

DECARBONIZATION PLAN

COMMITMENT OF THE BICENTENNIAL GOVERNMENT



DESCARBONICEMOS
COSTA RICA
COMPROMISO PAÍS 2018-2050



Costa Rica aims to be a modern, green, emission-free, resilient and inclusive economy

Costa Rica has set out to lay the foundations of the new Costa Rican economy of the 21st century by creating a positive, innovative and inspiring vision of the future. An economy that responds to changes in the global context, moving towards a green economy, which promotes the sustainable use of natural resources.

Although the transition to a low-emission economy requires a profound transformation, it is worth noting that Costa Rica has made important progress in previous decades, including an electrical grid that is over 95% free of emissions and a very low rate of deforestation, with a forest cover that exceeds 52% of its territory.

However, the challenges are important and require transformational efforts, such as the development and implementation of one of the few decarbonization strategies in the world with short and long-term goals.

Costa Rica seeks to inspire all kinds of stakeholders to go beyond “the usual” and be part of this positive transformation, becoming the best version of itself and demonstrating that it is possible to fulfill the commitments acquired in the 2030 Development Agenda.

 **No one left behind**

Decarbonization and resilience are based on the principles of inclusion, respect for human rights, and gender equality

Planning the decarbonization of the economy requires a balance between the long-term vision and immediate actions

Planning for decarbonization sets the path between the current goals and those of 2050, in line with the objectives of the 2030 Agenda and the Paris Agreement. This National Plan identifies technological transformation routes for each one of the sectors.

The actions are presented in 10 sectoral focus areas with policy packages in three periods: beginning (2018-2022), inflection (2023-2030) and massive deployment (2031-2050), and also 8 cross-cutting strategies to enhance change.



Decarbonization is the great task of our generation and Costa Rica must be among the first countries in the world to achieve it, if not the first.

10 Focus areas to achieve Decarbonization

The 10 focus areas are key areas to reverse the increase of greenhouse gas emissions, as well as to encourage the modernization and revitalization of the economy through a vision of green growth.

1. Transport and Sustainable Mobility

Focus Area 1

Development of a mobility system base on safe, efficient and renewable public transport, and active and shared mobility schemes.

Transformational Vision (Actions)

By 2050, the public transport system (Buses, Taxis, Passenger Rapid Train-TRP-), will operate in an integrated manner, replacing the private car as the first mobility option for the population.

In 2035, 70% of the buses and taxis

will be zero emissions and the passenger train will be 100% electric. By 2050 100% of the buses and taxis will be zero emissions.

Increase of at least 10% of the trips in non-motorized modes within the main urban areas of the Great Metropolitan Area-GAM-.

Focus Area 2

Transformation of the light duty vehicle fleet to a zero emissions one, nourished by energy that is renewable and not of fossil origin.

Transformational Vision (Actions)

In 2050, 60% of the fleet of light vehicles - private and institutional - will be zero emissions, with a higher percentage for those with commercial and governmental use.

In 2035, 25% of the fleet will be electric.

100% of sales of light vehicles will be zero emission vehicles by 2050 at the latest.

Focus Area 3

Promotion of a freight transport that adopts modalities, technologies and energy sources that emit zero or the lowest possible emissions.

Transformational Vision (Actions)

By 2050, at least half of cargo transport will be highly efficient and will have reduced emissions in 20% compared to 2018 emissions.

By 2022 the country will have public

data on carbon emissions (and criterion pollutants) of the cargo truck fleet and pilot plans will be carried out to increase the efficiency of the trucks through an intelligent logistics approach

2. Energy, Green Building and Industry

Focus Area 4

Consolidation of the national electric system with the capacity, flexibility, intelligence, and resilience necessary to supply and manage renewable energy at competitive cost.

Transformational Vision (Actions)

By 2050, electric power will be a primary source of energy for transport, residential, commercial, and industrial sectors, among others.

By 2030: the electrical grid is

capable of operating at 100% with renewable energies

The investment program, for the evolution of the electrical system, and the quality of its management, must guarantee a competitive price for users.

