New common sense for Development Financing

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PMR Costa Rica
Change in development thinking and planning

Existing plans and programs

New conceptual framework

New: biophysical variables
Strategic Vision

Long term objective
- Economic, social (SDGs)
- NDCs

What do we need to get there?
- What should be done differently?

Who is involved?

Priorities and needs assessment
Financing: the case of Costa Rica

Interinstitutional

Quantitative instruments
- Modeling NDC pathways (PMR/PAWP)
- Policy scenarios
- General Equilibrium models and other macro
- National financing strategies

GCF Readiness
- Design governance
- Country strategies
- Priority setting and criteria

Dissemination/capacity building
- Common language

Policy Coherence
- Alignment

Economic instruments and finance
- Fiscal, carbon pricing (PMR), other
- Domestic
  - Budget tracking
- External
  - All climate proof
Challenges

- **Intangible**: mindset
  - Long-term focus, break political cycles
  - How to prepare for uncertainty?
    - Development of new instruments
- National development plans with NDCs and SDGs: *country ownership*
- **Climate-proofing** public and private investment
- Integrate *climate risk as financing risk/opportunity*
  - Involve financial sector and regulators
  - Macroeconomic modeling
- Project preparation
Thank you