Costa Rica

Country layer — v1.1 (incl. Costa Rica GF Taxonomy Aug 2024)

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Costa Rica Green Finance Taxonomy — Overview

Overview

Field	Value
country	Costa Rica
gf_taxonomy	BCCR Green Finance Taxonomy (Aug 2024)
ndc_target	Max 11,380 Gg CO2e by 2030; 53% reduction budget 2025-2035
carbon_neutrality	2050
last_updated	2026-05-26

Background

Costa Rica launched its Taxonomía de Finanzas Sostenibles in August 2024, making it the third country in Latin America (after Colombia and Mexico) to establish a green finance taxonomy. The taxonomy was developed under the joint leadership of the Ministry of Environment and Energy (MINAE), the Ministry of Finance, the Central Bank of Costa Rica (BCCR), and the four financial regulators (SUGEF, SUGEVAL, SUPEN, SUGESE), with contributions from over 300 experts representing more than 180 organizations across public and private sectors, NGOs, and academia.

Sectors Covered

The taxonomy identifies eight priority economic sectors for sustainable investment:

1. **Electricity, Gas, Steam & Air Conditioning Supply** — renewable energy generation, grid efficiency, geothermal (Costa Rica generates ~95% renewable electricity)
2. **Construction** — green buildings, energy-efficient construction, sustainable materials
3. **Transport** — electromobility, public transit electrification, low-carbon logistics
4. **Manufacturing** — clean industrial processes, resource efficiency
5. **Solid Waste Management & Emissions Capture** — waste-to-energy, circular economy, recycling infrastructure
6. **Water Supply & Treatment** — water infrastructure, wastewater treatment, watershed management
7. **Information & Communication Technologies** — ICT for sustainability monitoring, smart grids, environmental data platforms
8. **Land Use (Agriculture, Livestock & Forestry)** — sustainable agriculture, reforestation, silvopastoral systems, PES programs

Environmental Objectives

The initial phase prioritizes two environmental objectives: (1) climate change mitigation and (2) climate change adaptation. Future phases may incorporate additional objectives including sustainable water use, biodiversity protection, circular economy transition, and pollution prevention — following the EU Taxonomy six-objective structure.

Design Principles

The taxonomy applies a three-step eligibility test for each economic activity: (a) substantial contribution to at least one environmental objective, (b) Do No Significant Harm (DNSH) to other objectives, and (c) minimum social safeguards. This mirrors the EU Taxonomy architecture, ensuring international interoperability. The taxonomy is designed to be interoperable with the EU Taxonomy, Colombia Taxonomía Verde, and Mexico sustainable taxonomy, following the UNEP FI Common Framework for Latin American taxonomies published in 2023.

Institutional Framework

SUGEVAL (securities superintendent) oversees taxonomy application in capital markets. SUGEF applies it to banking supervision. The taxonomy supports: evaluation of credit and investment portfolio alignment, design of new green financial products, climate risk assessment of portfolios, and green bond issuance standards. Costa Rica has been active in the Green Climate Fund and receives technical support for taxonomy implementation.

Costa Rica NDC & Carbon Neutrality

Overview

Field	Value
country	Costa Rica
ndc_version	Third NDC (2025-2035), submitted November 2025
ndc_target_2030	Max 11,380 Gg CO2e net emissions (incl. LULUCF)
ndc_budget	132,700 Gg CO2e cumulative 2025-2035 (~53% reduction)
carbon_neutrality	2050
last_updated	2026-05-26

National Decarbonization Plan 2018-2050

Costa Rica published its Plan Nacional de Descarbonización in February 2019, becoming one of the first countries worldwide to present a long-term decarbonization strategy aligned with the Paris Agreement. The plan targets net-zero emissions by 2050, organized in three stages: initial (2018-2022), inflection (2023-2030), and massive deployment (2031-2050). It operates through 10 decarbonization axes and 8 cross-cutting strategies covering all major economic sectors.

