



# INTEGRATED SDG INSIGHTS

# COSTA RICA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

# HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

# SDG MOMENT: COSTA RICA

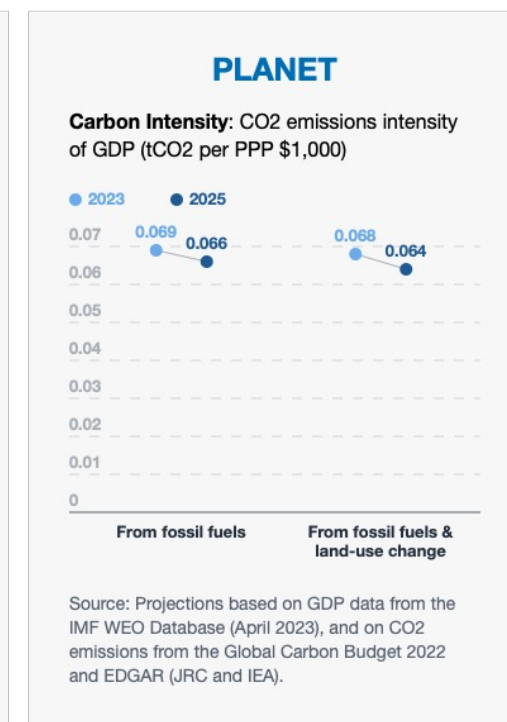
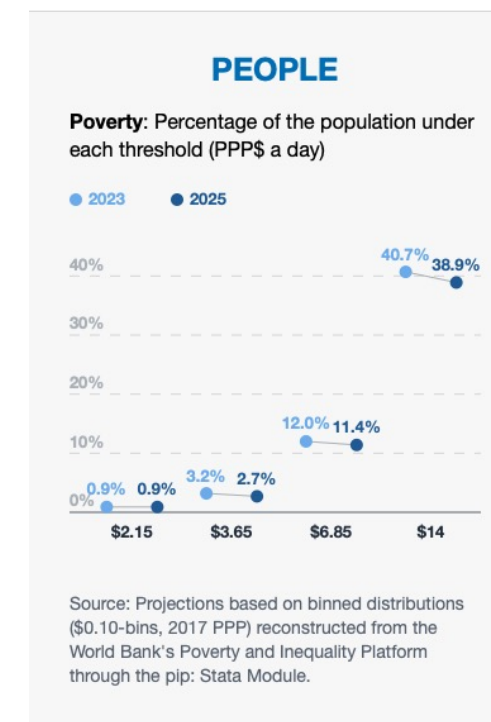
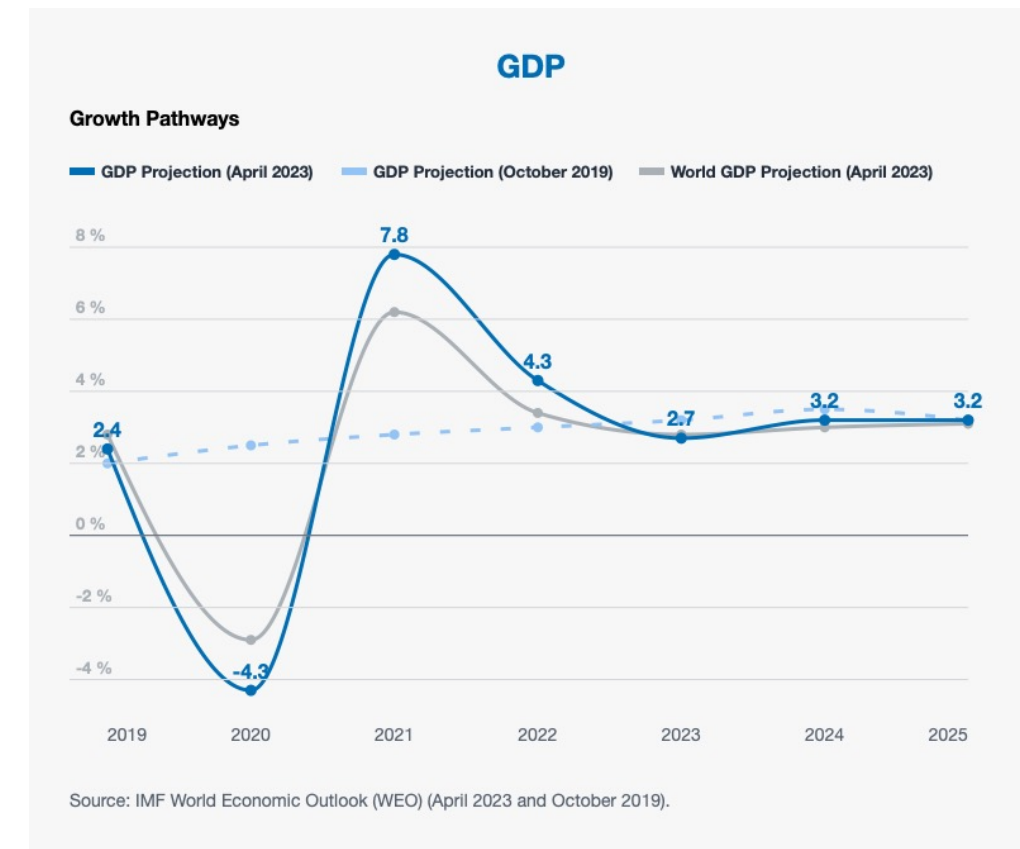
While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Costa Rica's economy is projected to experience moderate growth during the 2023-2025 cycle.<sup>1</sup> This pace of growth is aligned to world projections but is still below the country's growth trajectory projected before the pandemic. Accordingly, the country's SDG policy space is somewhat restricted, and the focus is on generating conditions that allow the debt growth rate to be lowered, which would have a direct impact on improving the country's macroeconomic environment, lowering the cost of the government financing and contributing directly to mitigating the effects of the downturn on the most vulnerable households and on increasing people's well-being.

