



GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: Capacity Building Initiative for Transparency

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PART I: PROJECT INFORMATION

Project Title:	Costa Rica's integrated reporting and transparency system		
Country(ies):	Costa Rica	GEF Project ID: ¹	9652
GEF Agency(ies):	UNEP	GEF Agency Project ID:	01497
Other Executing Partner(s):	Ministry of Environment and Energy, Ministry of Public Works and Transportation, Ministry of Livestock and Agriculture	Resubmission Date:	November 4, 2016
GEF Focal Area(s):	Climate Change	Project Duration (Months)	48
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of parent program:	[if applicable]	Agency Fee (\$)	\$90,000

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
CBIT	CBIT	1,000,000	3,260,000
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
(select) (select) (select)	(select)		
Total Project Cost		1,000,000	3,260,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Development of Costa Rica's capacities to meet the requirements of the transparency framework under the Paris Agreement on Climate Change						
Project Components	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
1. Cross-Cutting: National transparency framework	TA	1.1 Strengthening of Costa Rica's transparency instruments under the Paris Agreement's Transparency Framework. 1.2 National institutions use monitoring results for decision making to lead the de-carbonization process of the economy	1.1.1 Design of a quality control, assurance and continuous improvement program for Costa Rica's transparency instruments (e.g. National Communications, Biennial Communications and National GHG Inventories) 1.2.1 Development of a Strategic Climate Planning Unit	CBIT	880,000	3,000,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT guidelines](#).

³ Financing type can be either investment or technical assistance.

			1.2.2 Implementation of a knowledge sharing platform for MRV-related transparency and data methodologies			
			Subtotal		880,000	3,000,000
			Project Management Cost (PMC) ⁴	CBIT	120,000	260,000
			Total Project Cost	CBIT	1,000,000	3,260,000

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ()

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
International Agency	World Bank	Grant	500,000
International Agency	UNEP	In kind	10,000
Cooperation Agency	ICAT	Grant	250,000
Cooperation Agency	GIZ	Grant	1,500,000
Governments	Ministry of Environment and Energy (MINAE)	In Kind	500,000
Governments	Ministry of Transport (MOPT)	In Kind	500,000
Total Co-financing			3,260,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS ^{a)}

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
UNEP	CBIT	Costa Rica	Climate Change	(select as applicable)	1,000,000	90,000	1,090,000
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total GEF Resources					1,000,000	90,000	1,090,000

a) Refer to the [Fee Policy for GEF Partner Agencies](#).

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? Yes No If no, skip item E.

PPG mount requested by agency(ies), Trust Fund, country(ies) and the Programming of funds

Project Preparation Grant amount requested: \$	PPG Agency Fee:
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⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total PPG Amount					0	0	0

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>Hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>Hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries:</i> 1
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries:</i> 1

PART II: PROJECT JUSTIFICATION

1. *Project Description.* Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁸ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

⁸ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

1) **The global environmental problem and/or adaptation problems, root causes and barriers that need to be addressed**

In 2015, the international community agreed on substantially extending efforts to keep global warming below 2°C with additional compromise to keep warming closer to 1.5°C as stated in the Paris Agreement. Countries, regardless of their level of development, committed to contributing to reducing GHG emissions and adaptation as laid out in their Nationally Determined Contributions (NDC). Achieving the 2°C target requires an integral transformational process, that is informed by performance of sectoral policies, financial flows and the impact of new adopted technologies, all of which will have to be provided through, inter alia, dynamic and multi-dimensional models and market intelligence to support decision-making on a permanent basis.

Article 13 of the Paris Agreement provides for an enhanced transparency framework aiming to build mutual trust and confidence and promote the effective implementation of the actions identified under the NDCs. Further, Article 4 determines that every country, except for least developed countries, shall report no less frequently than on a biennial basis their progress towards the implementation of their NDCs. These reports shall also include information regarding adaptation efforts and international support received. In the reports, good practice methodologies are to be used by everyone and will be internationally revised in order to ensure consistency.

The enhanced transparency framework demands substantial and immediate progress in the countries' domestic MRV systems and strategic de-carbonization planning. This entails moving from often disintegrated and often different-methodological approaches in data management to an integrated and robust system. The success of the Agreement hinges on enhanced transparency of action and support, as a critical foundation to making its bottom-up, country-led approach work, as well as building mutual trust and confidence amongst Parties. The enhanced transparency framework demands substantial and immediate progress in the countries' domestic MRV systems and strategic de-carbonization planning. This requires setting up new transparency governance structures, developing and implementing measuring and reporting methodologies, and updating, implementing, and integrating new data and information flows with pre-defined periodicity. This transition towards data and information sourcing and management presents a significant barrier for many countries.

To date, Costa Rica is neither prepared to monitor, report, and verify their mitigation and adaptation actions and policies and corresponding finance in a concise and robust manner nor to generate forecasting scenarios and strategic (economic, investment, technological, among others) information for policymakers needed to support transformational change. The current processes of policy formulation, incentives, and other regulatory instruments required to achieve the de-carbonization of the economy are not defined and coordinated. This is seen as the key barrier in ensuring that Costa Rica meets its highly ambitious NDC.

2) **The baseline scenario and associated baseline projects**

Costa Rica has prominently placed climate change in its current National Development Plan, making it the cornerstone of every strategic action to be performed. This ambition is reflected in its NDC, as Costa Rica:

- i. reaffirms its aspiration of becoming a carbon neutral economy by 2021; and
- ii. commits to reducing its GHG emissions to 9.374.000 tCO₂ in 2030.

The INDC, submitted in 2015, draws a path for a low-emission and climate-resilient development, includes policies and measures for mitigation and adaptation, is comprehensive as it is economy-wide, including all sectors, gases, sources and sinks. To achieve these ambitious goals, Costa Rica aims to become a *national-scale laboratory* to promote de-carbonization at the global level, based on three key concepts:

- i. knowledge sharing;
- ii. innovative capacity, and

- iii. private investment.

As a committed nation in the combat against climate change, Costa Rica has started transforming key sectors like agriculture and transport for which it actively engages the private sector as a key driver of de-carbonization. Historically, Costa Rica has made an effort to share its success stories and corresponding drivers and obstacles with its peers and will extend these efforts as its de-carbonization laboratory fetches more and more promising results. In line with the Paris Agreement, Costa Rica will be required to enhance its national transparency system to report with clarity and transparently on its progress in implementing its highly ambitious NDC vis-à-vis its progress towards a national-scale de-carbonization laboratory.

