out the pathway to achieving net-zero emissions by 2050, in line with the goals of the Paris Agreement (Government of Costa Rica, 2019).
Decarbonisation is seen by Costa Rica as a way to transform development into a sustainable transformative process based on bioeconomy, green growth, social inclusion, and improvements in the quality of life for all.
The starting point for the development of the decarbonisation plan has been the vision for 2050, based on a decarbonised economy, which has achieved emissions reductions aligned with the objectives of the Paris Agreement (well below 2°C and possibly 1.5°C). From here, through a backcasting process, Costa Rica has developed trajectories and identified policy packages necessary to achieve the goal set by the vision Figure 2. Costa Rica's emissions trajectories to 2050 (1) and projects of emissions by sectors to reach the 1.5C target (Government of Costa Rica, 2019).(Figure 2).



(1)



(2)

Figure 2. Costa Rica's emissions trajectories to 2050 (1) and projects of emissions by sectors to reach the 1.5C target (Government of Costa Rica, 2019).

The transformational actions necessary to achieve the 2050 target have been grouped into ten axes of decarbonisation (Figure 3) covering four main sectors, aligned with the IPCC and UNFCCC sectoral groups: energy, industrial processes, waste, and AFOLU. Furthermore, within each axis, action are

divided in three stages: the foundations stage (2018-2022), the inflection stage (2023-2030), and the transformation normalization stage or massive deployment (2031-2050).

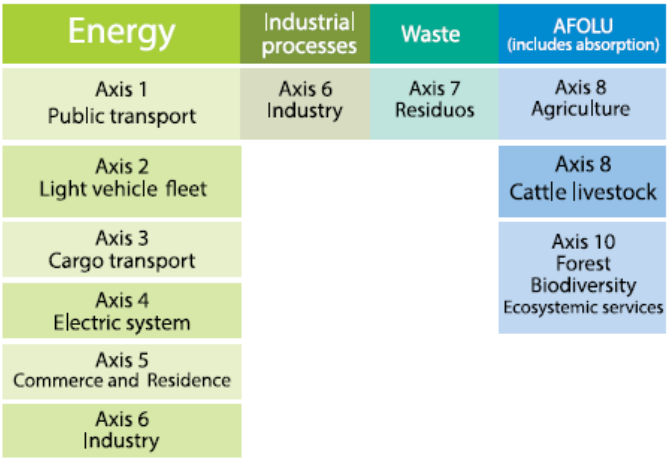


Figure 3. The ten axis of decarbonisation of Costa Rica, divided by sectors (Government of Costa Rica, 2019).

Costa Rica has submitted its first Intended Nationally Determined Contribution (INDC) in 2016, and the updated NDC, which is due to submission in 2020, will be based on the decarbonisation plan.

The focal point to the UNFCCC in Costa Rica is the Dirección de Cambio Climático (DCC) de Costa Rica, which is part of the Ministry of Environment and Energy (Ministerio de Ambiente y Energia - MINAE). The DCC has also the role of being the focal point for the coordination and management of climate change action at the national level, which include for example the decarbonisation plan and national climate change strategies, and promote engagement of private sector and civil society in climate actions.
Within the UNFCCC landscape, Costa Rica has also been very active in the context of the negotiations concerning Article 6 of the Paris Agreement, where, at COP25, it was part of the group developing a set of principles, known as the San Jose Principles, outlining what a successful outcome could look like in the context of Article 6.

Another interesting aspect concerning Costa Rica, relevant for the theme of transparency, is its Open Government strategy. Open government has been added to the three pillars of the National Development Plan in 2015, when the country has also published its first National Strategy for Open Government. As part of this strategy, Costa Rica published its National Open Data Policy, in 2017, which constituted the first official document setting the rules over the diffusion of open data and the obligations of public institutions in terms of data sharing. Costa Rica considers open data useful in many ways, for example to strengthen trust between public institutions, government, and civil society, and to promote sustainable development and innovation at different levels.