This moderate economic expansion is expected to reduce the incidence of poverty — though some distributional challenges to accelerate progress remain, such as reducing expenditure and addressing the limited redistributive capacity of the tax policy. Moreover, Costa Rica's economic growth would be less dependent on carbon emissions as the country's carbon emissions intensity of GDP is projected to decline at annual rates of 2.5-3% under current conditions.<sup>2</sup>

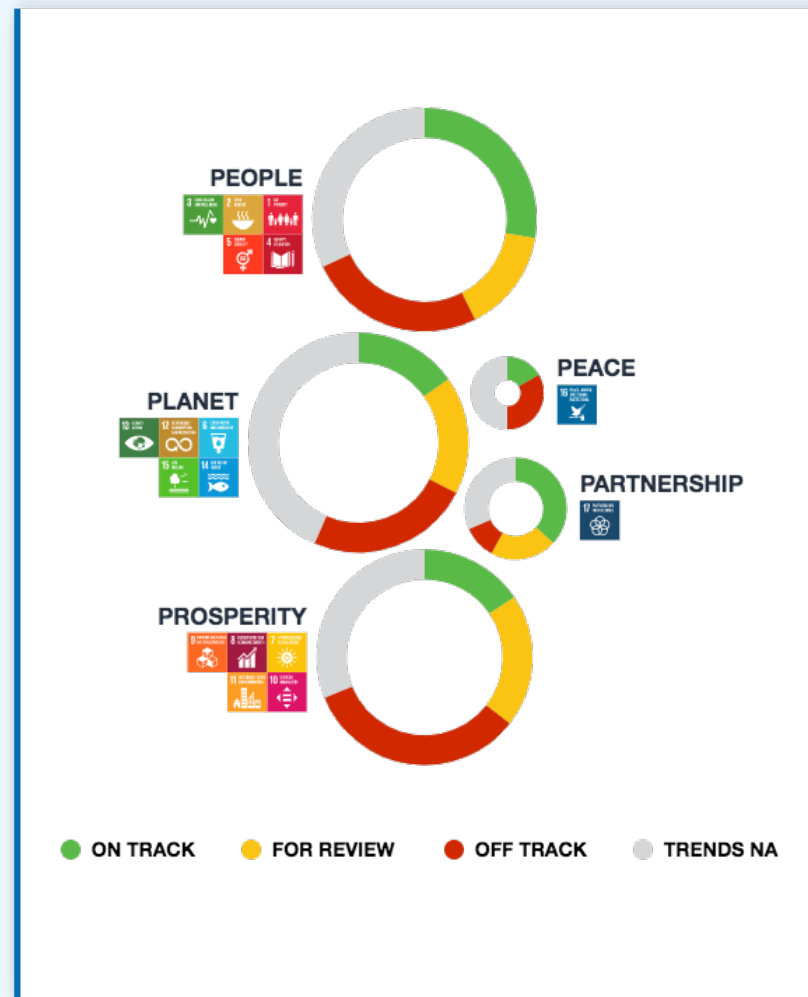
<sup>1</sup> The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

<sup>2</sup> CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



# SDG TRENDS

Understanding how Costa Rica performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



- Additional data has been incorporated to address gaps and to provide a comprehensive overview for identification of SDG policy pathways, such as the document, *Analysis of progress in the indicators of the Sustainable Development Goals regarding the global goals of the 2030 Agenda in Costa Rica*.

**Trends in detail:**

<https://data.undp.org/sdg-push-diagnostic/CRI/sdg-trends>

# SDG PRIORITIES

Costa Rica’s national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



**Key documents for analysis:**

- Territorial Economic Strategy for an Inclusive and Decarbonized Economy 2020-2050 in Costa Rica
- National Strategic Plan 2050
- National Development and Public Investment Plan 2023-2026
- Speech 9th Summit of the Americas: Towards shared prosperity
- National Policy for Effective Equality between Women and Men
- National Plan to Overcome Poverty and Social Inclusion 2022-2030
- National Action Plan on Gender Equality in Climate Action
- National Action Plan on Gender Equality in Climate Action

**Priorities in detail:**

<https://data.undp.org/sdg-push-diagnostic/CRI/current-priorities>

# SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Costa Rica to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Costa Rica's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Costa Rica:

- **Target 5.5:** Ensure women's full participation in leadership and decision-making in political, economic and public life.
- **Target 8.5:** Full employment and decent work with equal pay for all women and men, including for young people and persons with disabilities.
- **Target 9.5:** Enhance research and upgrade industrial technologies encouraging innovation and substantially increase the number of research and development workers.
- **Target 10.2:** Promote universal social, economic and political inclusion, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status.
- **Target 16.6:** Develop effective, accountable and transparent institutions.