NDC Sectoral Targets

Costa Rica's third NDC (2025-2035), submitted at COP30 in November 2025, establishes an economy-wide emissions budget with sector-specific mitigation contributions:

- **Energy:** Maintain and expand near-100% renewable electricity (historically ~95% from hydro, geothermal, wind, solar). Diversify away from hydro dependence given climate-induced drought risk. Biofuel mandate of 10% ethanol in gasoline.
- **Transport:** Electrify public transit as the top priority. EVs reached 12% of vehicle sales in 2023. Targets include zero-emission public bus fleet and expanded electric rail.
- **Agriculture & Livestock:** Nationally Appropriate Mitigation Actions (NAMAs) for coffee, livestock, and rice. Sustainable agriculture practices, low-carbon livestock management, climate-smart crops.

- **FOLU (Forests & Other Land Use):** The LULUCF sector is a net carbon sink equivalent to over 20% of economy-wide emissions. The 2050 target requires more than doubling current sink capacity. Costa Rica pioneered Payments for Ecosystem Services (PES) globally through FONAFIFO.
- **Waste:** Circular economy expansion, waste-to-energy, improved landfill management, methane capture.
- **Industry:** Clean manufacturing processes, energy efficiency in industrial operations, decarbonization of industrial heat.
- **Blue Carbon:** Emerging area in the third NDC — mangrove restoration, coastal wetlands, ocean-based climate solutions.

PES Pioneer

Costa Rica's Payments for Ecosystem Services program (Pagos por Servicios Ambientales), administered by FONAFIFO since 1997, is globally recognized as a model for conservation finance. It has channeled over USD 500 million to landowners for forest conservation, reforestation, agroforestry, and watershed protection. This program directly underpins several Cleantech Taxonomy nodes in the EX sector (PES platforms, community reforestation, agroforestry).

Climate Action Context

Costa Rica generates nearly all its electricity from renewable sources and has maintained forest cover above 50% through aggressive conservation policy. The Climate Action Tracker rates Costa Rica's overall climate targets as needing to be approximately 7% more ambitious to align with 1.5°C pathways. The country's unique challenge is transport — the sector accounts for the largest share of fossil fuel use and is the primary decarbonization frontier.

Costa Rica-Colombia Taxonomy Alignment

Overview

Field	Value
country	Costa Rica
comparison	Costa Rica GF Taxonomy vs Colombia Taxonomía Verde
shared_influence	CBI, EU Taxonomy, UNEP FI LATAM Framework
last_updated	2026-05-26

Shared Foundations

Both Costa Rica and Colombia built their green finance taxonomies on common international foundations: the EU Taxonomy architecture (substantial contribution + DNSH + social safeguards), Climate Bonds Initiative sector criteria, and the UNEP FI Common Framework for Sustainable Finance Taxonomies for Latin America and the Caribbean (2023). This shared heritage means approximately 70% of eligible activities overlap between the two taxonomies, particularly in energy, transport, construction, and water sectors.

Sector Coverage Comparison

Sector	Colombia TVC	Costa Rica GF	Notes
Energy	Y	Y	Both cover renewables, grid, storage. CR stronger on geothermal.
Transport	Y	Y	Both cover electromobility. CR more advanced in EV adoption.
Construction	Y	Y	Green buildings, energy efficiency. Similar criteria.
Water	Y	Y	Both cover treatment and supply. CR has stronger watershed focus.
Waste	Y	Y	Waste-to-energy, recycling, circular economy.

Agriculture	Y (tiered)	Y	Colombia has basic/intermediate/advanced tiers. CR uses PES framework.
Livestock	Y (tiered)	Y	Colombia more detailed with practice tiers for cattle.
Forestry	Y (tiered)	Y	Both cover reforestation. CR PES model is more established.
Manufacturing	Y	Y	Clean industrial processes in both.
ICT	Y	Y	Both include ICT for environmental monitoring.

Key Differences

- **Agricultural depth:** Colombia's TVC has a three-tier practice classification (basic, intermediate, advanced) for agriculture, livestock, and forestry. Costa Rica does not tier but relies on PES eligibility and NAMA alignment.
- **Hydrogen:** Both countries are developing hydrogen roadmaps, but Colombia's is more advanced with a published strategy. Costa Rica's hydrogen activities are covered but less detailed.
- **Fossil fuel transition:** Colombia's taxonomy explicitly addresses transition activities for fossil fuels. Costa Rica, with near-100% renewable electricity, has less need for fossil transition categories.
- **Blue carbon:** Costa Rica's NDC explicitly includes blue carbon (mangroves, coastal wetlands). Colombia addresses this through biodiversity and LULUCF channels.
- **PES integration:** Costa Rica's taxonomy benefits from 25+ years of PES implementation through FONAFIFO, giving it stronger forest finance infrastructure than any other LATAM country.