Costa Rica's enhanced national transparency system

The foundation for Costa Rica's enhanced national transparency system will be the National System for Climate Change Metrics (SINAMECC). It will serve as the overarching platform for transparency and accountability of the NDC, including the provision of timely information on mitigation, adaptation, climate finance and co-benefits. By design, SINAMECC will form part of a systems-in-systems approach with a multi-purpose objective and a multi-directional flow of information, which will feed on all relevant data, including top-down data generated through GHG inventories as well as bottom-up sectoral MRV information. As part of Costa Rica's transparency and national de-carbonization efforts, SINAMECC will significantly contribute by providing the robust data for two key reports: (I) progress reporting on all UNFCCC obligations; and (II) a national report on the impact of public policies.

As to top-down national data, including GHG inventories, National Communications, and BURs, have been compiled by the National Meteorological Institute (IMN) since the 1990s. The technical team (composed of 3 permanent professionals) in charge of the compilation has not changed since, which has allowed for the long-term accumulation of knowledge and capacity. The team can only implement limited QA and QC checks to ensure data quality.⁹ Costa Rica implements periodical QA procedures only for some GHG inventory years. Current QC are implemented only for the GHG inventory of each inventory year, during documentation, data and results archiving. For activity data, QC cross checks are conducted between different national data sources. The small team is generally not able to check the quality of all information sent by other institutions and it is completely unknown whether these institutions conduct any QC procedures since it is not documented. Trend analyses have helped to identify inconsistencies in the time series. Inventory estimates are not compared to regional estimates or IPCC defaults.

As to the generation of bottom-up data, SINAMECC follows a modular approach, giving the sectors substantial leeway in their MRV design. Nonetheless, SINAMECC requires the sectoral MRV systems to align with the overarching governance structure while maintaining their flexibility. **To date, the sectoral data sources that are in place have not been designed with the objective to generate climate change-relevant data and without consideration for a potential integration with the GHG inventories. Moreover, the available information flows are disintegrated and not reliable as they vary in quality and periodicity and do not meet relevant guidance under the UNFCCC and IPCC.** Consequently, Costa Rica's current MRV framework is mainly composed of the processes that lead up to the compilation of national GHG inventories.

National-scale de-carbonization laboratory – Data-driven policy-making

Costa Rica, in its transition towards becoming a national-scale de-carbonization laboratory, will move towards a data-driven policy-making. Therefore, SINAMECC will play a key role in supplying reliable and robust data provided by to inform planning processes and thus facilitate the development of sound public policies. Moreover,

⁹ The team is composed of a general coordinator, who also serves as the Energy, Waste and IPPU expert. Individual experts are in charge of the LULUCF and Agriculture sectors (the Agriculture experts work only part-time). Two professionals provide support with mapping land areas.

to process the data generated through SINAMECC, analytical capacities with corresponding tools and methodologies will be needed that can translate information into sound policy planning processes and impact assessments based on the generated data, such as forecasting and conducting national stocktaking, amongst others. At the moment, Costa Rica is however facing significant institutional, data availability and quality level, and processing capacity challenges that hamper the successful implementation of data-driven policy-making.

As to the institutional level, Costa Rica possesses institutions responsible for sectoral policy-making – however, not all institutions can count on a dedicated policy planning unit. Yet, climate change as a transversal, inter-sectoral issue is not being considered within these policy-planning efforts. Costa Rican sectors are historically accustomed to policy-planning solely centered around their own area, resulting in isolated capacity accumulations and limited coordination between sectors.¹⁰ The national climate goals, however, require an integrated planning process that considers the reciprocal interaction and impact between sectoral policies. The absence of cross-sectorial knowledge and coordination is further exacerbated by an absence of technical know-how needed for climate change policymaking and a general under-staffing.

Data quality and availability requirements for robust data-driven policy-making are considerable. At the moment, Costa Rica cannot fulfil these requirements as its **currently available data is limited and uncertain in quality**. So far, available data does not undergo a quality assurance and control program that ensures a good foundation for post-processing analysis. Therefore, any usage of Costa Rica’s current climate related data has an implicit uncertainty. Moreover, the available data is often not apt for inter-sectorial climate change-related policy planning.

Capacities created for transition to enhanced national transparency system and remaining gaps

Costa Rica has benefitted from substantial support in advancing its national transparency system. Previous support included the creation of capacities associated with the development of the Third National Communication published in 2014 and its First Biennial Update Report from 2015 (see Table 1 for support content). On a sectorial MRV level, NAMA support has helped advancing the governance structure in the transport sector and developing NAMA-specific MRV systems for the Costa Rican Coffee NAMA and Sustainable Livestock NAMA. With regard to the overarching governance structure of Costa Rica’s enhanced transparency system, it is currently receiving support from GIZ, the Initiative for Climate Action Transparency (ICAT), and UNDP. Upcoming support provided for the preparation of the Second BUR and Fourth NC has transitioned its focus more towards climate change adaptation.

Table 1: Transparency Capacities created through international donor support

Project/Initiative	Capacities created / under creation for transparency
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¹⁰ For example: The energy and transportation sector both have independent sectoral planning secretariats. Although the thematic overlaps are evident (energy is responsible for vehicle technologies and fuels, and the transport planning secretariat is responsible for public transportation) joint efforts are limited and more so regarding climate change.