## ACCELERATION PATHWAYS



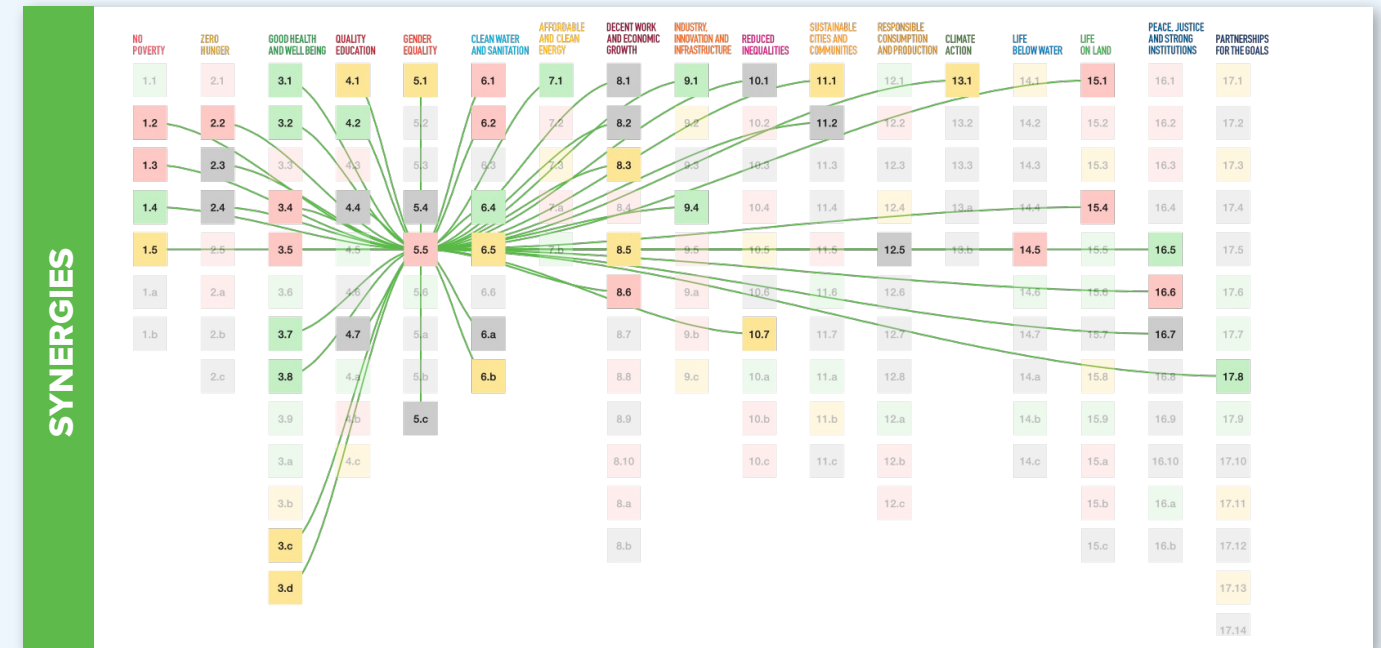
# SDG INTERLINKAGES

## 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Costa Rica has strengthened its legal and regulatory framework to ensure and promote rights and women's empowerment. Laws and policies have been enacted that prohibit gender-based violence, including domestic violence and sexual harassment. In addition, measures have been promoted to encourage the political participation of women, increasing their representation in political decision-making positions. These actions have contributed to improving gender equity in the country and guaranteeing respect for and protection of women's rights.

The country will continue implementing programmes and projects to promote the education and empowerment of women and girls. Policies for equal access to education encourage the participation of girls at all educational levels and eliminate the barriers that limit their development. Likewise, training and entrepreneurship programmes have been established to support the economic autonomy of women, allowing them to access job opportunities and to strengthen their leadership in society. Recently the President of Costa Rica the First National Action Plan on Gender Equality in Climate Action, a public interest document, that aims to articulate a multisectoral response and to reduce the differentiated impacts of the climate crisis on women in six strategic sectors through gender-responsive and gender-transformative actions: in employability; strengthening of economic autonomy; capacity-building and innovation; risk management; the incorporation of an intersectional gender perspective on climate action; and the production of disaggregated information.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/CRI/synergies-and-tradeoffs>

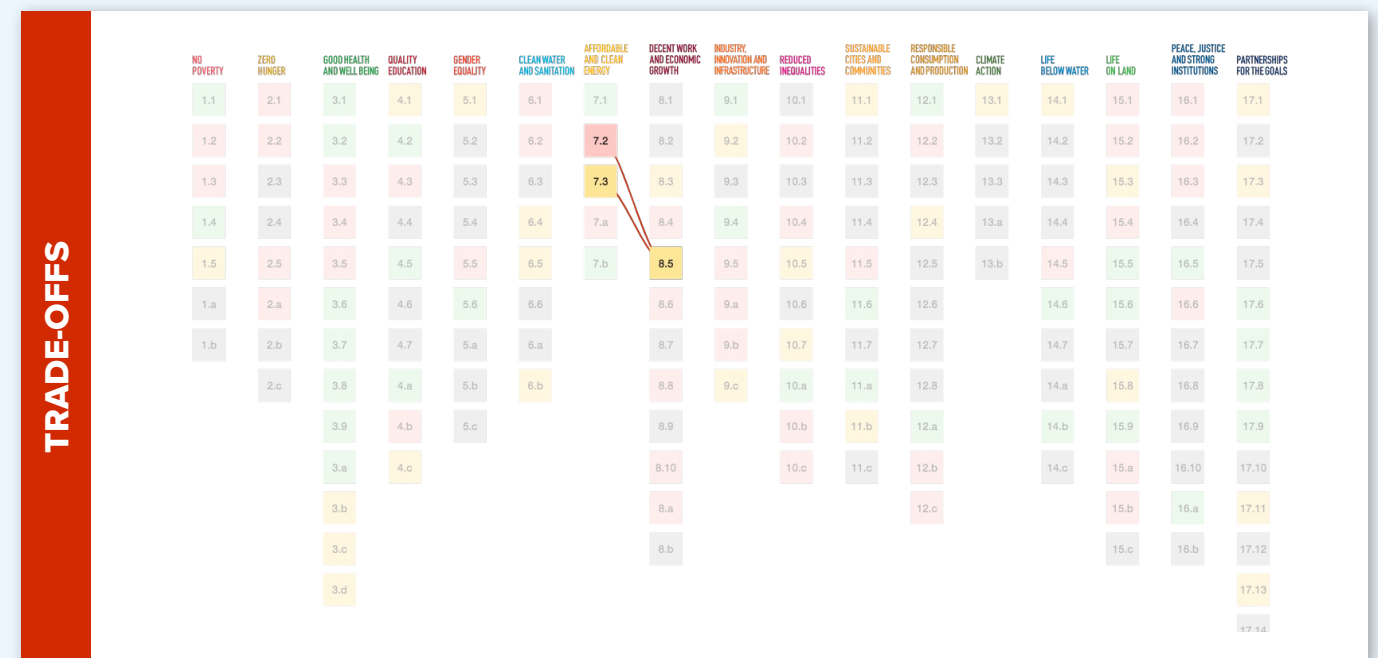
# SDG INTERLINKAGES

## 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

In 2022, the unemployment rate in Costa Rica reached 11.5% (World Bank) and the GDP per person employed slightly fell compared to 2021. Investing in initiatives to boost employment and decent work will help advance on target 8.5 while at the same time helping to ameliorate economic and social inequalities (Target 10.1). Developing sustainable economic activities that generate employment, with a special focus on benefiting traditionally marginalized regions, will also have positive impacts on economic growth (Target 8.1).