3. Context of ICAT Phase II in Costa Rica

ICAT began working with Costa Rica in 2016. The project has so far been coordinated nationally by the DCC and supported by the UNEP-DTU Partnership and Fundación Fundecooperación para el Desarrollo Sostenible.
The first phase of the project was executed between 2016 and 2018 with the main aim of strengthening Costa Rica's National Climate Change Metrics System (SINAMECC). SINAMECC is the official platform to register, manage, and publish the climate actions of the country, with the goal of monitoring the progress towards the achievement of national climate goals, and promoting

evidence-based policy-making. SINAMECC is designed to be aligned to the requirements of the Enhanced Transparency Framework (ETF) of the Paris Agreement, and also support the country to develop its NDC, thus making it a strategic tool in the context of the implementation of the Paris Agreement. The use of SINAMECC relies on the development of the "SINAMECC operational guidance" (SINAMECC guide), which incorporates guidance for including mitigation actions in the registry and assessing the impacts associated with GHG reductions. The goal for the SINAMECC guide is to include three chapters, to register and monitor the impacts of mitigation actions in three areas: climate change mitigation, sustainable development, and transformational change. Besides the focus on mitigation actions, SINAMECC also aims to become a registry for adaptation actions, and climate support received.

Under this phase, which is the second phase of the project, which took place between 2020 and 2021, ICAT has worked with Costa Rica to support the DCC in developing of the Sustainable Development and Transformational Change chapters of the SINAMECC guidance. This will enable Costa Rica to transcend from the assessment of GHG emissions of climate actions alone, and to implement the Decarbonization Plan while taking into consideration co-benefits in sustainable development and transformational change and, in addition, strengthen the efforts to establish a domestic carbon market with transformational change as the additionality criteria.

The sustainable development impacts of mitigation actions are intended as those environmental, social, and economic impacts that can arise from the implementation of a climate policy of actions. Their assessment in this context is essential to promote evidence-based policy-making, and exploit synergies between the climate and the sustainable development agendas. The assessment of transformational change impacts, on the other hand, builds upon the sustainable development module, but it is a broader concept. Transformational Change is intended, according to the ICAT methodology, as a fundamental, sustained change of a system that disrupts established high-carbon practices and contributes to a zero-carbon society in line with the Paris Agreement goals and the UN SDGs.

During ICAT Phase II the work was focused on three main areas:

1. The development of SINAMECC operational guidelines for the impact analysis on sustainable development (SD) and transformational change (TC). Including the conduction of two pilot studies with three mitigation actions to test and refine the methodologies
2. A proposal to incorporate transformational change as a criterion for demonstrating "additionality" in the carbon market.
3. Training, communication and capacity building for sustainable development impact analysis and transformational change in national mitigation actions.

4. Activities and results

The second phase of the Project consisted of two central components; the development and piloting of SD and TC chapters of SINAMECC Guidance and, the capacity building and training of the products resulting from the first component.

In general terms, the activities carried out are summarized as follows:

- The development of the chapters associated with Sustainable development and transformational change of the Operational Guidance for SINAMECC;

- The execution of three pilot studies by implementing the SD and TC chapters to provide insights on the applicability of the methodologies and inform their development;
- The development of an approach to use Transformational Change as a criteria to demonstrate "additionality" for entities participating in the domestic carbon market in Costa Rica.
- The development of an e-learning platform consisting of three courses for capacity building in the use of SINAMECC, and the analysis of impacts on sustainable development and transformational change.
- The organization of the first Climate Transparency Week in Costa Rica for capacity building on transparency topics, such as, the use of SINAMECC and the analysis of impacts on sustainable development and transformational change.

4.1. Impact analysis chapters on Sustainable Development and Transformational Change for SINAMECC

Description

The design of the SD and TC impact assessment chapters were carried out through a meticulous review of the original ICAT Guidelines and consultations with UDP experts. In addition, different bibliography was reviewed in order to establish appropriate methodologies for specific national context.

In a second stage, the chapters were also modified according to the results, lessons learned and suggestions gathered during the piloting of the methodologies to three national mitigation actions.

Results

The SD impact assessment guide consists of a total of eight steps, of which six are mandatory and two are optional. Step one consists of defining the assessment (whether it is ex-ante or ex-post and its scope), step two identifies the SD impact categories to be included in the assessment, step three prioritizes the SD impact categories, step four identifies the specific SD impacts, step five performs a qualitative assessment of the specific impacts, step six determines the impacts and synergies on the 2030 Agenda, step seven is optional and assigns indicators for impact quantification, and step eight (also optional) determines the monitoring in the SINAMECC platform.