Focus Area 5

Development of buildings of different uses (commercial, residential, institutional) under high efficiency standards and low emission processes.

Transformational Vision (Actions)

By 2030, 100% of the new commercial, residential and institutional buildings will be designed and built adopting systems and technologies that

lead to low emission and resilience processes.

By 2050 all commercial, residential and institutional buildings will operate with low emission standards

Focus Area 6

Modernization of the industrial sector through the application of electrical, efficient, and sustainable processes and technologies of low and zero emissions.

Transformational Vision (Actions)

By 2050 it will have changed its energy sources in order to decouple its growth from that of emissions.

By 2030 the sector will have a

strategy and business model of integral design "cradle to grave" for products, supplies, packaging, and their uses, in a vision that is linked to the circular economy.

3. Integrated Waste Management

Focus
Area 7

Development of an integrated waste management system based on the separation, reuse, revaluation, and final disposal of maximum efficiency and low greenhouse gas emissions.

Transformational Vision (Actions)

By 2050, 100% of the territory will have solutions for the collection, separation, reuse and disposal of waste.

By 2030 Costa Rica will have a culture of citizens and businesses oriented towards a lower generation

of waste and their successful management, under a circular economy approach

By 2022 there will be a Strategy and Plan for Better Technological Options to reduce methane through organic waste.

4. Agriculture, land use change and nature-based solutions

Focus
Area 8

Promotion of highly efficient agricultural food systems that generate low-carbon local consumption and export goods.

Transformational Vision (Actions)

By 2050, the most advanced methods and technologies will be applied in order to achieve

a sustainable, competitive, low carbon, resilient agriculture with the lowest levels of contamination.

Focus
Area 9

Consolidation of an eco-competitive livestock model based on productive efficiency and reduction of greenhouse gases.

Transformational Vision (Actions)

By 2050, livestock activity will use the most advanced technology according to standards of

sustainability, competitiveness, low emissions and resilience to the effects of climate change.

Focus
Area 10

Consolidation of a model of management of rural, urban, and coastal territories that facilitates the protection of biodiversity, the increase and maintenance of forest cover and ecosystem services based on nature-based solutions.

Transformational Vision (Actions)

By 2030, to maintain existing forest cover and increase it to 60% while reversing the process of degradation of marine and terrestrial ecosystems

By 2050, to increase the availability

of green areas for recreation, located in the great metropolitan area -GMA- through the improvement of connectivity between protected areas and the consolidation of inter-urban riversides and biological corridors.



 **EV**
CHARGING

 EMERGENCY

GRUPO **ice**

Vehículos Eléctricos
Cargador

8 Cross-cutting Strategies to catalyze change

It is necessary to modernize the institutional and tax frameworks as well as the education system through comprehensive approaches in order to consolidate the process of transformational change. This can be achieved through the cross-cutting strategies which seek to address the social, financial, environmental and technological considerations:

1) Strengthening the principles of inclusion, respect for human rights and promotion of gender equality.

Costa Rica reiterates its commitment to the protection and respect of human rights. At the same time, the country will continue to promote gender equality and improve the quality of life of its citizens.

2) Comprehensive reform for new institutionalality

The country needs to advance its environmental institutional reform that will endow it with modern, digitalized, and flexible institutions with the capacity to manage the disruptive changes that this new economy entails. Key components include the modernization of the Costa Rican Petroleum Refinery (RECOPE), the Costa Rican Electricity Institute (ICE) the Ministry of Public Works and Transportation (MOPT), and the Public Transportation Council (CTP).

3) Green Tax Reform

It is fundamental to decouple the revenues of the Ministry of Finance from the sales of gasoline and to move forward in carbon pricing. The price may start with the green tax reform and the debate on the economic valuation of negative externalities such as pollution. The process must respond to a comprehensive analysis of the country's tax structure and it must define the actions that allow coherence with the public policy packages to achieve decarbonization while also considering the costs.