If these type of investments ensure women’s participation, these advances could also lead to an increase in women’s empowerment and autonomy (Targets 5.5, 10.2), which in turn could also translate into a higher proportion of women in managerial positions.

Focusing these efforts on agricultural, commercial and touristic activities, with an emphasis on innovation and the adoption of new technology (Targets 8.2, 9.5), could lead to advancements in inclusion and in resilience to decrease poverty (Target 1.1 and 1.5).



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/CRI/synergies-and-tradeoffs>

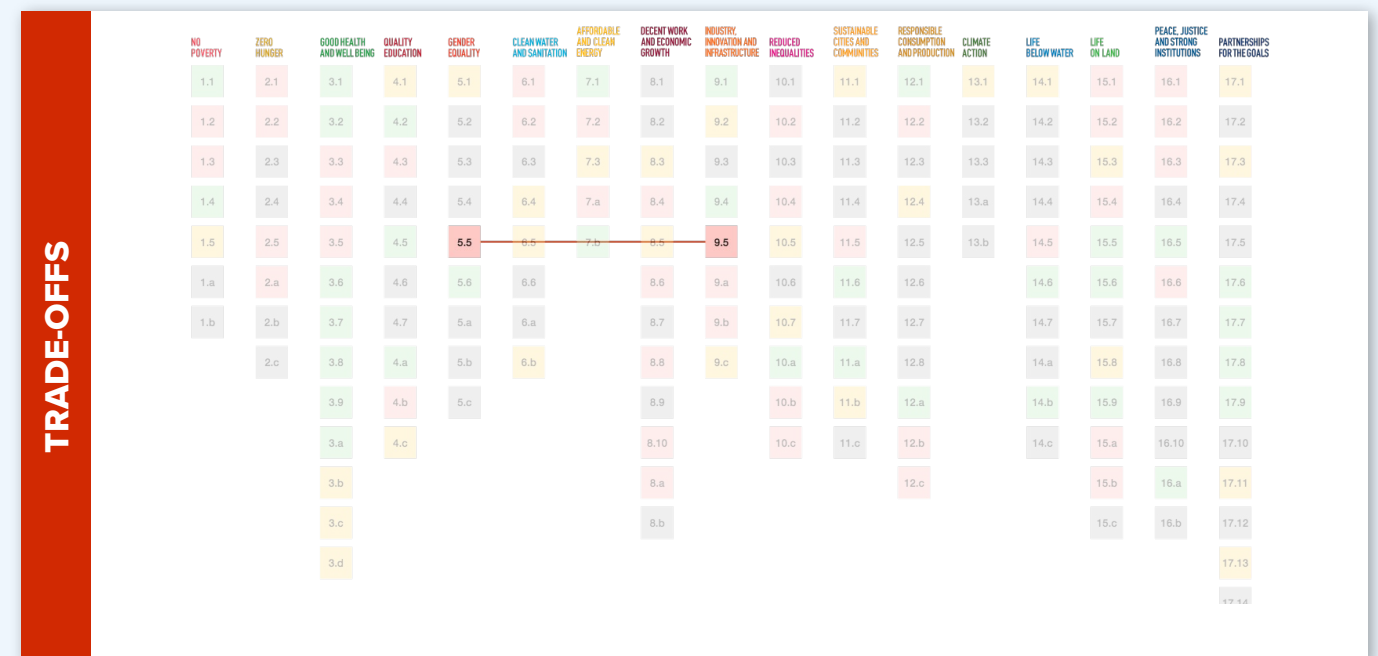
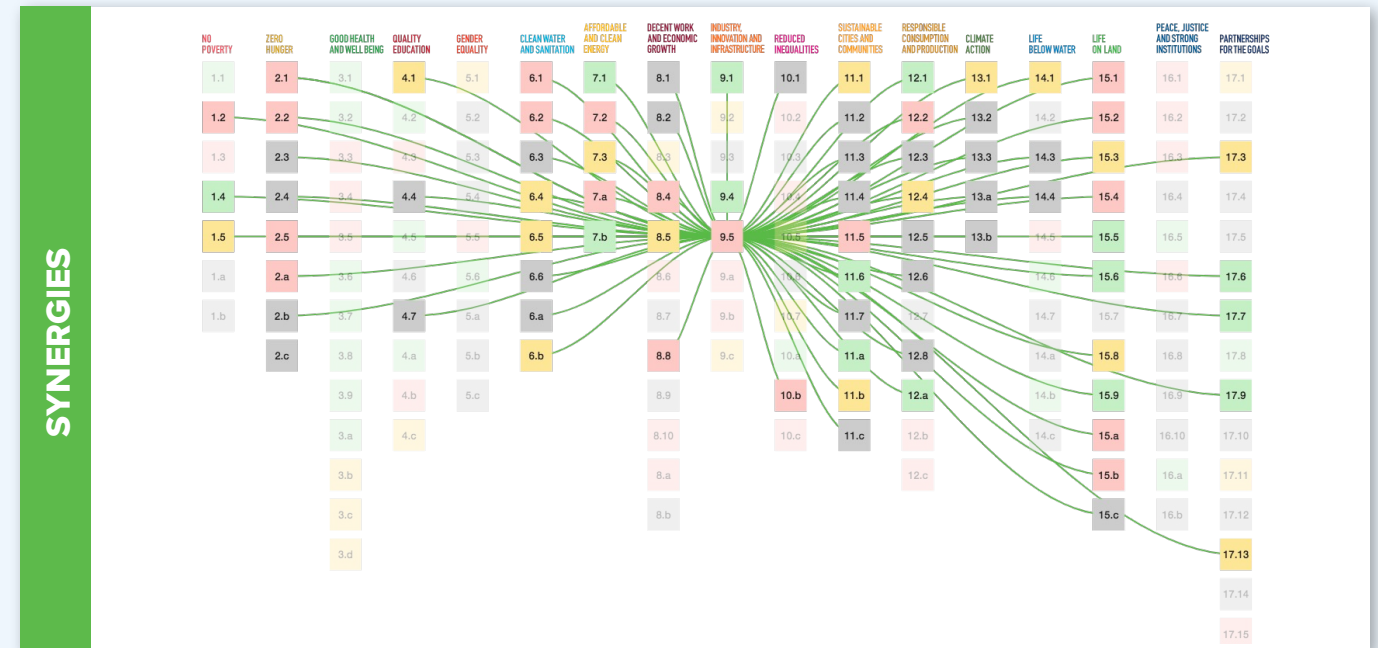
# SDG INTERLINKAGES