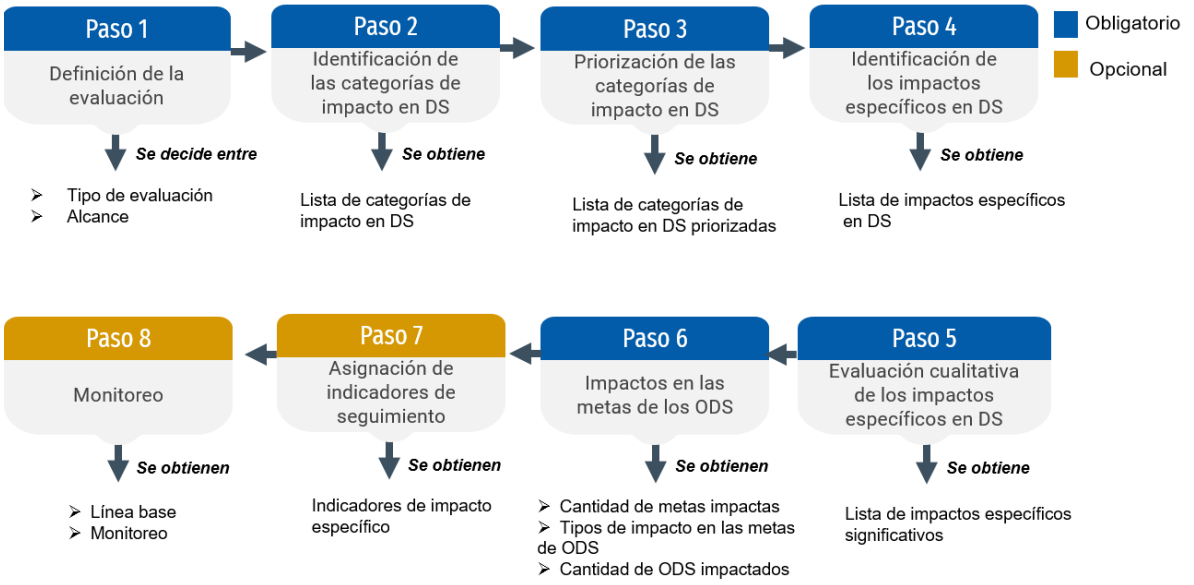


Figure 4. The eight-step process of the SD guide of Costa Rica.

On the other hand, the guide for estimating impacts on Transformational Change consists of a total of seven steps, two of which are optional. Step one is optional and consists on identifying the transformation phase, step two consists on selecting the TC characteristics relevant to the climate action sector, step three consists on identifying the barriers to achieve TC, step four consists on describing the specific TC characteristics, step five is optional and consists on selecting qualitative indicators, step six consists on evaluating the TC process and outcome characteristics and step seven consists on integrating the results and defining the degree of transformation of the evaluated climate action.

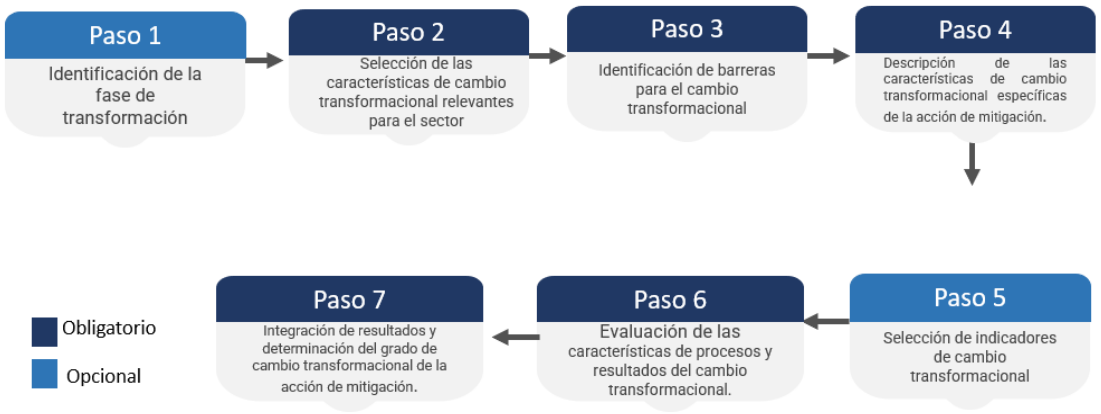


Figure 5. The seven-step process of the TC guide of Costa Rica.

4.2. Application of the SD and TC chapters on three mitigation actions as pilot studies

4.2.1. Description

With the aim of strengthening the SD and CT chapters, three pilot studies were carried out to implement the described methodologies. In the first instance, three relevant mitigation actions were chosen considering the importance of its mitigation sector and its mitigation potential. Being the selected ones: the transportation project "Promotion and Development of urban cycling between Montes de Oca and Curridabat", which consists of the construction of a bicycle path between two

municipalities. The REDD+ Project, which consists of reducing emissions from deforestation and forest degradation, and the Waste NAMA Project, which consists of a Nationally Appropriate Mitigation Action in the country's waste sector.