Interoperability Implications for Origo

For the Cleantech Taxonomy crosswalk, the high sector overlap means most nodes that are col_gf_aligned=Y will also be cr_gf_aligned=Y. The main divergences occur in: (a) fossil fuel transition nodes (Colombia Y, Costa Rica N), (b) carbon market nodes (neither taxonomy covers directly), and (c) advanced food-tech nodes like alternative proteins (neither covers). The EX-sector LATAM extensions (PES, agroforestry, silvopastoral) align strongly with both taxonomies.

Costa Rica Cleantech Taxonomy Crosswalk

Overview

Field	Value
country	Costa Rica
crosswalk_scope	71 Cleantech Taxonomy nodes vs CR GF Taxonomy + NDC
gf_taxonomy_sectors	Energy, Transport, Construction, Manufacturing, Waste, Water, ICT, Land Use
ndc_sectors	Energy, Transport, Agriculture, Waste, LULUCF, Industry, Blue Carbon
last_updated	2026-05-26

Methodology

This crosswalk maps each of the 71 Cleantech Taxonomy nodes against two Costa Rica regulatory instruments: (1) the BCCR Green Finance Taxonomy (August 2024) and (2) the National Decarbonization Plan / NDC (third NDC, 2025-2035). For each node, alignment is rated Y (directly covered), partial (indirectly or partially covered), or N (not covered).

Sector Summary — AFOLU (CT-AF)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-AF-001	Land & Soil	Y	Y
CT-AF-002	Forests & Woodlands	Y	Y
CT-AF-003	Oceans & Water	Y	Y
CT-AF-004	Ice & Snow	N	N
CT-AF-005	Air & Atmosphere	N	partial
CT-AF-006	Smart Farming	Y	Y
CT-AF-007	Livestock & Fisheries	Y	Y
CT-AF-008	Crops	Y	Y

CT-AF-009	Alternative Meat & Seafood	N	N
CT-AF-010	Alternative Dairy & Egg	N	N

Sector Summary — Waste (CT-WA)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-WA-001	Waste to Energy	Y	Y
CT-WA-002	Sustainable Materials	Y	partial
CT-WA-003	Textiles	N	N
CT-WA-004	Recycling	Y	Y
CT-WA-005	Solid Waste & Water Waste	Y	Y

Sector Summary — Cross-Sectoral (CT-XS)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-XS-001	Carbon Capture & Storage	N	N
CT-XS-002	B2B Carbon Offsets	N	partial
CT-XS-003	B2C Carbon Offsets	N	partial
CT-XS-004	Carbon Intelligence	N	partial
CT-XS-005	Carbon Accounting	N	partial

Sector Summary — ICT (CT-IC)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-IC-001	IoT & Earth Observation	Y	Y
CT-IC-002	Climate Data	partial	Y
CT-IC-003	Climate Finance	Y	Y
CT-IC-004	Climate Risk	partial	Y
CT-IC-005	Climate Insurance	N	partial

Sector Summary — Energy (CT-EN)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-EN-001	Critical Minerals	N	N
CT-EN-002	Hydrogen	Y	Y
CT-EN-003	Nuclear	N	N
CT-EN-004	Bio & Synthetic Fuels	Y	Y
CT-EN-005	Fossil Fuels (Transition)	N	N
CT-EN-006	Solar	Y	Y
CT-EN-007	Wind	Y	Y
CT-EN-008	Geothermal	Y	Y
CT-EN-009	Biomass	Y	Y
CT-EN-010	Hydro Tidal & Wave	Y	Y
CT-EN-011	Batteries	Y	Y
CT-EN-012	Alternative Storage	partial	partial
CT-EN-013	Grids	Y	Y
CT-EN-014	EV Charging	Y	Y
CT-EN-015	Peer-to-Peer Energy	N	N