**9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people, public and private research and development spending**

The Government has set a goal to increase investment in research, development and innovation, going from 0.72% of GDP in 2018 to 0.76% by 2026 – with the objective of generating the necessary conditions to be both a knowledge-based economy and one generating added value.

This effort is strengthened by financing the main social actors, and by generating other enabling conditions for innovation and development, such as guaranteeing connectivity throughout the national territory.

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Explore the interlinkages at:

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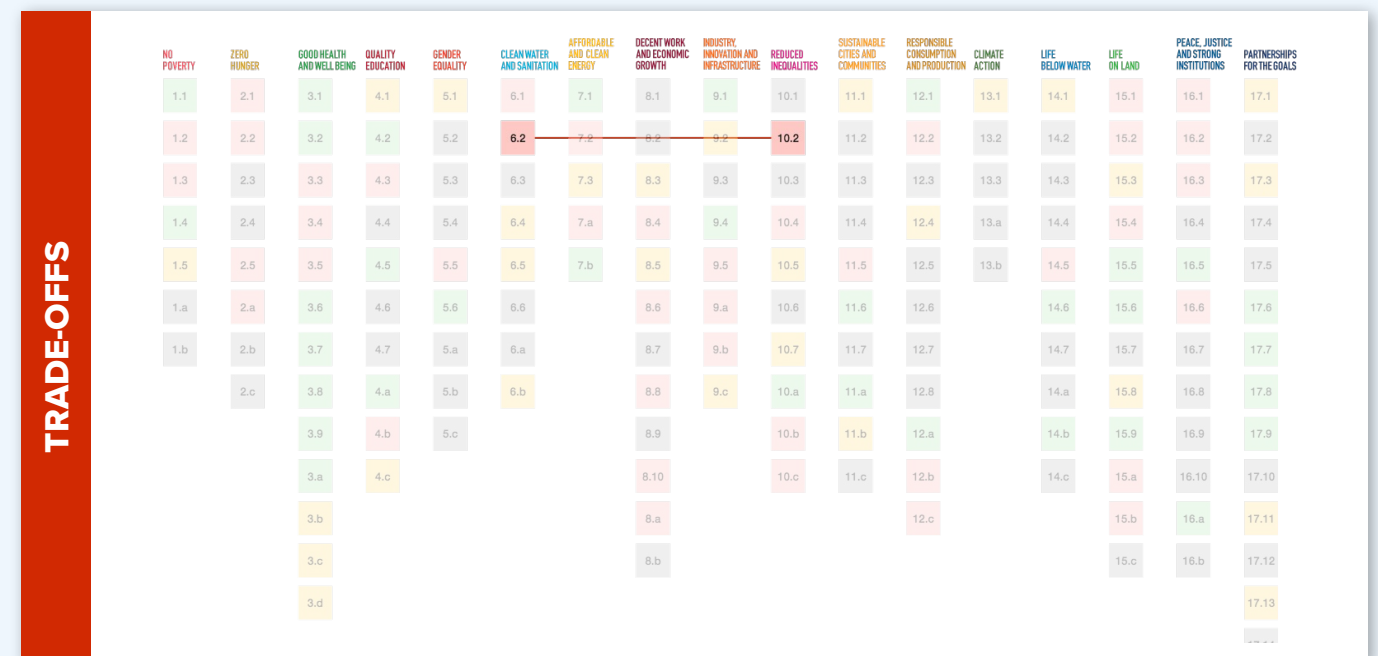
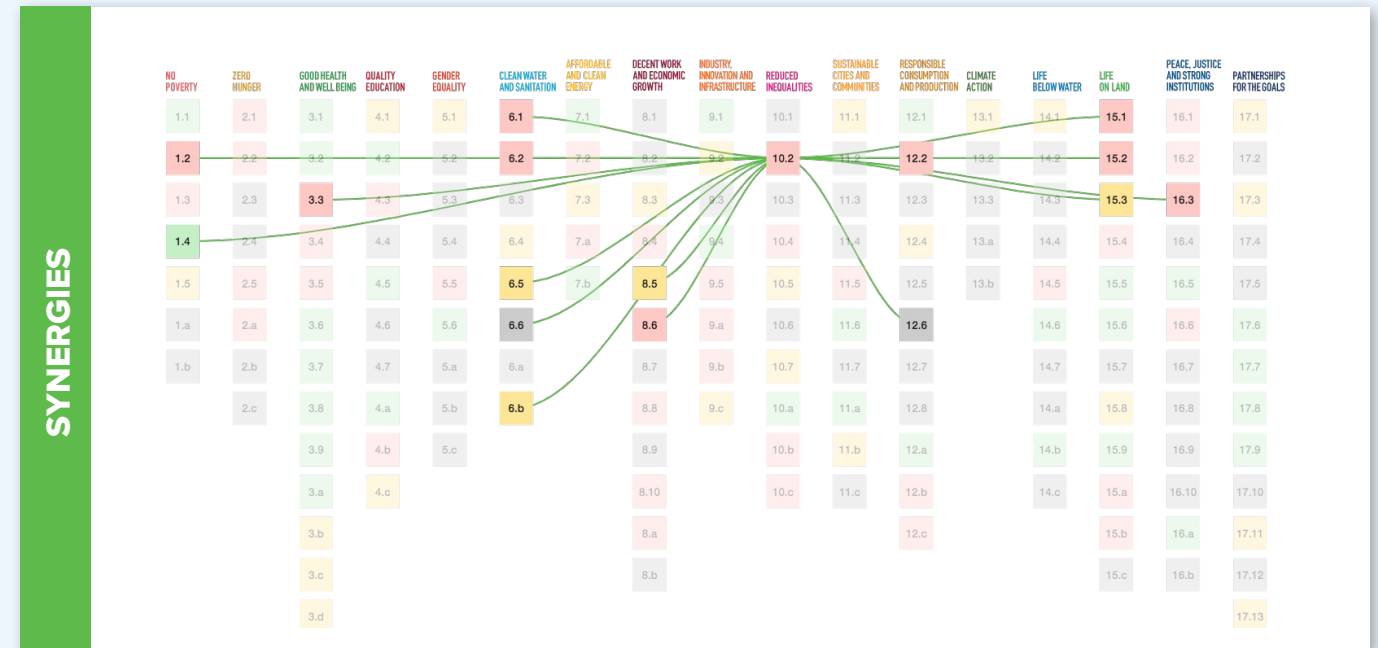
# SDG INTERLINKAGES