4) Finance and Foreign Direct Investment Strategy

Financing and attracting investments requires mobilizing public and private funds. This will be achieved by working on "financial engineering" schemes of public-private partnerships to support the portfolio of actions and projects. We will work with the national and international financial sectors using new approaches. Costa Rica will set the conditions for promoting an FDI strategy in key areas, consistent with the vision of the Plan.

5) Digitalization and Knowledge-based Economy Strategy

The country must advance in processes of digitalization, digital connectivity, smart cities and telecommuting. For this, it requires the development of tools for analyzing and using digital data and the availability of infrastructure in data centers, fiber optics and submarine cables. It also requires interconnection with the region.

6) Labor Strategies for a Just Transition

It is recognized that the political feasibility of these major transitions is associated with the process of adapting to the opportunities and challenges that will arise in the labor market. The best practices in just transition processes will be identified and relevant plans will be prepared for the sectors that are exposed to the greatest impacts.

7) Transparency, Metrics and Open Data Strategy

The country will consolidate the National Climate Change Metrics System (SINAMECC) to guarantee a supply of open and updated data on the performance of the decarbonization agenda and to enable forward-looking modeling to support decision making. SINAMECC will be provided as open-source software, free of restrictions, to help other countries improve their metrics and promote an international open-source community around the system.

8) Education and Culture Strategy: The bicentennial Costa Rica- Free of Fossil Fuels.

Consumer and user work plans will be developed in order to promote the acceptance of a value proposition of technologies and modalities as well as cultural and educational initiatives for teachers and students of all kinds. Modernization, the teaching of the English language and the interconnection of schools, will all be steps towards this new Costa Rica.



The process of change has begun. Next steps

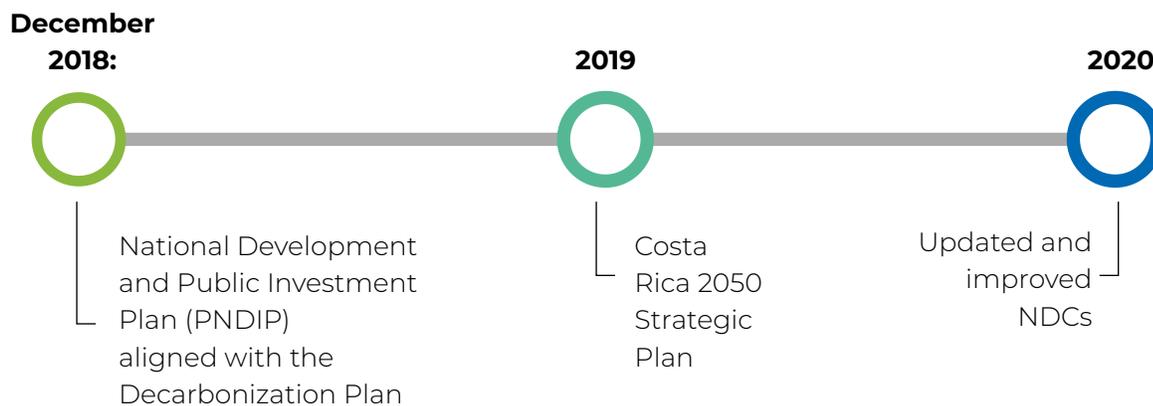
The Decarbonization Plan is being used as the foundation for the construction of our National Development and Public Investment Plan (2018-2022), and the Costa Rica 2050 Strategic Plan (Long-Term Strategy).

It will provide information to update and formulate new sectoral policies, and the country's public investment system based on robust modeling.

Its implementation will be coordinated by the Presidency of Costa Rica, with support from the Ministry of Planning and Economic Policy (MIDEPLAN), the Ministry of Environment and Energy (MINAE), and the Ministry of Finance.

An Action Plan 2018-2022 is being developed to detail the actions that this Administration will implement, along with the person in charge of each action.

The Plan will feed the ambition and transparency system of the country and will be the basis for updating and improving our following Nationally Determined Contributions or NDCs







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