Project/Initiative	Capacities created / under creation for transparency
GEF-BUR and National Communications	<p>Created Capacities through BUR 1 and NC 3</p> <ul style="list-style-type: none"> • Improved capacity to identify, prepare and implement mitigation actions in key sectors. • Raised awareness in public and non-public institutions for need to integrate climate change in their policies • Improvement of national emission factors • Provided definition on institutional arrangements for the development of BURs and NCs and a first systematization for the development of institutional arrangements • Roadmap in form of a capacity needs assessment <p>Capacities to be created under BUR 2 and NC 4</p> <ul style="list-style-type: none"> • Further improvement of national emission factors through new methodologies • Development of an in-depth vulnerability assessment, that includes the development of a policy framework for an effective integration of adaptation measures into sectoral strategies. • Assessment of policies and measures to mitigate climate change and their progress related to the NDCs for the period 2015-2020 • Gender differentiated “loss and damage” data generation procedures for human settlements in coastal areas.
GIZ – Accountability Rules	<ul style="list-style-type: none"> • Develop an indicator mapping for enhanced transparency, defining data gaps building on sectoral input, generating data sheets for existing and new indicators, and thereby create baselines for sectoral data generation, for which furthermore sector-specific methodologies will be developed • Identify synergies with existing reporting instruments (BUR, National Communications, and GHG inventory) • Draft an institutional design for SINAMECC based on relevant stakeholders identified through indicator mapping, focussing on the cost-effectiveness of the institutional structure • Provide indications for roles and responsibilities on an inter- and intra-institutional level
GIZ – Promoting GHG neutrality	<ul style="list-style-type: none"> • Currently being defined but will close all remaining gaps in SINAMECC’s governance structure left by GIZ’s Accountability Rules project and ICAT.
ICAT	<ul style="list-style-type: none"> • Validate and establish the roles and responsibilities in the overarching SINAMECC governance structure based on initial draft by GIZ • Support the design of a legal framework for intra- and inter-institutional data and information exchange, both public-public and private-public • Build capacities in the utilization of methodologies to measure sustainable development co-benefits of climate change actions
UNDP – Mainstreaming MEA objectives	<ul style="list-style-type: none"> • Assisting the National System for Environmental Information (SINIA) in developing minimum indicator lists for SINAMECC in order to guarantee consistency and robustness on the methodological level and correspondingly in the generated data. Methodologies will serve as guidance to SINAMECC’s efforts to provide methodologies for sectorial MRVs.
World Bank - Upstream Policy Analysis	<ul style="list-style-type: none"> • Design and implement Costa Rica’s TIMES Modell for the transport and energy sector, enabling the development of sector-specific simulations. • Capacity creation in the usage of TIMES as a forecasting and analysis instrument for the transport and energy sector.

Despite these efforts, significant gaps still remain that prevent Costa Rica from moving towards data-driven policy-making as part of its national laboratory for de-carbonization and its obligations in clear and transparent reporting under the Paris Agreement.

For both objectives, Costa Rica requires high-quality, robust data over time, as well as the capacity to identify data gaps and reducing uncertainties in order to direct efforts to increasing accuracy of actual emissions and removals.

In addition to an improved QA/QC, Costa Rica further lacks capacities to generate MRV data under established methodologies. In fact, the TTE for the First BUR (2015) identified the need for enhanced reporting capacities and assumptions as one of the key capacity limitations. Therefore, to comply with the data demands generated through a data-driven policy-planning process, Costa Rica will require methodologies for: (I) sectorial data generation; (II) sectorial MRV; and (III) sectorial data processing and analysis. While the NAMA and other support have helped Costa Rica to obtain an initial set of methodologies, they fall substantially short of the methodological capacities needed.

Costa Rica also lacks capacity in long-term planning as established in the First BUR (2015), which is partially a result of high institutional fragmentation and gaps in domestic institutional arrangements for cross-sectorial, long-term climate planning, as well as lack of awareness amongst policymakers and the general public to support the long-term process according to the BUR's technical analysis. As indicated above, few sectorial institutions count on policy planning units, which tend to be understaffed resulting in an incapacity to take up additional workload like climate change-focused planning. Further, these units have a sector-centered approach, largely leaving transversal topics like climate change aside. Closely aligned to the lack of appropriate methodologies, technical know-how on forecasting, stock taking, data analysis procedures based on a broad set of data variables is highly limited.

Proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project

GEF-CBIT will support Costa Rica in establishing an overarching structure across all sectors that will ensure high quality in its transparency instruments; and create the capacities to transcend in the usage of MRV for policy design inputs.

CBIT's most important contribution will occur through the creation of capacities at an inter-sectoral level. This cross-sectorial work is fundamental to Costa Rica due to the economy-wide nature of its' NDC target, which seeks to drive deep, transformational de-carbonization which can only be achieved incorporating multi/inter-sectoral approaches.

These support objectives will strongly foster Costa Rica's capacity in complying with its obligations under the Paris Agreement. In line with the need for enhanced ambition, CBIT support will ensure Costa Rica's long-term climate policy planning capacity needed to sustain its very ambitious target of carbon neutrality. Moreover, it will give Costa Rica the needed capacity to report with clarity and transparency on the progress towards its NDC goals in line with PA Article 13. Last but not least, the Paris Agreement encourages knowledge sharing, which Costa Rica has made one of its three pillars towards the establishment of the national de-carbonization laboratory.

The requested support further neatly aligns with the CBIT programming directions, in particular those under paragraph 18 a-c). The proposed components will strengthen Costa Rica's "national institutions for transparency-related activities in line with national priorities", as they will foster Costa Rica's capacity to "... plan, coordinate, implement, monitor and evaluate policies, strategies, and programs to enhance transparency, ...", "... integrate knowledge from transparency initiative into national policy and decision-making"; and deploy and enhance "... information and knowledge management structures to meet Article 13 needs". Moreover, the proposed components reflect the capacities identified as most needed in Costa Rica's

first BUR and the corresponding technical analysis, complying with the paragraph 19 of CBIT's programming directions.

Component 1: National Transparency Framework

This component will strengthen Costa Rica's transparency instruments under the Paris Agreement's transparency framework. Additionally, it will lead National Institutions to use monitoring results for decision making to implement the de-carbonization of the economy.

Outcome 1.1 Strengthening of Costa Rica's transparency instruments under the Paris Agreement's Transparency Framework.

Output 1.1.1: Quality control and quality assurance procedures and a proposal for a continuous improvement program for Costa Rica's reporting instruments according to the transparency framework under the Paris Agreement and for pre-2020 MRV requirements

Due to current shortcomings regarding Quality Assurance (QA) and Quality Control (QC), a first step for consolidating a national MRV framework is to establish the following procedures:

- A QA/QC plan for the national GHG inventory and mitigation actions, with a scheduled time frame for QA/QC activities, including a list of *data quality objectives* following IPCC, against which the inventory and mitigation actions can be measured in a review (vol 1, chapter 6, IPCC 2006). This plan should document outside standards and guidelines used for sectoral data
- General QC checks, which are regular and scheduled, for calculations, data processing, completeness and documentation to sources and sinks included in the inventory and considered in mitigation actions, as well as for assumptions, emission factors, activity data, data transcription, references, final emission and removals estimates, conversion factors, consistency between categories, uncertainties, time series consistency, and trend checks, especially for external or shared databases
- Category-specific QC checks, applied case-by-case for key categories or for categories with significant methodological or data revisions, as well as for those categories associated to existing mitigation actions. Some checks may be informed by international, independent databases and IPCC default factors
- Calculation-related QC checks, to safeguard against duplication of inputs, unit conversion errors or others, and ensure the reproducibility of total inventory estimates, as well as the results of mitigation actions
- A financial plan to develop a permanent QA, based on external reviews and audits, which takes into account available funding
- Use uncertainty estimates to prioritize category-specific QA/QC, especially for key categories in the trend and for sources and sinks addressed in mitigation actions
- Identification of potential verification activities, following IPCC guidance