**10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status**

The reduction of inequalities represents an important challenge for Costa Rica. The National Development and Public Investment Plan 2023–2026 and the National Strategic Plan have established reducing inequality (based on the Gini Coefficient) as a national development goal.

To this end, the Government has committed to applying a multidimensional approach to understanding the basic conditions that generate inequality in the country in order to address the territorial and structural challenges, strengthening efforts and actions where there is a higher incidence of vulnerability and focusing public policies on populations that face more vulnerable situations.

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Explore the interlinkages at:

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# SDG INTERLINKAGES

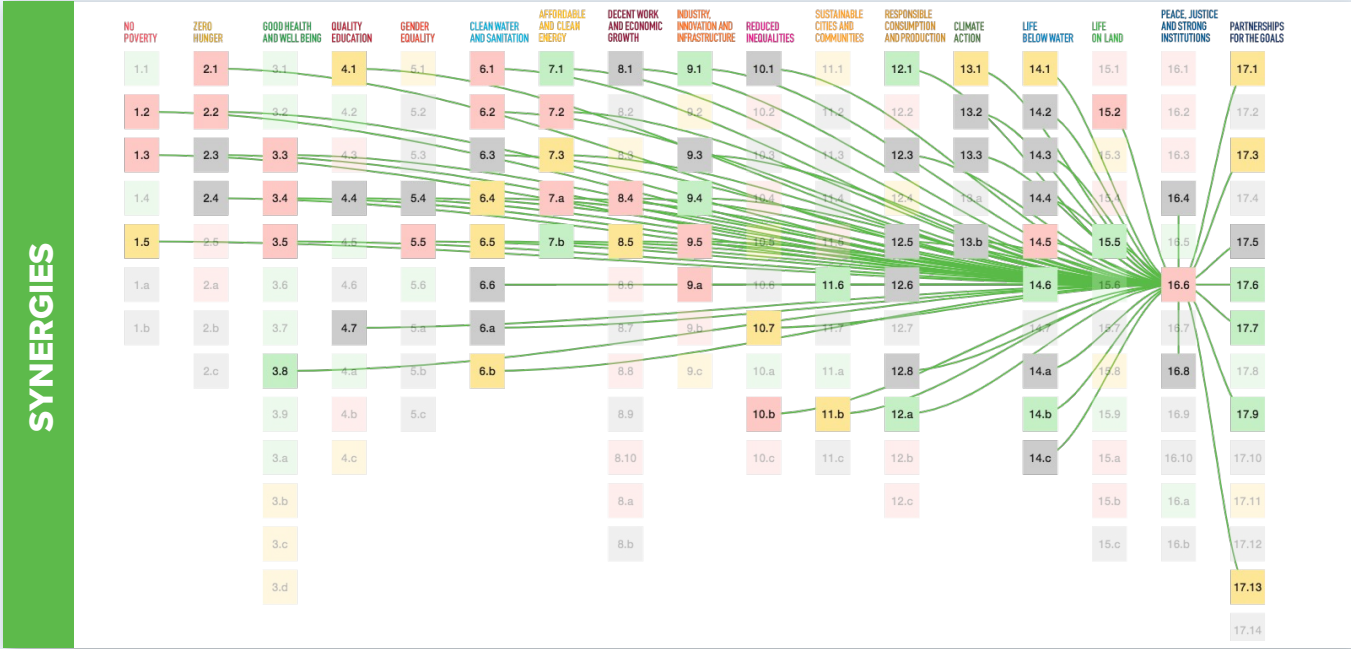
## 16.6: Develop effective, accountable and transparent institutions at all levels

The country has made efforts at consolidating an Open State and, in that regard, has promoted institutional reforms at all levels. Today the fight against corruption in the public service sector and in the context of the Open State are two key approaches adopted in the National Development and Public Investment Plan 2023-2026.

Additionally, Costa Rica has worked to strengthen the judicial system to guarantee impartiality and efficiency in the administration of justice. Training programmes and technological modernization have been implemented in the courts to expedite judicial processes and to improve transparency. In addition, measures have been established to prevent corruption and promote ethics in the judicial system, which contributes to the construction of solid and reliable institutions.