The pilots were carried out as virtual workshops over a total of four months with approximately five sessions dedicated to SD and at least four for TC, in which the steps determined for each guide were applied. The workshops were held with the teams in charge of implementing the projects.

4.2.2. Results

The results of the pilots were critical for the development of the SD and TC impact assessment guidelines, since they enabled to refine the steps of the guidelines according to the evaluation of their implementation and the suggestions from the participants. In addition, the pilot studies allowed to determine the impacts of the initiatives on SD and TC and also to build capacities in transparency and co-benefits. Figure 1 shows the impacts on the 2030 Agenda obtained in the three pilots of the implementation of the SD chapter. Also, as an example of the results, Figure 2 shows the degree of transformation obtained for the Waste NAMA Project.

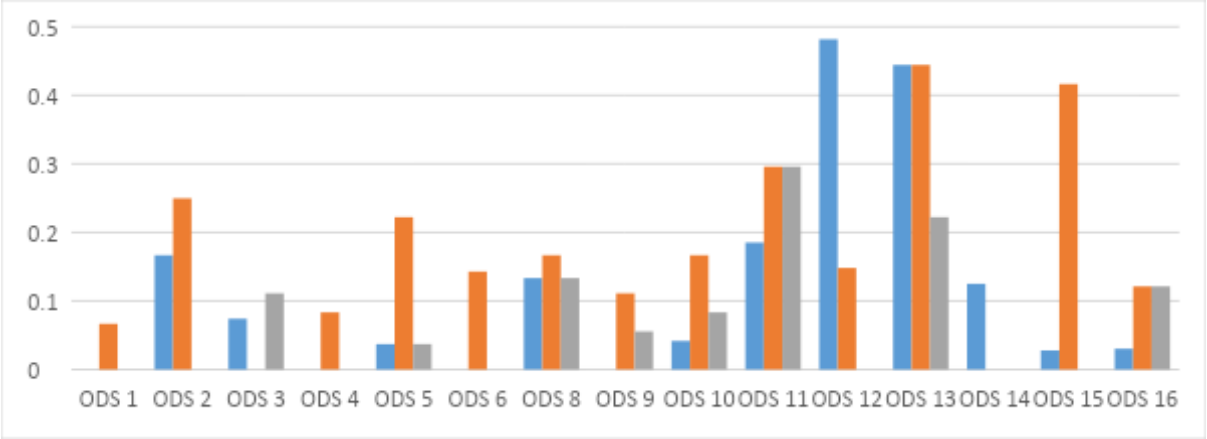
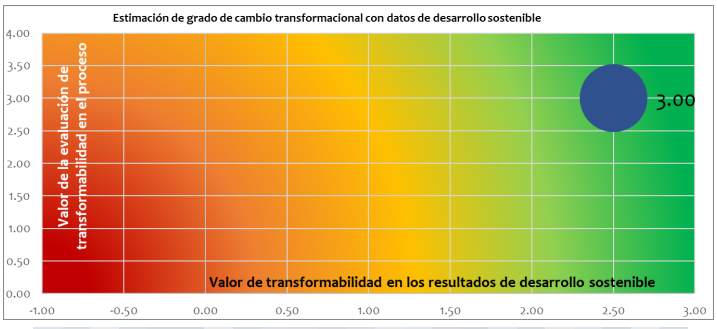
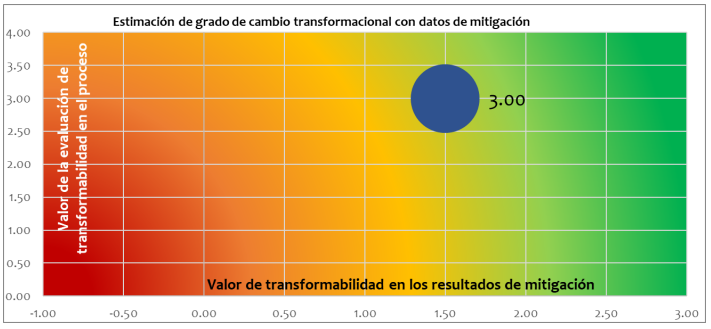


Figure 6. Impacts of mitigation projects on the SD Agenda





4.3. Analysis for including Transformational Change as an approach to demonstrate "additionality" for entities participating in the domestic carbon market in Costa Rica

4.3.1. Description

The objective of this product was to explain the application of the concept of transformational change to the consideration of additionality of mitigation actions in the context of the Costa Rica Carbon Offset Mechanism (CCM) that is being developed as a successor to the current Domestic Carbon Market (DCM).