Through this CBIT project, Costa Rica will establish these QA/QC procedures, plans and potential verification activities, for the next GHG inventory (to be included in the 2018 BUR), that may also be applicable to future inventories, including the mitigations actions reported in the BUR. The end-product will be a report on the quality of total inventory estimates and for mitigation actions, and inputs to inform the continuous improvement plan proposal. This plan should identify critical areas for improvement and investment, in the context of the country's enhanced transparency framework. As part of this continuous improvement, reports should be generated for inventory compilers, mitigation action coordinators and decision makers on which source and sink categories (especially those that are key) require further refinement, as they have a significant contribution to the overall inventory and to country efforts to achieve the goal of the NDC. By advancing QA/QC procedures, coupled with the use of higher tier data and methods, Costa Rica will move closer to a fully transparent approach for reporting on the progress of its

NDC. This is particularly important given that Costa Rica's NDC is economy-wide, including all sources and sinks.

Outcome 1.2: National institutions use monitoring results for decision making to lead the decarbonization process of the economy

Output 1.2.1: Development of a Strategic Climate Planning Unit

A key risk which affects Costa Rica's transition towards a low-emission economy is the lack of credible data-based policy design and assessment. Through the present CBIT initiative, Costa Rica proposes to transcend of its current paradigm of MRV as an exclusive reporting mechanism and make use of its data generation in the development of climate policies.

To achieve this, CBIT will support Costa Rica in creating a top-tier research and analysis unit that will enable integral analyses and forecasting exercises to measure the progress of its climate policies, such as its NDC goals. The Strategic Climate Planning Unit's intelligence and recommendations will strategically target the promotion of private and public investment in key sectors such as transport and energy (due to their absolute and trend-based relevance in terms of emissions and economic development). This will facilitate innovation and promotion of innovative energy paradigms, such as smart grids, distributed generation, e-mobility, electrification of public and private fleets, e-payments, connectivity of high efficiency appliances and equipment, or smart cities.

The proposed inter-sectoral Strategic Climate Planning Unit will link in a twofold way to SINAMECC: (I) the full exploitation of SINAMECC's generated data for data-driven policy-making based on purely technical analyses; and (II) the maintenance of SINAMECC for policy-planning usage and open access usage by all other stakeholders.

The Unit's technical analyses based on SINAMECC provided data will result in:

- regular, national stock takes of Costa Rica's progress in achieving the NDC, including the impact of mitigation actions;
- impact analysis of existing mitigation actions and identification of opportunities for implementing additional actions;
- policy impact forecasts and recommendations on climate change policies to accelerate climate action and responses.

This CBIT component will create the necessary capacities through the elaboration of a full-fledged design for the Strategic Climate Planning Unit, including governance structure, legal and institutional arrangements, as well as start-up and operating costs analysis. This process can in parts be informed through Costa Rica's successful experiences in institutionally-driven economic changes, most notably through strategic stakeholders such as PROCOMER (the Foreign Trade Promotion Agency) and CINDE (Costa Rican Investment Promotion Agency). These institutions have combined high-technical expertise and budgetary independence to promote Costa Rica's economic transition over the last two decades. These experiences will provide valuable insight on the set-up of the Strategic Climate Planning Unit, regarding its design, strategic administrative location, etc.

The Unit's design will require determining its administrative location (for example, whether it is best suited to be placed within the Ministry of Environment and Energy given its connection with SINAMECC) and corresponding roles and responsibilities. For example, national technical consensus has determined that the Strategic Climate Planning Unit should focus merely on climate change mitigation due to the complexity associated with climate change-oriented, cross-sectorial policy planning. Nonetheless, a full-fledged design could provide prepositions on the inclusion of climate change adaptation policy planning and other reporting requirement-related issues for subsequent inclusion in the Unit's mandate. In line with both its administrative

location and its roles and responsibilities, the design will further need to determine how it coordinates with existing councils like the Inter-ministerial Council on Climate Change, the Scientific Council for Climate Change (SCCC), and the Citizen's Council for Climate Change (CCCC) to ensure synergies while avoiding the duplication of any efforts. The Strategic Climate Planning Unit will generate strategic information to engage these and other key economic institutions (such as the Central Bank of Costa Rica) to track the transition to a de-carbonized and climate-resilient economic model.

Furthermore, a process will define how to ensure the financial sustainability of this Unit, within the Ministry of Environment and Energy, with options such as a public-private partnership or a percentage from the combustion-emissions levy (which has been approved for implementation in the National Energy Plan and is currently being designed) as potential sources of structural funding.

Output 1.2.2: Implementation of a knowledge sharing platform for MRV-related transparency and data methodologies

Costa Rica, as many developing countries, displays a high staff turnover in government, which puts at risk the retention of acquired capacities in terms of data generation and analysis. To overcome this barrier, a simple and user-friendly digital Knowledge Platform will be developed. The Knowledge Platform will be designed to be inline with Costa Rica's national circumstances, and language preference (Spanish). The platform will serve as a digital library for methodologies and models associated with data generation, processing, measuring, and reporting. It will host all relevant procedures regarding transparency and data methodologies, serving as a centralized institutional backup for sectoral knowledge. The availability of sectoral methodologies for data generation and analysis for everyone will circumvent the problem associated with knowledge accumulation in single individuals.

The Knowledge Platform constitutes the third key element in the knowledge-based triangle arrangement for enhanced transparency in Costa Rica in addition to SINAMECC and the Strategic Climate Planning Unit. The platform will link to the Strategic Climate Planning Unit as an inter-sectorial Unit and SINAMECC as national climate data hub.

- The Strategic Climate Planning Unit will facilitate policy-planning instruments and tools that will inform and improve the existing sectoral work on data generation and analysis methodologies, while
- SINAMECC will be of utmost importance for a proper and sustainable functioning of the Knowledge Platform, as it will be one of the main information sources for climate policy-making providing information on the methodology development with regard to data availability and quality. This is strengthened by the fact that the data generated in SINAMECC will on many cases be the first of its kind on a national level, incentivizing the development of new, innovative methodologies.