Sector Summary — Buildings (CT-BU)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-BU-001	Construction	Y	Y
CT-BU-002	Heating & Cooling	Y	Y
CT-BU-003	Residential	Y	Y
CT-BU-004	Commercial	Y	Y
CT-BU-005	Transport Infrastructure	Y	Y

Sector Summary — Transport (CT-TR)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-TR-001	Micro Mobility	Y	Y
CT-TR-002	Vehicles	Y	Y
CT-TR-003	Trains & Rolling Stock	Y	Y
CT-TR-004	Boats & Ships	N	partial
CT-TR-005	Aircraft	N	N

Sector Summary — Origo Extensions (CT-EX)

Node	Label	cr_gf_aligned	cr_ndc_aligned
CT-EX-001	Drought-resistant crops	Y	Y
CT-EX-002	Flood resilience (NbS)	Y	Y
CT-EX-003	Heat adaptation agriculture	Y	Y
CT-EX-004	Early warning systems	Y	Y
CT-EX-005	Community reforestation	Y	Y
CT-EX-006	Mangrove & blue carbon	Y	Y
CT-EX-007	Silvopastoral systems	Y	Y
CT-EX-008	Bioeconomy: NTFP	Y	Y
CT-EX-009	PES platforms	Y	Y
CT-EX-010	Solar home systems	Y	Y
CT-EX-011	Community biodigesters	Y	Y
CT-EX-012	Artisanal cleantech	Y	partial
CT-EX-013	Productive energy microenterprises	Y	Y
CT-EX-014	Remote sensing deforestation	Y	Y
CT-EX-015	AI-powered carbon MRV	N	partial
CT-EX-016	Supply chain traceability	N	N
CT-EX-017	Precision agriculture data	Y	Y
CT-EX-018	Deforestation-free certification	N	N
CT-EX-019	Supply chain due diligence	N	N
CT-EX-020	Smallholder EUDR assistance	Y	partial
CT-EX-021	EUDR documentation services	N	N

Costa Rica CTH Presence & Data Coverage

Overview

Field	Value
country	Costa Rica
cth_presence	CLP cohorts, REIN Hub connections
clp_status	Active cohorts
rein_hubs	Connected via LATAM network
last_updated	2026-05-26

CLP Cohort Coverage

CleantechHUB operates Cleantech Leadership Programme (CLP) cohorts that include Costa Rica-based cleantech entrepreneurs and organizations. Costa Rica participants typically operate in renewable energy, sustainable agriculture, waste management, and eco-tourism sectors. The CLP provides mentorship, technical assistance, and market access support that directly maps to multiple Cleantech Taxonomy nodes, particularly in the EN (Energy), AF (AFOLU), and EX (Extensions) sectors.

REIN Hub Connections

Costa Rica connects to the CTH REIN (Red de Emprendimiento e Innovación) Hub network through cross-border cleantech partnerships. Costa Rica's strong institutional framework for environmental innovation — including CINDE (investment promotion), PROCOMER (trade), and the Costa Rican Chamber of Technology — creates entry points for REIN Hub activities. Priority connection areas include: PES platform technology, agroforestry monitoring tools, and renewable energy microgrids.

Data Availability Assessment

Costa Rica has relatively strong public environmental data infrastructure compared to other LATAM countries:

- **National GHG Inventory:** Published regularly through SINAMECC (National Climate Change Metrics System)

- **Forest Cover:** SINAC/FONAFIFO maintain detailed forest cover and PES data
- **Energy:** ICE (Costa Rican Electricity Institute) publishes detailed generation mix data
- **EV Adoption:** MINAE tracks electric vehicle registrations and charging infrastructure
- **Financial:** BCCR and SUGEVAL publish green bond and sustainable finance data

Gaps remain in: disaggregated agricultural emissions by practice type, smallholder-level PES data, and real-time waste management metrics.

Taxonomy Node Coverage

Of the 71 Cleantech Taxonomy nodes, Costa Rica's GF taxonomy covers approximately 44 nodes (62%) and the NDC covers approximately 50 nodes (70%). The strongest coverage is in Energy (13/15 GF, 12/15 NDC), Buildings (5/5 both), and the EX extensions (15/21 GF, 16/21 NDC). The weakest coverage is in Cross-Sectoral (0/5 GF, 0/5 NDC for carbon markets) and niche food-tech categories (alternative proteins).