Transformational Change is understood as a structural, sustained, irreversible and long-term change resulting from climate actions, which generates a rupture to the continuity of conventional practices with high emissions and contributes to the sustainable development of society.

In Costa Rica, it is intended that these criteria will be incorporated in the evaluation of the additionality of projects that generate carbon units within the framework of the CCM and as part of the evaluation for the authorization of the corresponding adjustments of international carbon credit transactions.

4.3.2. Results

Costa Rica seeks to transform its economy towards a decarbonized, resilient and sustainable model, with a just society through the reduction of social and territorial gaps, as evidenced in the National Decarbonization Plan and the Nationally Determined Contribution (NDC).

The inclusion of transformational change as an additionality criterion, especially in large-scale mitigation actions, aims to ensure that the actions to be included in the Costa Rica Offsetting Mechanism contribute significantly to the transformation that the country seeks.

Projects should undergo a three-step assessment where 1) the scale of the project (micro, conventional, macro) is determined, 2) the alignment of the project to the NDC and decarbonisation plan is assessed, and 3) for the conventional and macro/large scale projects, additionality is assessed. For the conventional projects this will be assessed based on a barrier analysis and an assessment of how the CCM will help to overcome these barriers. For large scale projects, additionality should be given for those projects that are assessed as transformational. The transformational potential of a project is assessed following the TC assessment guide. The assessment of how the projects impacts drivers of transformation and the measurement of long-term impacts on sustainable development and mitigation of large projects will ensure the prioritization of projects that contribute to national goals related to decarbonization, sustainable development (SDGs) and international commitments such as the Paris agreement.

This proposal provides the country with a framework for measuring impacts associated with mitigation actions which relies on the application of the transformational change methodology, that is important for transparency and to demonstrate through evidence the country's progress towards the goals and targets in the aforementioned national and international policy instruments.

4.4. The development of an e-learning platform for capacity building in SD and TC

4.4.1. Description

Understanding that building capacities in the analysis of the impacts of climate action on SD and TC might be sustained over time, an e-learning platform called Aula Climática (Climate Classroom) was created. This platform includes three courses with four modules each. The first course is called “Introduction SINAMECC” and seeks to train in the use of SINAMECC and teach about climate transparency basic concepts, the second course is called “Sustainable Development and Climate Action” and seeks to build capacity in the application of the SD chapter of SINAMECC and finally, the third course is called “What is Transformational Change and how is it measured?” and seeks to train in the application of the TC chapter of SINAMECC.

The courses were designed by ICAT consultants in Costa Rica and the development of the website was carried out by the company Train In.

4.4.2. Results

Three capacity building courses were created: “Introducción a SINAMECC”, “Sustainable Development and Climate Action” and “What is Transformational Change and how it is measured”.

The course "Introduction to SINAMECC" consists out of four modules; the first one is called "What is SINAMECC" and explains its objectives, functions and operations. The second module explains how transparency is a key axis of climate action and the national and international context of climate change reporting and the national context of climate change reporting. The third module is called "What information can be found in SINAMECC" and explains the SINAMECC metrics levels, its general data categories, main data records and data management processes. Finally, the fourth module is called "How to explore SINAMECC?" and explains the structure of the site, its website and its data management platforms.

Furthermore, the course "Sustainable Development and Climate Action" consists out of four modules, the first one explains what do we understand as Sustainable Development and what is the 2030 Agenda for SD, the module two explains Climate Action and its link to Development, as well as, the impacts of climate actions on the SDGs and the importance of estimating impacts on SD. Module three explains the basic concepts for estimating SD impacts and finally, the fourth module explains step by step the guide created in ICAT.

Finally, the course "What is Transformational Change and how it is measured" also consists of four modules, the first one explains the concept of transformational change, why it is necessary to measure TC and its link with SINAMECC. Module two explains Costa Rica's transformational vision in the NDC and the Adaptation Policy, while the third module explains the basic concepts for estimating TC impacts. Finally, the fourth module explains step by step the guide created in ICAT.

4.5. Climate Transparency Week in Costa Rica and communication material

4.5.1. Description

As part of the capacity building of key stakeholders, the Climate Transparency Week was organized to raise awareness, train, and show the results to the civil society and key stakeholders on various issues of transparency, sustainable development and transformational change. In addition, as part of the

preparation of the communication material, report presenting the methodology chapters for estimating SD and TC impacts, the results of the pilot studies, and a video on the ICAT Phase II Project in Costa Rica were developed.