The country has promoted citizen participation and access to justice as fundamental pillars for strengthening democracy and peace. Initiatives have been promoted to foster the participation of civil society in decision-making and in the accountability of institutions. Likewise, human rights education and dissemination programmes have been implemented, seeking to empower citizens and to provide them with the necessary tools to access justice effectively.

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Explore the interlinkages at:  
<https://data.undp.org/sdg-push-diagnostic/CRI/synergies-and-tradeoffs>

# FUTURES SCENARIOS

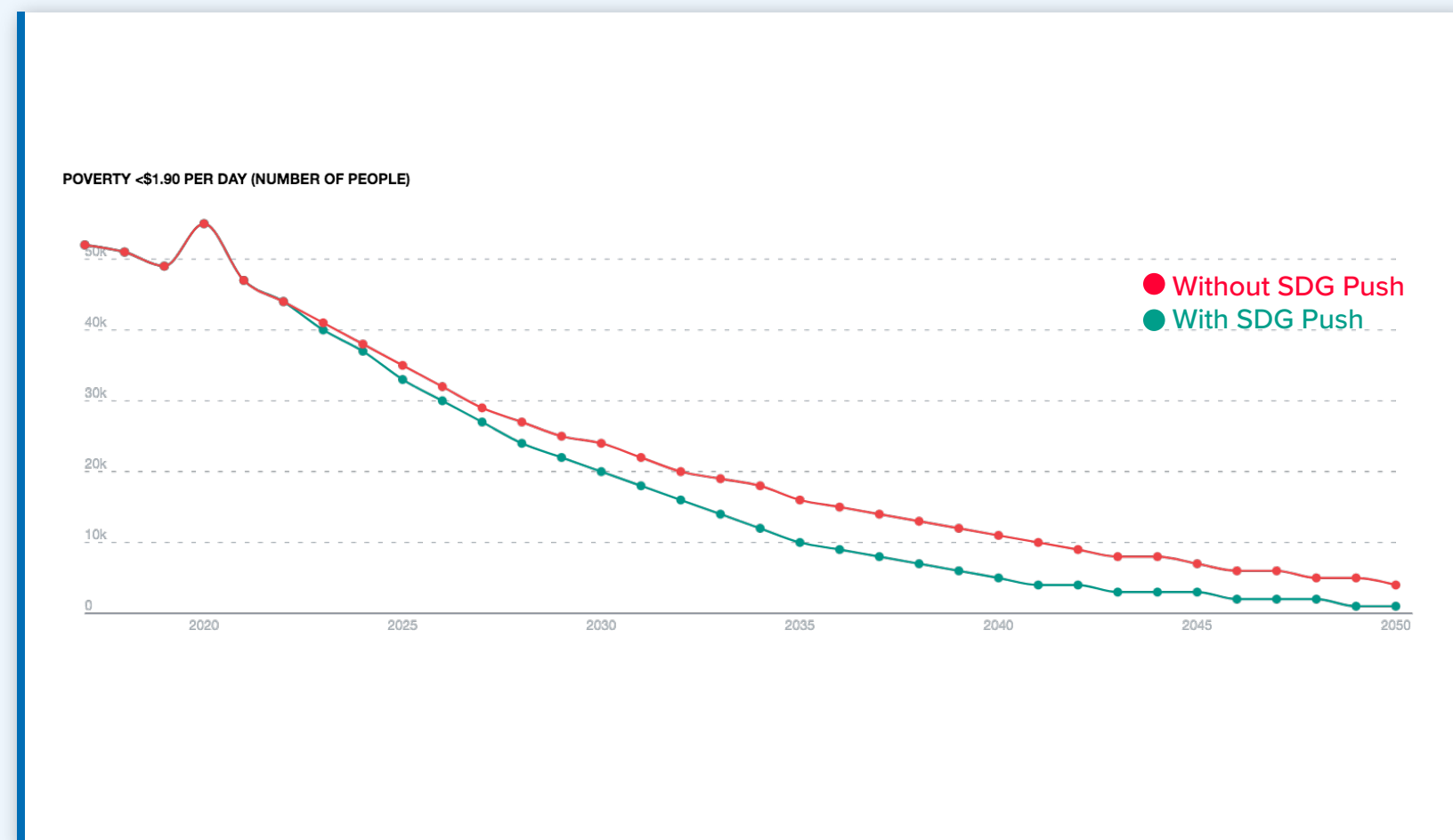
## Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Costa Rica can reduce the number of people living in poverty over time.

People living in poverty*	By 2030	By 2050
Without the SDG Push	24,000	4,000
With the SDG Push	20,000	1,000

\*Measured by the poverty line with very low income estimated in \$1,90 per day.



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/CRI/future-scenarios>

# FINANCE & STIMULUS

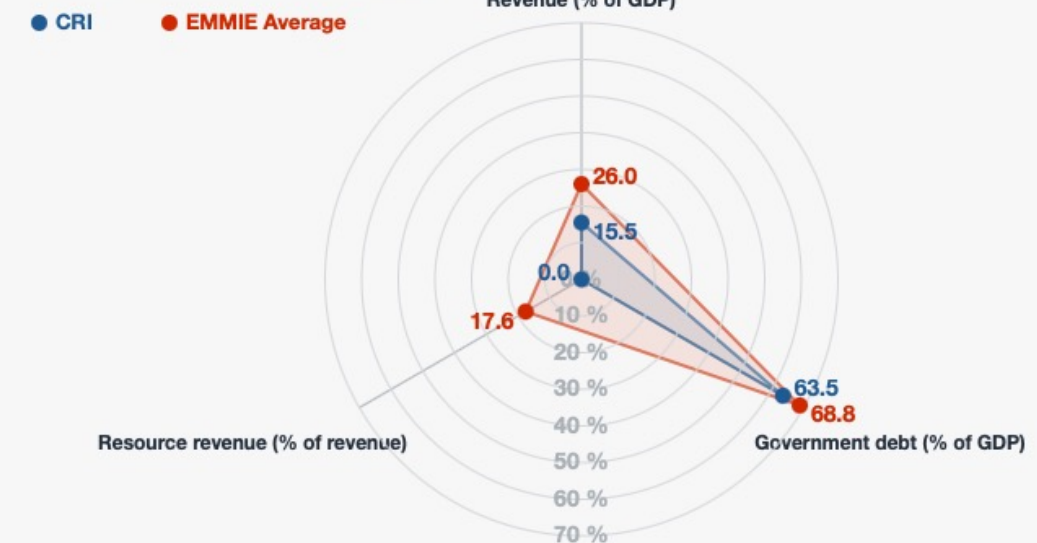
Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue and the sovereign credit rating.