As part of this component, CBIT will support identifying the Platform's potential physical and administrative location (e.g. as a part of the Strategic Climate Planning Unit) in accordance to the Costa Rican public sector landscape. In a second step, it will require designing the digital platform ensuring access to every public servant as part of the institutional network. The focus shall be laid on a simple and user-friendly layout. Once physically established and to ensure usage, a user guide shall be designed, providing step-by-step indications.

CBIT shall further support the initial phase of uploading data, information and methodologies on to the Knowledge Platform. By doing this, Costa Rica will take into consideration methodologies provided through ICAT's and CBIT's global capacity building efforts. The pilot phase on methodology will focus on transport, as a priority sector. The inclusion of relevant methodologies in the sector will result in the most immediate usage of the Knowledge Platform by the sector in conjunction with the Strategic Climate Planning Unit. Specifically, the population with transport methodologies will be centered around big data analysis and innovative data generation processes that fit sectoral MRV needs (for example, multi-source database construction). Following the test drive, the Knowledge Platform will be adjusted to ensure functionality in the

transport sector before the initiative is expanded to other sectors. A roadmap shall be prepared to indicate how the platform will be extended to other sectors and shall further provide a training guide for the platform usage based on the piloting efforts undertaken in the energy sector. Awareness raising efforts will be conducted for relevant users of the Knowledge Platform. The Knowledge Platform will be made available to the global and CBIT community for potential replication.

Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LCDF, CBIT and co-financing

Costa Rica has committed to making climate change a cornerstone of each public policy action. While Costa Rica is actively advancing its national agenda to comply with all international commitments and fulfil its national goals, the monitoring and reporting requirements and policy planning capacity needs associated with these commitments exceed Costa Rica's current and near future capacity. Under the status-quo, Costa Rica can merely rely on disintegrated, quality-varying data flows with limited applicability to policy planning, in particular climate change, and in-existent cross-cutting, transversal policy planning units that assume a role of long-term climate planning. To comply with the abovementioned however, Costa Rica will need to move towards a state of long-term climate policy planning based on the knowledge-based triangle arrangement for enhanced transparency including the Strategic Climate Planning Unit, the Knowledge Management Platform, and SINAMECC.

CBIT will build on initiatives and projects that support Costa Rica in:- establishing its transparency-related overarching governance structure, developing nationally-optimal methodologies for data generation, MRV, and policy planning. By doing so, CBIT will give significant leverage to the ongoing and upcoming initiatives while closing remaining gaps identified under the BUR1 technical analysis process as well as other barriers related to Costa Rica's long-term policy planning capacity and data quality. It can be concluded that the presented co-financing is meaningfully mainstreamed with the proposed project since the CBIT funding would take off where the existing initiatives stop.

The GEF-financed BURs and National Communications represent milestones that have set the grounds for the development of Costa Rica's process to establish its transparency framework. Both were responsible for significant quality improvements of climate change-related data, with periodic updates on emission factors through capacity creation in the relevant institutions, among others. Moreover, highlighting the importance and the establishment of MRV-related arrangements that ensure sustainability for the periodic development of these reporting instruments, translated into a fundamental pillar for SINAMECC's design and implementation process. This finally resulted in enabling Costa Rica to earmark national budget for the periodic development of these reporting instruments creating a permanent capacity (3 permanent professionals) dedicated only to the instruments' development. This exemplifies how Costa Rica is willing to sustainably maintain capacities created through GEF support based on its own budget and in line with its international and national obligations.

With regard to SINAMECC, needed for the generation and repository of high quality data, CBIT will build on and leverage the efforts of three projects: GIZ's "*Accounting Rules for the achievement of the mitigation goals for non-Annex 1 countries*", the "*Initiative for Climate Action Transparency*" (ICAT), and GIZ's "*Promoting Costa Rica's GHG neutrality goal as a low emissions development strategy*". The three initiatives will leave SINAMECC with a robust governance structure that will have identified clear roles and responsibilities in the national transparency system, the processes and procedures to generate data and to monitor, report, and verify in line with pre-defined criteria. The CBIT will build on and leverage their impact as follows: (I) the Strategic Climate Planning Unit will rely on high-quality robust data generated through SINAMECC, while (II) the Knowledge Management Platform will host the methodologies needed to generate the data that will be hosted by SINAMECC.

Through the Knowledge Management Platform, CBIT will create the needed digital library to host the methodologies that will inform data generation, processing, and policy analysis. By supporting the creation of the Platform, CBIT will ensure that the methodological work done by other initiatives will be centrally hosted and made easily accessible to a wider range of stakeholders beyond those who have received training.

In absence of GEF-CBIT funding, Costa Rica will not be able to guarantee the system's sustainability and its development to be a cornerstone in the national policymaking, as it depends on an active user base that generates and demands data. Therefore, the CBIT initiative will build on this foundation and help Costa Rica to transition from a static system that merely responds to the initial data demand and supply setup, towards a new state, in which the system can generate high quality data in a robust and consistent manner according to the data demands of data-driven policymaking. By means of its eventual high strategic value, it will be ensured that it will be in place in the long-term and the needed funds will be dedicated.

Global environmental benefits (GEFTF) and/or adaptation benefits (LDCE/SCCF)

The Global Environmental Benefit (GEB) of the enhanced data generation and processing capacity as facilitated by the GEF funding can be neatly associated to the ability to track progress of the impact of climate change policies and measures aimed to achieve the objectives/targets included in its NDC under the Paris Agreement.

The project will report against **Indicator 3: MRV systems for emissions reductions in place and reporting verified data**, of the CBIT results framework. The quality of MRV systems tracking results related to low-GHG development and GHG emissions mitigation is essential for ensuring transparency, accuracy and comparability of information with regard to climate change. They also act as repositories of knowledge and information and contribute to improving the design and prioritization of action to reduce GHG. The indicator has 10 levels and the baseline and target will be set during project development.

This Costa Rica CBIT project will monitor an additional indicator for qualitative assessment of institutional capacity built for transparency-related activities under Article 13 of the Paris Agreement. The baseline and target will be set during the development phase following the scale of 1-4 as per the guidance on Annex IV of the CBIT programming directions.