4.5.2. Results

During Climate Transparency Week, a total of 14 Webinars were held with more than 18 panelists (Figure 4). The topics of the webinars are presented below:

- What is climate transparency?
- SINAMECC as a tool for climate change transparency
- Open source and SINAMECC: technical and legal implications of building an open source system from the public sector
- Decarbonization modeling tools in Costa Rica and opportunities for improved decision making
- Climate finance monitoring in Costa Rica: Challenges and opportunities
- Mitigation actions and their registration in Costa Rica
- Advances in the use of land use monitoring tools for climate transparency - SIMOCUTE
- Contributions of organizations and cantons to climate action and transparency through the Country Program for Carbon Neutrality.
- Climate Hazard Monitoring and Adaptation Actions in Costa Rica: Advances for Data-Driven Decision Making
- Panel Access to Information as a Tool for Climate Empowerment
- What is Transformational Change?
- Results of the application and adaptation of the ICAT Guidelines in Costa Rica
- The Transformational Change and Sustainable Development Guidelines. How to apply them and what are their benefits.

As part of the organization of the week, all the communication material was created in collaboration with a graphic design agency, such as invitations, presentations and ads for Facebook, Twitter and LinkedIn.

Figure 8. Webinar panelists Climate Transparency Week

5. Lessons learned and recommendations

The following are the main lessons learned on the incorporation of the SD and TC chapters as part of the registry of mitigation actions in the National Climate Change Metrics System.

Table 1. Lessons and recommendations under ICAT Phase II

Lessons learned	Recommendations
Difficulty of the subjects under study (SD and TC): Although the SD impact estimation methodology was designed to be applied by anyone regardless of their area of expertise, the piloting found more robust results if carried out with the guidance of an SD expert. The methodology related to CT was found to be more difficult to understand by the piloting studies than that of SD, due to the complexity of its concept. A certain level of understanding of SD and TC concepts of a certain complexity is required.	In addition to the courses proposed in the SD and TC and the training courses of the ICAT Phase II project, it is recommended to provide step by step support for the assessment mitigation at least in the first year of implementation in SINAMECC. SINAMECC should include a section where evaluators can suggest any improvement . Evaluators should have access to examples of results obtained by other assessments,
Group size: It was found that the time for carrying out the assessment was longer for groups with a larger number of people.	In order to complete the assessment more efficiently, it is recommended to hold sessions of at least one and a half hours per week in the case of groups of more than 8 people. In addition, it is recommended to have an introduction by the SINAMECC team on the methodologies used in the pilots. It is not recommended to establish working groups of more than 15 people.
Monitoring indicators: The choice of a large number of monitoring indicators in both SD and TC can make the monitoring over time difficult.	It is recommended to choose a number of indicators according to the monitoring capabilities of the initiative. Especially prioritizing the availability and relevance of the information to be generated.
Identification of sustainable development and transformational change impacts: The difficulty in identifying impacts in both SD and TC varied greatly depending on the technical background of the evaluators.	It is recommended to include in the SINAMECC platform a compilation of impacts identified in SD and TC by sector. This would allow to have a list of specific impacts as a broader reference for the evaluators.
Sequence of application of the methodologies: The estimation of SD impacts must be completed before the estimation of TC impacts. Doing it in parallel increases the difficulty of, and time for, its application and could interfere with the accuracy of the results of the degree of transformation of the initiatives.	It should be specified that the order of the guides must be respected to obtain the desired results. In addition, it is recommended that the same working group that performs the estimation of SD impacts be the one that subsequently performs the estimation of TC impacts, in order to maintain consistency of criteria between methodologies.
Stakeholder consultation: Consultation processes with many stakeholders provide better results, but add complexity to the assessment.	It is recommended that the initiatives evaluate the availability of working time to decide if consultations with key stakeholders can be carried out. If the actions are a policy instrument type, it is recommended to carry out the consultations with stakeholders t since, as they are macro instruments, more robust results should be obtained.

	In the case of actions such as projects, programs or activities, it can be left to the discretion of those in charge of the climate action.
Requisites for the application of the guidelines: For the application of the SD and TC impact estimation guidelines, a basic project description of the mitigation action must be a requirement, including the indicators measured by the Project.	It is recommended as a requirement to have defined and agreed between institutions a basic formal documentarion of the mitigation project. Since these are the basis for impact estimation. Any changes made to these documents change the results obtained from the guidelines.

6. Next steps

The considerations for the implementation of the SD and TC impact estimation chapters in SINAMECC are categorized into short- and long-term next steps.