Costa Rica's gross government debt is projected at 63.5% of GDP in 2023 and thus 5.3 percentage points (pp) below the emerging market and middle-income economies (EMMIE) group's average of 68.8%. With a projected 15.5% of GDP this year, Costa Rica collects only three fifths of the average revenue of the EMMIE country group with 26%.

Costa Rica's public external debt servicing relative to revenue, at a projected 15.9% this year, is higher than the average EMMIE country by 3.6 pp. The country's credit rating is assessed as 'highly speculative' and thus below EMMIE average.

## LOW-FREQUENCY INDICATORS



## FINANCIAL INDICATORS



**Notes:** External debt covers public and publicly guaranteed debt. The EMMIE average of resource revenue (% of revenue) includes the 60 countries that reported data for that indicator. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

**Sources:** UNU-WIDER GRD (resource revenue, data from 2019), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), S&P, Moodys and FITCH (credit ratings, data from 2023).

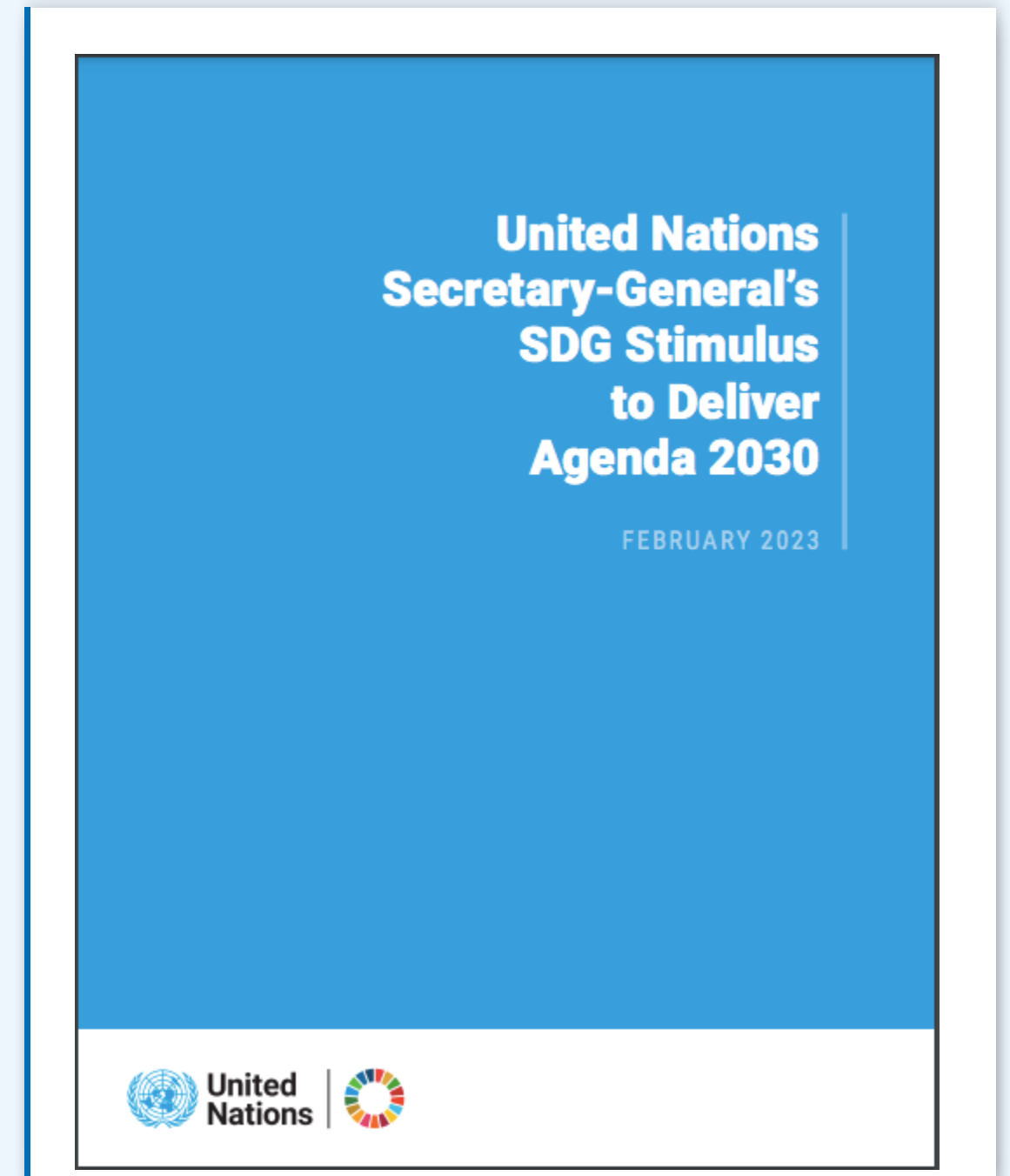
# SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Costa Rica, possible funding options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing



# METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



## SDG MOMENT

### Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

### Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO<sub>2</sub> emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



## TRENDS & PRIORITIES

### Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

### Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



## INTERLINKAGES

### Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

### Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



## FINANCE & STIMULUS

### Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

### Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).