Innovation, sustainability, and scaling up

Innovation

The proposed project is innovative in the light of the integration of the components below:

- (1) sectorial MRV systems targeted towards informed policy making
- (2) inclusion of big data
- (3) introduction of a sectorial Knowledge Platform
- (4) creation and institutionalization of a Strategic Climate Planning Unit.

Big data is a growing field of interest with first best-practice experiences, including in developing countries. Through the present project, Costa Rica would like to introduce big data in the national context, particularly in relation to climate change and, therefore, ultimately also in the context of transparency. Costa Rica would like to be a forerunner in the application of big data in the climate change and transparency arena.

The introduction of a sectorial knowledge management platform, which later is to be expended to all sectors, is primarily a risk mitigation activity and, yet, it constitutes a highly innovative component of the project. The sectorial knowledge management platform will make knowledge broadly available in the public sector through the provision of an easy-access, easy-to-navigate digital platform. The platform will centralize all relevant methodologies with regard to data generation and processing, phasing-out the personal

appropriation of knowledge by individual staff members. Thereby, the loss in capacity through turnover will be avoided and, moreover, widen the range of public servants with the relevant capacities.

The establishment of a Strategic Climate Planning Unit, that feeds on the information generated by the SINAMECC and produces robust analysis, will be invaluable to guide Costa Rica in its decisions towards the de-carbonization of its economy and the attraction of private and public investments on clean and sustainable technologies. If they are implemented with a strategic mindset, the expanded reporting requirements of the enhanced transparency framework of the Paris Agreement could catalyze a shift towards data-driven policymaking, similar to the one brought about in the energy sector by the OPEC oil embargo of 1973 and the ensuing crisis. To that effect the Strategic Climate Planning Unit would provide a permanent anchor point for the variety of efforts being made in MRV and climate change analytics, providing the sort of long term sustainability and a robust institutional structure necessary for a transformational leadership.

Sustainability

The sustainability of the funds provided under CBIT will largely hinge on two elements: (I) available national funding; and (II) the retention of capacities created by the project. Costa Rica firmly believes that both elements will be ensured.

As to the available national funding, Costa Rica has committed itself nationally and internationally to de-carbonizing its economy and doing so transparently. This commitment facilitates earmarking national budget to climate change-oriented initiatives. Moreover, the development of a legal mandate is expected as a consequence of other transparency initiatives and Costa Rica's commitment. This will ensure that national budget will be earmarked to the periodic generation of data, as well as its processing.

Potential for Scaling Up

Nationally, the intertwined components that will be generated under the GEF-CBIT project will be the cornerstone for a shift in Costa Rica's paradigm regarding transparency instruments on three levels.

The continuous improvement programme for QA/QC will not only affect any data generation processes directly linked to climate change but will serve as a benchmark for future implementations of quality control and assurance protocols in other areas. This is of particular importance considering Costa Rica's Open Government commitment, which will require improvements on data quality.

The Knowledge Platform will be scaled-up from the pilot transport sector to other sectors. Moreover, while the Platform will focus on transparency and, more precisely, on data generation and processing; methodologies, it shall not be prevented from growing towards other areas while always ensuring that its key objective will be maintained.

The creation of the Strategic Climate Planning Unit will be the kick-off for Costa Rica's data-driven policy-making in the environmental sector. A successful implementation will likely have a cascade effect onto the whole economy and serve as a benchmark for other sectors' transition towards data-driven policy-making.

Last but not least, Costa Rica has always made an effort to share its experiences within and across regions, and is consistent with its idea of becoming a worldwide de-carbonization laboratory. Sharing its experience with regard to the data generation and processing and data-driven policy making efforts supported by CBIT are of high interest to Costa Rica. Therefore, Costa Rica believes that the potential for scaling-up expands beyond the national borders and could potentially serve other countries in their effort to set-up functioning national domestic MRV systems that could also inform the enhanced transparency frameworks required under the Paris Agreement.

2. **Stakeholders.** Will project design include the participation of relevant stakeholders from [civil society organizations](#) (yes /no) and [indigenous peoples](#) (yes /no)? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

Stakeholder	Role in CBIT project
World Bank	Similarly, to the IDB, the World Bank through its Partnership for Market Readiness is advancing MRV in transport as well as policy-making in energy and transport. Thereby, its expertise will be important in both designing and establishing the Strategic Climate Planning Unit under component 1 as well as on component 2.
GIZ	GIZ is supporting the development of the overall governance structure for the national MRV system. Both through this work, its overall expertise in the topic, and its immediate proximity to the DCC, GIZ will be valuable throughout the project.
UNEP DTU Partnership	UDP will advance both the underlying legal framework for transparency in Costa Rica and the overarching governance structure of SINAMECC through ICAT. As CBIT can be understood as a logical continuation to ICAT, it will be fundamental to involve UDP in the project implementation process.
National Meteorological Institute (IMN)	The IMN is Costa Rican focal point for the IPCC and is in charge of the development of the National GHG Inventory. Therefore, it will be a crucial partner in the development of the QA/QC program.
Ministry of Environment and Energy (MINAE) - Direction of Climate Change (DCC)	MINAE's DCC is the national focal point for climate change and will be the project's counterpart. It is the institution responsible to coordinate the initiatives that will be supporting the implementation and design of SINAMECC.
Ministry of Transport and Public Works (MOPT)	MOPT is responsible for the implementation and upkeep of the transport sector's MRV and therefore will be a key partner for the Strategic Climate Planning Unit and in the definition of the initial population of the Knowledge Platform. As first user of the envisioned knowledge platform, technical experts from MOPT will be key to making the platform user-friendly and sectorally relevant.
National Statistics and Census Institute (INEC)	INEC is the national institution responsible for the generation of macro statistics such as the national census. Due to its significant reach to generate data on a national level, it will be the main partner to develop the National Mobility Survey for the transport sector.
Sub-sectorial Secretariat for Energy Planning (DSE)	DSE is the MINAE's secretariat that is responsible for energy policy design. As counterpart to the TIMES project, the DSE has acquired significant familiarity with policy planning. Therefore, their experts will play an important role in the development of both the Strategic Climate Planning Unit and the knowledge management platform.
Costa Rican National Registry (RN)	RN is the national institution that is responsible for the registration of official documentation, as well as to guarantee property rights amongst citizens. Since the updating and expansion of the vehicular database is a fundamental part of component 2, their expertise will be needed to ensure completeness and