6.1. Short term steps

- It is necessary to designate one or a couple of people from the DCC team to attend specific consultations on methodologies, review results and, if possible, to accompany the first 15-20 registrations in SINAMECC.
- Coordinate between the public institutions in charge of registering their mitigation actions in SINAMECC and MINAE so that the time required for the application of these analyses and their monitoring are contemplated in the institutional planning schedules so that staff members do not have to take extra time out of their workday to carry them out.
- The SINAMECC platform should have a section for proposing improvements by users in order to capture all suggestions made by evaluators. In addition, the platform should contain downloadable examples of results obtained in other initiatives. These examples can be divided by sector, so that mitigation actions can have closer references to their measures and policies.
- To prepare a bi-annual (every half year) summary report of the results obtained from the implementation of the methodologies in a way that helps to communicate the value of the application of the methodologies and to encourage their use.
- To follow up on the exploration with the Stockholm Environment Institute for the creation of the tool that will allow carrying out the analysis in SD in a more systematic way. The creation of this tool could greatly simplify the analysis and speed up the application of the guidelines.
- Conduct a study covering the different sectors (Energy, Industrial processes and product use, Agriculture, Forestry and other land use, and Waste) to incorporate in the TC methodology the analysis of tipping points in order to evaluate the concept of TC as we understand it in the guide (SD+Mitigation+Tipping points).

6.2. Medium- and Long-term steps

- As a next step in the medium term for the SD impact estimation guide, it is recommended to incorporate simple methods to generate more quantitative data for ex-ante evaluations, for example, allowing a basic calculation of the potential number of jobs generated, health savings, impacts on trade, among others. Such assessment methods could be incorporated as optional quantitative assessment that allow actions to strengthen their proposal and apply for funding. ICAT Costa Rica consultants have evaluated the guide "Beyond Mitigation:

Quantifying the Development Benefits of Carbon Pricing" generated by the World Bank, which provides a basis from which to start. (https://openknowledge.worldbank.org/handle/10986/35624)

- As a next step in the medium term for the guide for estimating impacts on TC, it is recommended to carry out the process to determine the weighting of the categories of transformational change with each sector (Energy, Industrial processes and product use, Agriculture, Forestry and other land use, and Waste) so that the weightings of the categories can be determined based on the transformational characteristics of the sector. In addition, it is recommended to link the SD-related outcome characteristics to the Agenda 2030 impact index so that there is a more direct alignment between these two outcomes.

7. Conclusion

The implementation of ICAT Phase II in Costa Rica has focused on developing guidance for assessing sustainable development and transformational change of climate change mitigation actions, for the purpose of integrating the monitoring of these impacts in the National Climate Change Monitoring System (SINAMECC). Furthermore, the project has developed training and communication material for the purpose of raising awareness and building capacity among key stakeholder and civil society. The possibility of using transformational change as additional criteria was also explored, and an approach for integrating this in the domestic carbon market was developed.

The results obtained in this project showed that the ICAT methodologies can provide useful guidance for assessing sustainable development and transformational change impacts of climate actions for the purpose of monitoring climate impacts at national level. However, these methodologies should be adapted to the national context and tailored for the specific use in the country. Piloting can help in informing the development of such guidance, especially since it helps to uncover the possible challenges and opportunities not least through inclusion of stakeholders in the piloting phase.

Even though the project resulted in the development of methodologies that can now be adopted for measuring the sustainable development and transformational change impacts of climate actions, it has also highlighted some barriers that may hamper the uptake of these assessment approaches on a large scale. Some of these concern for example the knowledge of the concepts of sustainable development, transformational change, and impact assessment, and the time required to carry out the analyses. Possible strategies to overcome the barriers mentioned in this report include simplifying the assessment method, building capacity, factoring in the time/cost in the project budget, and making these assessments optional in a first period of implementation.

An iterative process relying on piloting, methodology development, outreach and feedback, similarly to what was done in this second phase of ICAT, is recommended to improve the methodologies so that their application becomes more efficient, reducing time and costs, more effective, thereby meeting the purpose of the assessment, and more accurate in terms of results. Such iterative approach and resulting improvements are crucial, if the methodology are to be scaled-up and used for assessing the mitigation actions of the country.

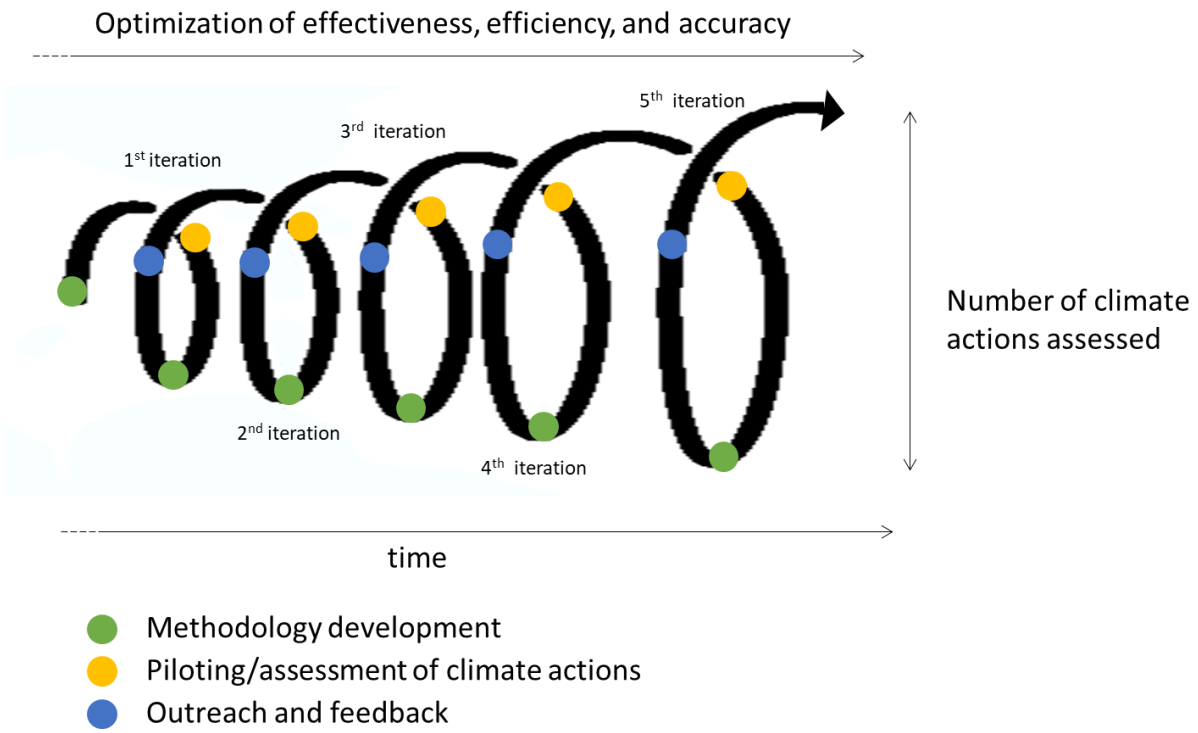


Figure 9. Iterative process for the improvement of the methodologies.

The project also yielded a number of lessons learned, which can be useful for Costa Rica as well as for other countries working with these methodologies. Engaging stakeholder in the assessment was one of the keys of success in the project, as it provided a room for testing the guides and receiving feedback. The team of consultant carrying out the project held the right technical expertise to understand, implement, and explain to others, the concept of sustainable development, transformational change, and impact assessment. A certain level of knowledge on impact assessment, and time to dedicate to this aspect of the project, is necessary for such a process to be successful. Furthermore, the fact that this area of work is prioritized at the political level, certainly increases the chance of these initiatives to receive follow-up, and be scaled-up at national level. This is the case in Costa Rica, where climate and transparency are governmental priorities. The MINAE is very conscious of the importance and opportunities of strengthening the links of the climate agenda with broader sustainable development, and the potentially transformational effects that a strong national carbon market could have.

With this second phase of ICAT, Costa Rica has made progress in the integration of sustainable development and transformational change in their climate monitoring. The challenge is now to scale-up these assessments so that a broader set of actions will analyze their sustainable development and transformational change impacts. A new iteration of piloting-methodology development-outreach will help in further developing the methodologies so that they become fit for the purpose of supporting more effectively Costa Rica it their transformational journey towards a sustainable future.

References

Government of Costa Rica. (2019). *National Decarbonization Plan 2018.2050*. https://unfccc.int/sites/default/files/resource/NationalDecarbonizationPlan.pdf

IEA. (n.d.). *Costa Rica - Countries & Regions*. Retrieved May 14, 2020, from https://www.iea.org/countries/costa-rica

OECD. (2016). *Open Government in Costa Rica*. https://doi.org/10.1787/9789264265424-en

The World Bank. (2020). *Poverty & Equity Brief: Latin America & the Caribbean - Costa Rica* (Issue April). https://doi.org/10.1787/eco_outlook-v2016-2-graph80-fr

World Bank. (n.d.). *GDP growth (annual %) - Costa Rica*. Retrieved May 14, 2020, from https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2018&locations=CR&start=2000&view=chart