Stakeholder	Role in CBIT project
	relevance of the adjustments made.
Ministry of Agriculture and Livestock (MAG)	Agriculture and livestock are sectors considered highly-relevant in Costa Rica's transition towards decarbonization. Experts will be involved in order to benefit from the experience that will be generated in the transport sector (benchmarking and piloting role) and in order to include the AFOLU vision in the Strategic Climate Planning Unit.
National Fund for the Financing of Forestry (FONAFIFO)	FONAFIFO is the national fund in charge of the national program for payments for environmental services, which plays a crucial role in ensuring Costa Rica's target of carbon neutrality. Therefore, FONAFIFO's experience will be highly relevant in developing the Strategic Climate Planning Unit. FONAFIFO's experts shall further benefit from the advancements in SINAMECC through the cross-sectorial working group.
Central Bank	The Costa Rican Central Bank is the entity with the longest tradition in developing indicators (national economic indicator database) and engage in forward-looking policy planning. Meanwhile, the Central Bank is currently extending its indicator portfolio by including environmental indicators. Thereby, the Central Bank will bring knowledge to indicators and planning to the project, while benefiting from capacity building activities for the development of their environmental indicator portfolio. Additionally, the active involvement of economic planning actors will be required to mainstream climate change into the national development path.
National Women's Institute (Instituto Nacional de Mujeres - INAMU)	INAMU is the main steering institution for Costa Rica's gender-related equality and equity policies. The National Women's Institute will provide its expertise when designing the data survey's for component 2 in order to ensure the inclusion of gender-sensitive indicators. Further, it will inform the design of the Strategic Climate Planning Unit, which shall consider gender equality aspects as part of their research practice and policy analysis.
Scientific Council for Climate Change (SCCC)	SCCC is being established to guide the development of research in the field of climate change and to support continuous improvement of climate metrics used by the country. Thereby, by mandate, SCCC will be a key stakeholder in implementing the CBIT project. SCCC unites representatives with academic background from numerous Costa Rican institutes and councils. Thus, the inclusion of SCCC will ensure broad stakeholder participation as well as expert counselling in the field of interest at the same time.
Citizen's Council for Climate Change (CCCC)	CCCC is a permanent instance to enable the participation of the civil society in the development of climate change policies and is responsible to ensure an active coordination between sectors. It is composed of ONGs and institutional focal points to facilitate the civil society-public institution dialogue.

3. *Gender Equality and Women's Empowerment.* Are issues on [gender equality](#) and women's empowerment taken into account? (yes /no). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

On a national scale, Costa Rica developed in 2007 its National Policy for Gender Equality and Equity (NPGEE), focusing on three main pillars: economic autonomy, political participation and cultural change. Through the coordination of the CBIT initiative with the CCCC, which complies with NPGEE, an active involvement of women in the design of the Costa Rican transparency and reporting mechanisms will be ensured. Additionally, it tackles cross-cutting structural issues generated by the gender gap, such as inequality and poverty. Gender disaggregated data as part of the MRV system will help visualize these problems and directly associate them with climate change, the different sectors, and policy-making.

Costa Rica has been actively targeting the gender-climate change nexus in its policy-making as evidenced in its Action Plan for the National Climate Change Strategy. Thanks to gender mainstreaming efforts in the Action Plan development, the Action Plan takes gender issues into account and indicates a preliminary set of gender-disaggregated indicators to be used in climate change policy. During the Action Plan’s development, the Vice minister stated that “gender-sensitive indicators will facilitate participatory processes, adaptation and mitigation programs, and technologies that respond to the needs of men and women”, clearly reflecting Costa Rica’s standpoint and willingness to give gender equality the necessary dedication. Mentioned indicators were suggested on the sectoral level, inter alia for transport. Consequently, the Action Plan constitutes the basis for a gender-sensitive approach in climate change in the Costa Rican policy landscape. Building on these foundations, SINAMECC aspires to include the disaggregation of gender in data generation, which shall be reflected in the methodologies that are to be developed.

On a sectoral level, policy-makers have informed DCC about the importance of measuring sustainable development co-benefits, laying a particular focus on gender. Based on high-quality, robust data that is gender disaggregated, the Strategic Climate Planning Unit will be able to take well-informed policy planning decisions that take into account the differences in gender. Considering the Unit’s analytical focus, produced research and policy documents will put a lens on gender aspects within the different sectors and policies under consideration.

4 Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

Project Risk	Rating	Mitigation
Ministries have limited number of technical experts at their disposal due to budgetary constraints	High	<p>The CBIT proposal addresses directly the risk of limited capacity for a sustainable execution of the provided tools with the creation of its Strategic Planning Climate Unit. This will guarantee a permanent local MRV-related capacity.</p> <p>The CBIT proposal hedges this risk directly through the development of a of a knowledge management platform that ensures sector related becomes ingrained in the institutions regardless of staff turnover.</p>
Political quarrels between participating ministries and agencies	High	<p>The CBIT proposal has been informed by a barrier and gap analysis workshop undertaken on September 19th, 2016 with relevant stakeholders, ensuring that the proposal’s content is strongly aligned with the individual ministry’s needs.</p> <p>Further, ICAT is establishing a SINAMECC working group, which will include the participation of ministerial staff from all relevant sectors ensuring that the domestic MRV system is aligned with the ministries’ needs. Through this communication platform, quarrels shall be minimized in the future.</p>
Private sector / Individuals	High	This attitude by the private sector has been identified as key barrier

Project Risk	Rating	Mitigation
show strong opposition to sharing data and information		<p>during the above mentioned workshop. ICAT support is to mitigate this risk by supporting the design of a legal mandate that will support the provision of private sector data to the public sector for climate change policy purposes.</p> <p>The smooth implementation of the legal mandate shall be supported through awareness raising amongst relevant stakeholders, indicating the need for enhanced data provision.</p> <p>Due to these requirements for upcoming actions as well as the sectors current position, this risk is deemed high.</p>
Output of co-financing initiatives is delayed/falls short of expectation	Medium	<p>Several of the initiatives providing co-financing are already ongoing and have clearly defined their scope. In case of minor delays, the initiatives that focus on governance structures, both overarching and sectorial, will not put in risk the delivery of the CBIT project since the data generation and preparatory processes can start nonetheless.</p> <p>Additionally, the Directorate of Climate Change at the Ministry of Environment and Energy has established a bi-weekly steering committee that will include the respective complementing initiative-coordinators to mitigate mis-coordination related risk.</p>
Poor project coordination and limited alignment among government agencies	Low	<p>On the top-down level, UNEP is an experienced GEF implementing agency and has a solid and long standing relation with the Costa Rican Government at the highest level. This will help ensure the timely implementation of the project.</p> <p>Within Costa Rica, the Climate Change Directorate will appoint a dedicated focal point amongst its staff that will coordinate the implementation on the ground. Moreover the Directorate has established a bi-weekly steering committee of focal points and local consultants to coordinate the different transparency initiatives.</p> <p>On an inter-ministerial level, the SINAMECC working group – to be established under ICAT – will facilitate the alignment and coordination.</p>
Imperfect retention of capacities in ministerial staff	Low	<p>The risk is considered low for three reasons: (I) overall turnover amongst technical staff in the ministries tends to be low; (II) the capacity building activities will be directed towards a group of relevant employees within each ministry, ensuring that a wider range of employees will receive the training and, thus that the capacity will be retained; (III) the development of the knowledge management platform will ensure that the technical knowledge provided by the project will be ingrained in the institutions.</p>
National budget necessary to generate data is not available	Medium	<p>The national and international commitments are directing Costa Rica towards the earmarking of budget for climate change and transparency-relevant activities. Further, it is expected that a legal mandate will establish the periodicity with which data shall be generated. Based on this legal mandate, it will be substantially easier to earmark the budget.</p> <p>Due to these requirements for upcoming actions, this risk is deemed</p>

Project Risk	Rating	Mitigation
		medium.
Ministerial technical staff capacity for data generation and processing is limited	Low	The project's capacity building process is designed to consider the complete chain of data analysis: Data generation tools, data processing instruments and training in the usage of the new and existing data flows for policy assessment and design. Moreover, the knowledge management platform will guarantee that the acquired knowledge will remain in the institution.

5. *Coordination.* Outline the coordination with other relevant GEF-financed and other initiatives.

The proposed CBIT project is by design closely aligned and coordinated with ongoing initiatives. With regard to other GEF initiatives, the CBIT project will most likely start after the end of the GEF-IDB project on sustainable mobility. Nonetheless, the present proposal is a direct outcome of the GEF-IDB project with regard to the transport sector. A GEF-UNEP project on developing a market for energy efficiency projects is currently with the GEF Secretariat. While the project proposal does not take into consideration any transparency aspects, UNEP as implementing agency will make use of administrative synergies if possible.

Numerous initiatives-related to transparency as a whole or through components directed towards MRV are currently underway in Costa Rica. The CBIT project will be able to fully build on established coordination mechanisms within the area of transparency. The Directorate of Climate Change already counts on a steering committee of focal point and local consultants that meets bi-weekly to ensure the coordination across initiatives and their alignment. Below is a table of relevant ongoing initiatives.

Initiative	Timeframe	Focus Area
UNDP – Capacity building for mainstreaming objectives of Multilateral Environmental Agreements (MEAs) in structures and inter-ministerial mechanism	07/2016-12/2016	Governance for environmental indicators
GIZ Accounting Rules for the achievement of the mitigation goals of non-Annex 1 countries	10/2016-02/2017 (potential extension of efforts through GIZ Climate Action programme)	Governance for transparency (mitigation)
Initiative for Climate Action Transparency	10/2016-03/2019	Governance for transparency (mitigation)
Climate Technology Centre & Network	01/2017-01/2018	Governance for transparency (adaptation)
Partnership for Market Readiness	04/2016-03/2019	Registry / MRV in multiple sectors
Upstream Policy Analysis (UPA) 2	09/2016-09/2017	Data analysis in energy and Transport
GIZ – Promoting Costa Rica's GHG neutrality goal as a low emissions development strategy.	05/2016- 04/2019	Governance for transparency

The CBIT project will build on established coordination mechanisms within the area of transparency. The Directorate of Climate Change has established a steering committee of focal point and local consultants that meets bi-weekly to ensure the coordination across initiatives and their alignment. This coordinating body will ensure efficient alignment in activities and outputs, and that potential future initiatives will fit neatly with the ongoing initiatives, thereby ensuring synergies and avoiding duplication.

6. *Consistency with National Priorities.* Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes /no). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Costa Rica’s proposed actions to be funded by CBIT are in line with national strategies and plans, specifically its national development strategy. The project is also aligned with the TNA (which prioritizes the transport sector), as well as its NDC. These actions are also meant to improve reporting under the UNFCCC via BURs.

This project is aligned with the commitments expressed in Costa Ricas’s NDC and will be critical to ensure the trust and implementation of the targets and activities there included. It is expected that the actions proposed will greatly accelerate capacity building and the overall capability of Costa Rica to generate biennial information that is transparent, consistent, complete and accurate. By ensuring data quality of national and sectoral information, the national GHG inventory included in the BUR and National Communications, as well as the mitigation actions reported in the BUR, will be more accurate and transparent.

7. *Knowledge Management.* Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Knowledge management as reflected in the components 1.2.2 (Knowledge Platform) constitutes a core element of Costa Rica’s GFE-CBIT project and reflects Costa Rica’s general approach to public policy-making. Costa Rica will engage key stakeholders in a two-fold way:

- (1) through the SINAMECC cross-sectorial working group, and
- (2) the knowledge management platform

As part of the former, all relevant actors within SINAMECC will convene regularly as part of the cross-sectorial working group – once established through ICAT – in order to share expertise, experiences, MRV implementation advancements, challenges, etc. The Knowledge Platform will play a key role in making available knowledge associated with data generation and analysis. The easy-to-use digital library of methodologies and models shall be accessible to all.

Costa Rica through this project aspires to share its MRV and transparency, and specifically the CBIT project lessons, widely with the international community to foster the global knowledge base and facilitate cross-fertilization. It can be envisioned that the knowledge management platform will be made accessible to the international audience as part of CBIT’s global activities, making Costa Rica a knowledge hub on MRV and transparency.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT¹¹ OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):

(Please attach the [Operational Focal Point endorsement letter](#)(s) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

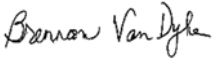
NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ruben Muñoz	Director of	MINISTRY OF	10/14/2016

¹¹ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

	International Cooperation	ENVIRONMENT AND ENERGY, MINAE	

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies¹² and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Brennan Van Dyke, Director, GEF coordinator Office, UNEP		November 4, 2016	Ruth Coutto Task Manager	+33.1.44371634	ruth.coutto@unep.org

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required [GEF Project Agency Certification of Ceiling Information Template](#) to be attached as an annex to the PIF.

¹² GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT