J.P. MORGAN DEVELOPMENT IMPACT ASSESSMENT

Republic of Costa Rica

J.P.Morgan

November 2023

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Executive Summary

The Republic of Costa Rica (the "Republic" or "Costa Rica") issued U.S. $1,500,000,000 7.300% Notes (the "Issuance") on November 6, 2023, with J.P. Morgan acting as Joint Bookrunner and Development Finance Structuring Agent. The Republic expects to use the net proceeds from the Issuance and sale of the Notes to satisfy its approved budgetary needs, including refinancing domestic and external indebtedness.[1] The Issuance is expected to support the development outputs and outcomes detailed in the Offering Circular of the Issuance, aligned with the Republic's four sustainable development plans. The J.P. Morgan Development Finance Institution ("JPM DFI") has applied the JPM DFI methodology (the "Methodology") to the Issuance and assessed the Issuance to have an anticipated development intensity of **High** with contributions to the **United Nations Sustainable Development Goals (UN SDGs) 1, 3, 4, 6, 7, 8, 9, and 13.**

	Sector Filter	✓	The Issuance is expected to support sectors permitted by the Methodology.
	Geography Filter	✓	The issuer is the Republic of Costa Rica, a country eligible to borrow from the World Bank.
	Product Filter	✓	The Issuance enables the Republic to raise new capital.
SUSTAINABLE DEVELOPMENT GOALS	**SDG Contribution**	**1, 3, 4, 6, 7, 8, 9, and 13**	The Issuance is expected to advance the SDGs associated with no poverty, good health and well-being, quality education, clean water and sanitation, clean energy, decent work, resilient infrastructure and climate action.
	Development Gap Assessment	**Moderate**	The assessment of relevant development indicators (*see Section 5.a for full analysis*) suggests the Republic has a Moderate gap relative to other developing countries in sectors relevant to the Issuance.
	Investment Contribution	**High**	The Issuance is anticipated to support the following areas of sustainable development in Costa Rica: climate change adaptation, social development including healthcare and poverty, economic development, and advancement of education.
	Development Intensity Assessment	**High**	The combination of the development gap assessment and the investment contribution assessment yields an overall development intensity assessment of **High**.
	Annual Reporting	✓	The Republic has committed to report on the development outputs and outcomes noted in this Issuance on an annual basis (*see Appendix A*).

[1] Source: The Republic of Costa Rica's U.S.$1,500,000,000 7.300% Notes due 2054. The date of this Offering Circular is November 6, 2023.

Introduction

Costa Rica is a middle-income country in Central America with a population of over five million people. It has a stable political environment and a strong commitment to democracy and human rights. The country has made progress in social and economic development in recent decades with a high Human Development Index (HDI) ranking and low levels of poverty and inequality compared to other countries in Latin America. At the same time, Costa Rica still faces challenges related to environmental resilience, infrastructure, and economic diversification. The current development priorities of Costa Rica include promoting sustainable economic growth, reducing poverty and inequality, strengthening social services, and enhancing environmental protection and resilience.

To address these challenges, Costa Rica has published four comprehensive national development plans, which focus on addressing areas of development where there are gaps.

The "Plan Nacional de Desarrollo e Inversión Pública 2023-2026" (“PNDIP") outlines the government's priorities in 13 sectors, including environment and energy, social inclusion and welfare, science and technology, education, culture, public finance, regional development, agriculture, healthcare, public safety and justice, transportation, international cooperation, and housing.

The second document is the "Plan Nacional de Descarbonizacion 2018-2050" (“PND”), Costa Rica's plan to achieve net-zero greenhouse gas emissions by 2050. The PND sets out a roadmap for transforming the country into a decarbonized and climate resilient society and encompasses all sectors of the economy. The PND includes a series of specific measurements and targets to be implemented in each sector and is based on ten focus areas to minimize greenhouse gas emissions.[2] In September 2019, Costa Rica was awarded the UN “Champions of the Earth” award in recognition of its environmental protection policies and its commitment to the implementation of programs to reduce greenhouse gas emissions and combat climate change.

The "Plan Nacional de Adaptación al Cambio Climático 2022-2026" (“PNACC”) aims to address the impacts of climate change across six sectors: water resources, agriculture, biodiversity, health, infrastructure, and coastal zones. The PNACC recognizes that these sectors are already being affected by climate change and thus the PNACC aims to support the resilience of vulnerable communities and ecosystems to climate-related risks, and to reduce the social, economic, and environmental costs of climate change.

Finally, the “Política Nacional de Gestión del Riesgo 2016-2030” (“PNGR”) outlines the Republic’s plans to manage disaster risk across all sectors and populations in Costa Rica. Within these four national development plans, the Republic has identified twelve metrics that it has committed to report on annually to track their progress in addressing their respective development gaps *(see Appendix A)*. The JPM DFI used its five-step Methodology[3] to assess the anticipated development impact of the Issuance as follows:

1. SECTOR FILTER

The focus areas supported by the Issuance are expected to target sectors permitted by the Methodology.

2. GEOGRAPHY FILTER

The Issuer is the Republic of Costa Rica, a country eligible to borrow from the World Bank under the IBRD program.

3. PRODUCT FILTER

The Issuance provides the Republic the fiscal space to pursue key development objectives in line with their public national development plans.

4. CONTRIBUTION TO THE UN SDGS

The Issuance’s anticipated development impact is expected to contribute to UN SDGs 1, 3, 4, 6, 7, 8, 9, and 13. This is based on identifying the UN SDG indicators corresponding to the development outputs and outcomes set forth by the Costa Rica as well as the UN SDG targets aligned with those indicators as shown below.

[2] The ten focus areas are: (i) development of a mobility system based on safe, efficient and renewable public transport and active mobility schemes; (ii) transformation of the fleet of light vehicles to zero emissions, powered by renewable energy; (iii) zero emission freight and transportation logistics; (iv) consolidate the national electricity system with the capacity, flexibility, intelligence, and resilience necessary to supply and manage renewable energy at a competitive cost; (v) development of buildings for various uses (commercial, residential, institutional) under high-efficiency standards and low-emission processes; (vi) transformation of the industrial sector through processes and technologies that use energy from renewable or other sources, efficient and sustainable with low and zero emissions; (vii) development of a comprehensive waste management system based on separation, reuse, revaluation and final disposal with maximum efficiency and low greenhouse gas emissions; (viii) promotion of efficient agri-food systems that generate export goods and low-carbon local consumption; (ix) consolidation of the eco-competitive livestock model based on productive efficiency and reduction of greenhouse gases; and (x) management of the rural, urban and coastal territory based on solutions based on nature. [3] Full methodology available at http://www.jpmorgan.com/dfi/methodology

Contribution to the UN SDGs

ANTICIPATED DEVELOPMENT OUTPUTS	UN SDG INDICATORS	UN SDG TARGETS	UN SDGs
▪ **Provide money transfers to households in extreme poverty**	*1.1.1:* Proportion of the population living below the international poverty line by sex, age, employment status and geographical location	*Target 1.1:* By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day	1 NO POVERTY
▪ **Reduce average wait time for ambulatory surgery in public hospitals**	*3.8.1:* Coverage of essential health services	*Target 3.8:* Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3 GOOD HEALTH AND WELL-BEING
▪ **Support infrastructure projects with a focus on educational and civic centers**	*4.a.1:* Proportion of schools offering basic services, by type of service	*Target 4.a:* Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	4 QUALITY EDUCATION
▪ **Improve the country's water infrastructure and monitor and decrease drinking water losses in water supply systems**	*6.4.1:* Change in water-use efficiency over time	*Target 6.4:* By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	6 CLEAN WATER AND SANITATION

Contribution to the UN SDGs

ANTICIPATED DEVELOPMENT OUTPUTS	UN SDG INDICATORS	UN SDG TARGETS	UN SDGs
▪ **Increase renewable energy utilization in the country**	*7.2.1:* Renewable energy share in the total final energy consumption	*Target 7.2:* By 2030, increase substantially the share of renewable energy in the global energy mix	7 AFFORDABLE AND CLEAN ENERGY
▪ **Reduce overall energy intensity in the country**	*7.3.1:* Energy intensity measured in terms of primary energy and GDP	*Target 7.3:* By 2030, double the global rate of improvement in energy efficiency	
▪ **Support individuals in state-sponsored entrepreneurship programs**	*8.3.1:* Proportion of informal employment in total employment, by sector and sex	*Target 8.3:* Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	8 DECENT WORK AND ECONOMIC GROWTH
▪ **Increase number of households with access to internet**	*9.c.1:* Proportion of population covered by a mobile network, by technology	*Target 9.c:* Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2030	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
▪ **Mitigate CO2 emission from agricultural production**	*13.2.2:* Total greenhouse gas emissions per year	*Target 13.2:* Integrate climate change measures into national policies, strategies and planning	13 CLIMATE ACTION

Development Gap Assessment

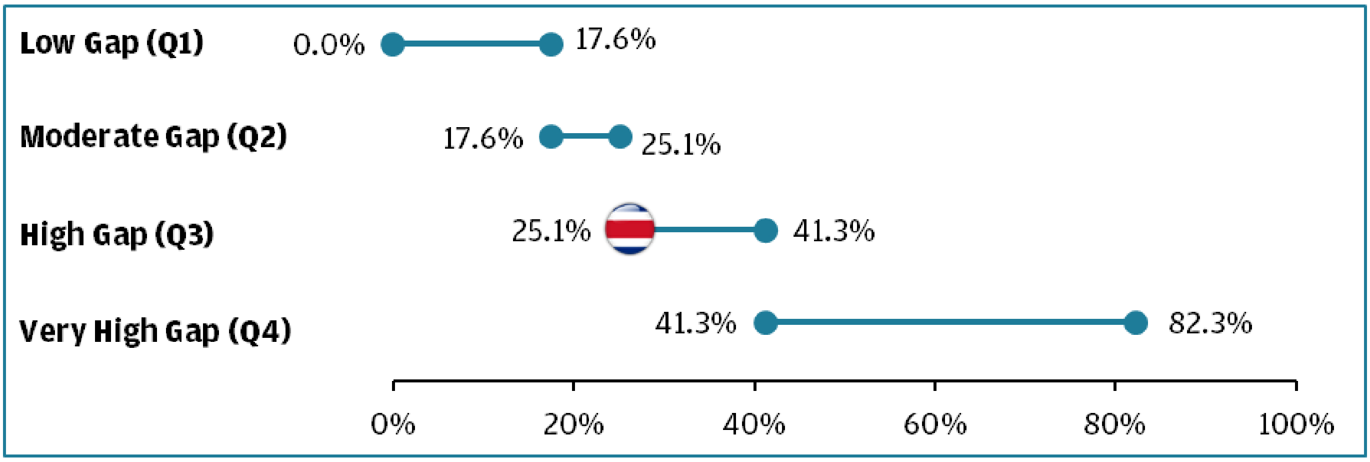
5.DEVELOPMENT INTENSITY ASSESSMENT

The JPM DFI assesses two dimensions to evaluate the development intensity of an issuance. The first dimension, the **Development Gap Assessment**, evaluates the magnitude of the development gaps of the country supported by the issuance. The second dimension, the **Investment Contribution Assessment**, measures how the issuance is expected to address the development gaps (sector-specific and cross-cutting),[4] while accounting for policies and practices in place to mitigate any negative impacts, and the market development[5] effects resulting from the Issuance. The intersection of these dimensions provides the overall **Development Intensity Assessment.**

5.A. DEVELOPMENT GAP ASSESSMENT[6]

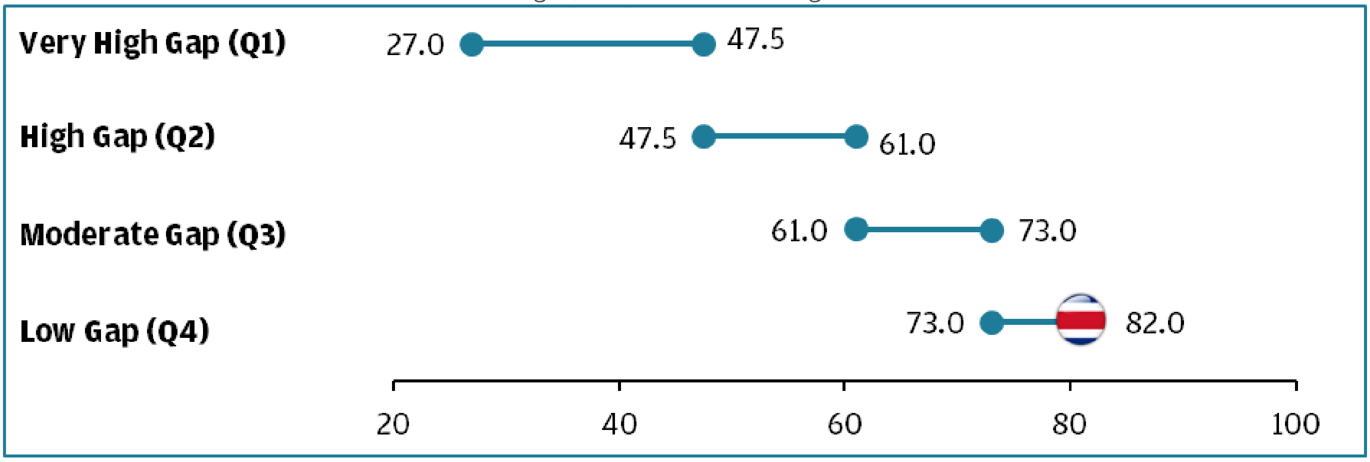
To assess the development gaps to meet the UN SDGs, Costa Rica's metrics for in-scope sector indicators were compared to those of other countries eligible to borrow from the World Bank. The charts below show how Costa Rica measures against this peer group on the following SDGs indicators aligned to the Issuance.

SDG Indicator 1.1.1: Poverty headcount ratio at national poverty lines (% of population)[7]



25.5% of the population in Costa Rica was living below the national poverty level as of 2022. This statistic falls in the third quartile of the distribution above, indicating the development gap for **SDG Indicator 1.1.1 is <u>High</u>**.

SDG Indicator 3.8.1: Universal health coverage (UHC) service coverage index[8]

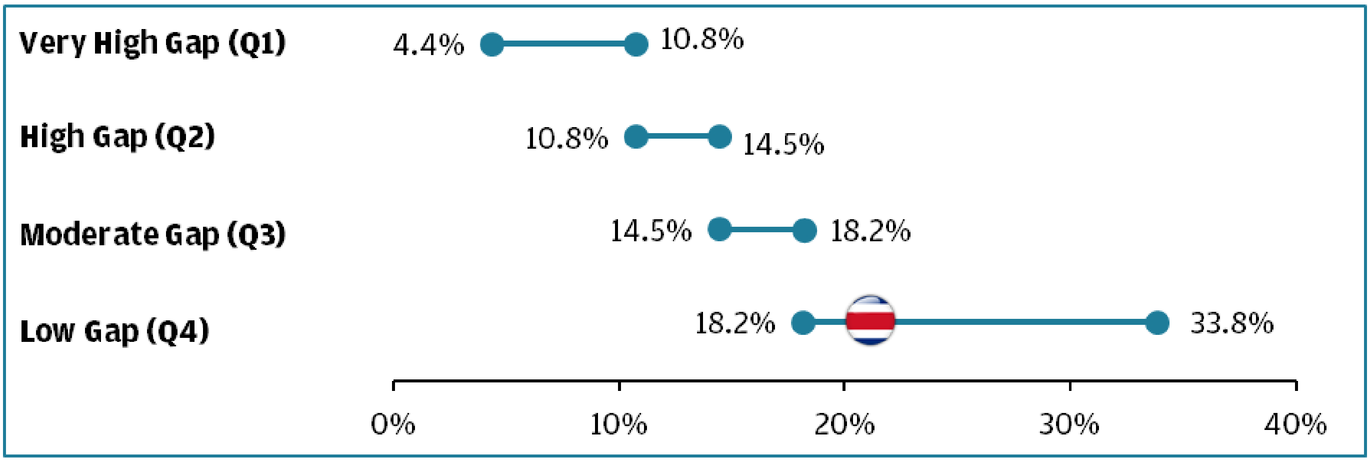


Costa Rica received a score of **81.0 on the UHC service coverage index** in 2021. This statistic falls in the fourth quartile of the distribution of peer countries, indicating that the development gap for **SDG Indicator 3.8.1 is Low**.

[4] Cross-cutting criteria are considered regardless of sector, including environmental sustainability, job creation, gender and diversity, and governance. [5] Market development may occur through: (i) demonstration effects; (ii) supply chain effects; (iii) knowledge development; (iv) adherence to global standards; (v) improving market connectivity; (vi) increasing market competitiveness; (vii) bolstering international trade and investment; and (viii) financial innovation & complexity. [6] The JPM DFI leverages only indicators that are available in the World Bank's World Development Indicators, the UN SDGs Indicators Database and / or other authoritative third-party sources. Updated data has been included in this analysis and may slightly differ from what was reported in the Offering Circular. [7] Source: World Bank, Poverty and Inequality Platform. Data retrieved from the World Bank Database - Poverty headcount ratio at national poverty lines (% of population) (n=116) as of October 27, 2023. [8] Source: WHO Global Health Observatory (GHO), May 2023 update. Data retrieved from the UN SDGs Global Database - Indicator 3.8.1: Universal health coverage (UHC) service coverage index (n=143) as of November 8, 2023. The UHC service coverage index is a coverage index for essential health services (reproductive, maternal, newborn and child health, infectious diseases, noncommunicable diseases and service capacity and access).

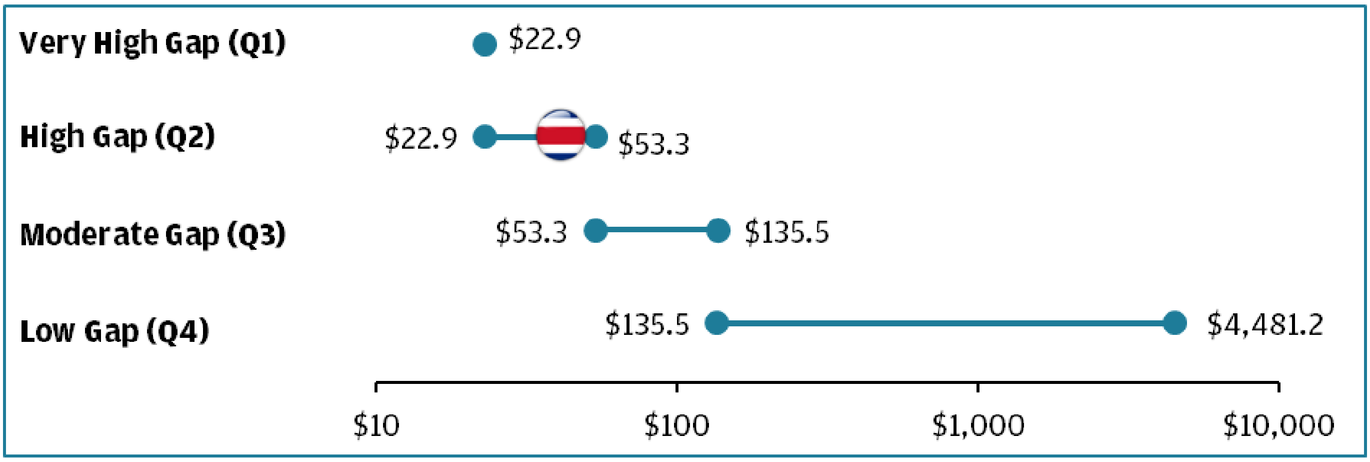
Development Gap Assessment

SDG Indicator 4.a.1: Government expenditure on education, total (% of government expenditure)[9]



Per the chart above, **21.5% of the Costa Rican government's total expenditure was spent on education** in 2020. This statistic falls in the fourth quartile of the distribution of other developing countries, indicating that the development gap for **SDG Indicator 4.a.1** is **Low**.

SDG Indicator 6.4.1: Water use efficiency (United States dollars per cubic meter, industrial)[10]

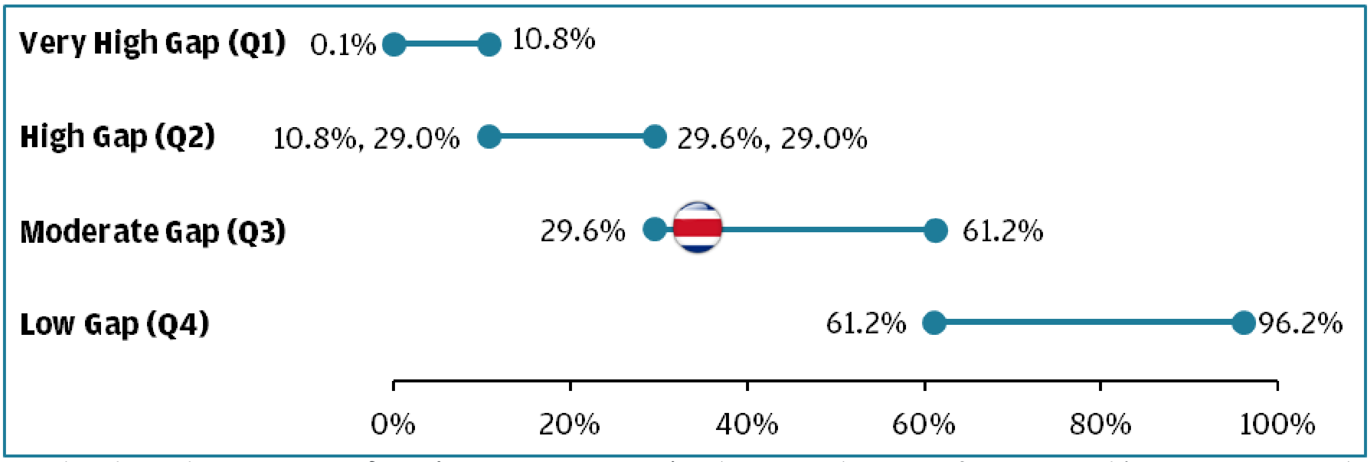


Water use efficiency was $44.2 per cubic meter in Costa Rica in 2020. This statistic falls in the second quartile of the distribution of other developing countries, indicating that the development gap for **SDG Indicator 6.4.1** is **High**.

[9] Source: UNESCO Institute for Statistics (UIS). Data retrieved from the World Bank Database - Government expenditure on education, total (% of government expenditure) (n=135) as of October 27, 2023. [10] Source: Food and Agriculture Organisation of United Nations (FAO). Data retrieved from UN SDGs Global Database - Indicator 6.4.1: Water Use Efficiency (United States dollars per cubic meter), industrial (n=83) as of October 27, 2023.

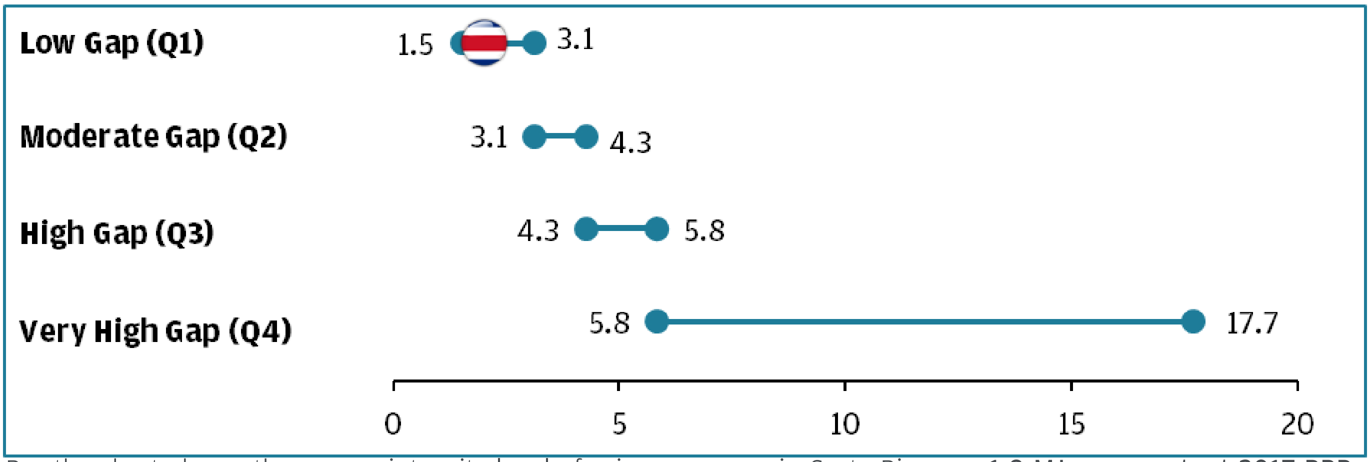
Development Gap Assessment

SDG Indicator 7.2.1: Renewable energy share in the total final energy consumption (%)[11]



Per the chart above, **36.4% of total energy consumption** in Costa Rica came from renewable energy sources in 2020. This statistic falls in the third quartile of the distribution of other developing countries, indicating that the development gap for **SDG Indicator 7.2.1** is **Moderate**.

SDG Indicator 7.3.1: Energy intensity level of primary energy (megajoules (MJ) per constant 2017 purchasing power parity (PPP) GDP)[12]

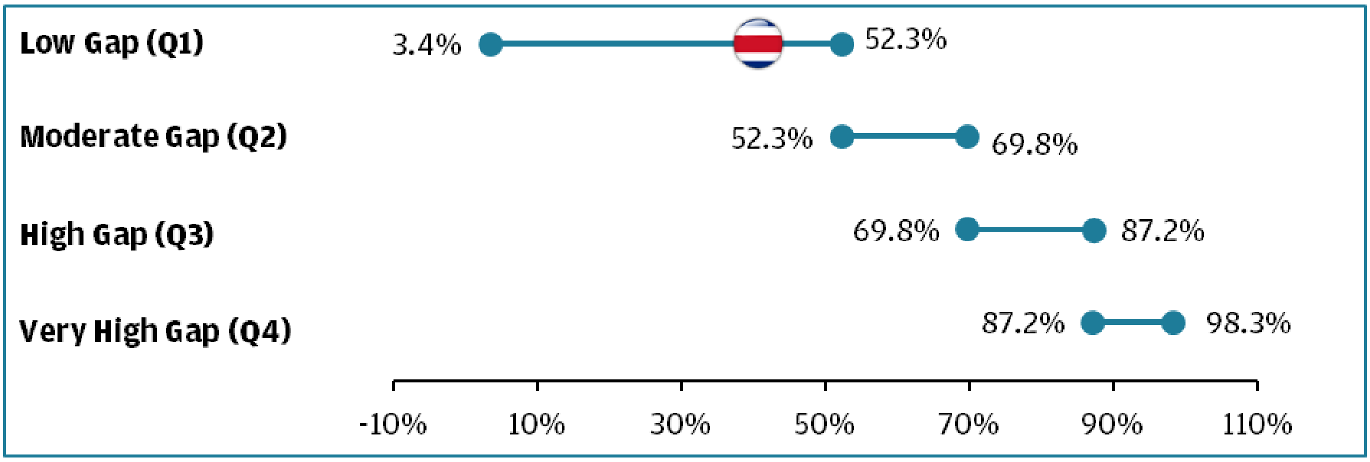


Per the chart above, the energy intensity level of primary energy in Costa Rica was **1.9 MJ per constant 2017 PPP GDP** in 2021. This statistic falls in the first quartile of the distribution of other developing countries, indicating that the development gap for **SDG Indicator 7.3.1** is **Low**.

[11] Source: IEA (2022), World Energy Balances, Energy Balance, UN Statistics Division (2022). Data retrieved from the UN SDGs Global Database - Indicator 7.2.1: Renewable energy share in the total final energy consumption (%) (n=144) as of October 27, 2023. [12] Source: Source: IEA, IRENA, UNSD, World Bank, WHO. Tracking SDG 7: The Energy Progress Report. World Bank, Washington DC. Data retrieved from the World Bank Database - Energy intensity level of primary energy (MJ per constant 2017 PPP GDP) (n=141) as of October 27, 2023.

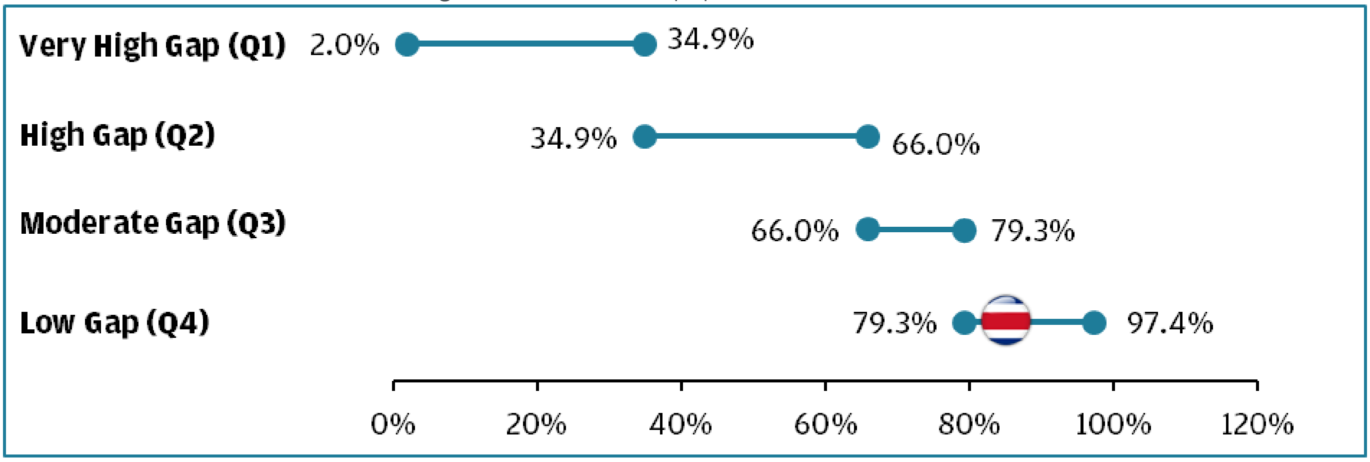
Development Gap Assessment

SDG Indicator 8.3.1: Proportion of informal employment, (ILO harmonized estimates) (%)[13]



The proportion of informal employment in Costa Rica was 40.8% as of 2021. This statistic falls in the first quartile of the distribution of other developing countries, indicating that the development gap for **SDG Indicator 8.3.1** is Low.

SDG Indicator 9.c.1: Individuals using the Internet (% of population)[14]

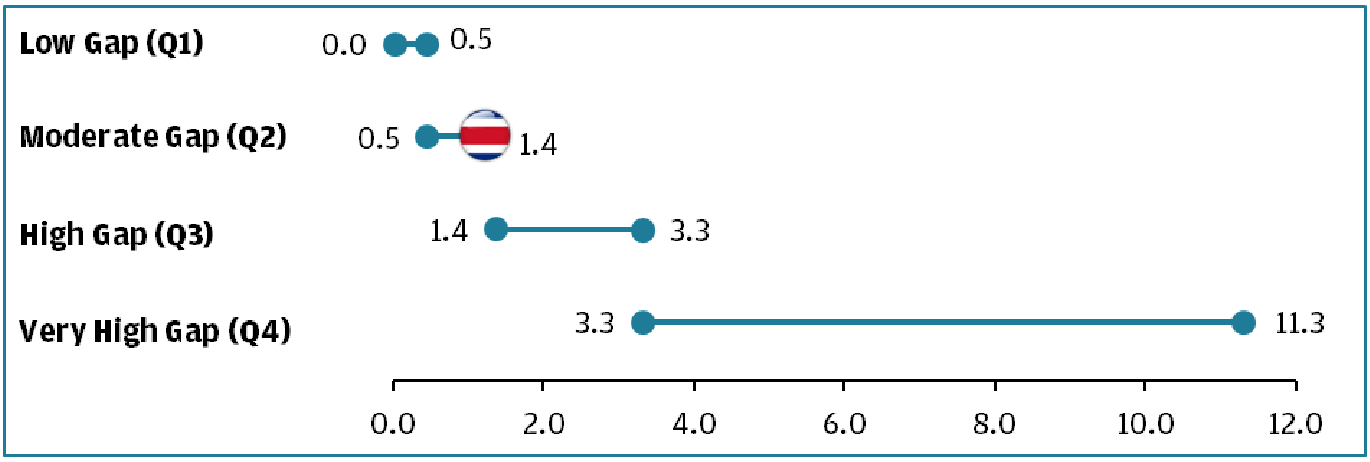


82.6% of people in Costa Rica had access to internet as of 2022. This statistic falls in the fourth quartile of the distribution of other developing countries, indicating that the development gap for **SDG Indicator 9.c.1** is **Low.**

[13] Source: ILO modelled estimates, Nov. 222, LFS - Permanent Household Survey (Urban). Data retrieved from the UN SDGs Global Database - Indicator 8.3.1: Proportion of informal employment, by sector (TOTAL) (ILO harmonized estimates), 13th ICLS (%) (n=100) as of October 27, 2023. [14] Source: International Telecommunication Union (ITU) World Telecommunication/ICT Indicators Database. Data retrieved from the World Bank Database - Individuals using the Internet (% of population) (n=143) as of October 27, 2023.

Development Gap Assessment

SDG Indicator 13.2.2: CO2 emissions (metric tons per capita)[15]



CO2 emissions amounted to **1.4 metric tons per capita** in 2020. This statistic falls in the second quartile of the distribution of other developing countries, indicating that the development gap for **SDG Indicator 13.2.2** is Moderate.

Development Gap Assessment: The analysis of these metrics suggests Costa Rica faces **High** development gaps with respect to **SDG Targets 1.1** and **6.4, Moderate** development gaps with respect to **SDG Targets 7.2** and **13.2,** and **Low** development gaps with respect to **SDG Targets 3.8, 4.a, 7.3, 8.3, and 9.c.** Averaging the scores for these indicators suggests an overall development gap assessment of **Moderate** for Costa Rica in the sectors and areas the Republic intends to support through this Issuance.

[15] Source: Climate Watch Historical GHG Emissions (1990-2020). 2023. Washington, DC: World Resources Institute. Data retrieved from the World Bank Database - CO2 emissions (metric tons per capita) (n=143) as of October 27, 2023

5.B. Investment Contribution Assessment

The second dimension of the development assessment pertains to the contribution of the Issuance towards sustainably addressing the development gaps, according to the framework below.

5.B.1. Addressing Sector Gaps: High

This dimension evaluates the specificity and comprehensiveness of development outputs and outcomes disclosed by the client to address sector-specific development gaps.

The Issuance may support development outputs and outcomes consistent with the four national plans. Costa Rica has elected to focus primarily on metrics aligned with climate change, social and economic development and education. These four themes and plans to address them are outlined below. Of these development outputs and outcomes, the Republic has committed to report on its progress against twelve specific metrics as noted in *Appendix A.*

- **Advocating for climate change adaptation, risk mitigation and sustainable energy sources[16] by:**
  - Increasing the share of renewable energy in the energy mix with a focus on improving its energy efficiency and developing large solar energy projects in remote areas of the country such as the Chorotega Region, with a 25 MW solar energy project to be completed by 2026;
  - Reducing GHG emissions and other air contaminants such as ozone depleting substances as well as implementing policies like biological corridors to mitigate CO2 emissions further; and
  - Advancing climate change adaptation and risk mitigation awareness through training more than 2,000 public officers by 2026 as well as communities, and promoting environmentally sound practices through public recognitions, alongside evaluating climate-related risks of public projects with an emphasis on large infrastructure projects.
- **Advancing social development including healthcare and alleviating poverty[17] by:**
  - Increasing subsidies and programs directed towards vulnerable populations with a special emphasis on households in extreme poverty, in situation of dependency, people with disabilities, female workers from low-income households and minors suffering from abuse;
  - Supporting affordable housing for all by developing and promoting affordable housing residential projects for low- and middle-income individuals with a special emphasis on supporting female-led households; and
  - Improving healthcare services provided by the government with a focus on decreasing average wait times for healthcare procedures such as ambulatory and cataract surgeries, ultrasound imaging and upper endoscopy.
- **Promoting economic development and productive employment[18] by:**
  - Supporting small and medium-enterprises and public employers by providing entrepreneurship and financial training with an emphasis on promoting vulnerable populations; and
  - Advancing necessary infrastructure for economic development such as high-quality internet connectivity.

[16] Historically, for sustainable energy sources, Costa Rica has invested in renewable energy and according to the World Bank's country overview, Costa Rica is a world leader with respect to environmental policies. [17] Costa Rica provides social assistance through the Social Development and Family Allowances Fund (FODESAF). The Government has restructured FODESAF to improve its anti-poverty and social programs through program evaluations, financial auditing and cost controls. During 2021, FODESAF financed ₡1,307 billion of social programs. Of this amount, ₡945 billion was invested in potable water services benefiting 16,000 families and 153,000 people were impacted by the CEN-CINAI program after an investment of ₡39 billion. Another ₡51 billion was invested in educational programs that benefited 628,000 minors, and ₡150 billion in pensions of the Non-Contributory Regime. [18] In 2020, the Bono Proteger Program (BP) was a response to the COVID-19 pandemic. Through an investment of ₡260 billion (0.9% of GDP in 2020), 724,330 people benefitted from the program to help fund basic needs (specifically the purchase of food, payment of utilities, housing and mobility costs).

- **Advancing education and knowledge development,[19] including relevant infrastructure by:**
  - Fostering peace and integral development through civic centers offering programs targeted to vulnerable youth populations, with a focus on individuals from low-income households residing in areas with elevated prevalence of violence.

5.B.2. Impact on Cross-Cutting Criteria: High

This dimension evaluates the Sovereign's policies and practices to ensure that the development outputs and outcomes specified in the previous section are undertaken in a responsible, inclusive and sustainable manner, regardless of the sector of operations. This includes:

- **Environmental Sustainability:** Costa Rica has been an advocate of the UN Framework Convention on Climate Change and its Kyoto Protocol, as well as the Paris Agreement on climate change, and is involved in the development of market-oriented instruments to reduce emissions of greenhouse gases in an effort to mitigate global warming. Separately, the Republic is anticipated to contribute to environmental sustainability by:
  - Reducing GHG emissions, specifically 39,265 ,metric tons of $CO2$ from agricultural production activities per year from 2023 to 2026, and other air contaminants such as ozone depleting substances as well as implementing policies like biological corridors to mitigate $CO2$ emissions further; and
  - Advancing climate change adaptation and risk mitigation awareness through training more than 2,000 public officers by 2026 as well as communities, and promoting environmentally sound practices through public recognitions, alongside evaluating climate-related risks of public projects with an emphasis on large infrastructure projects.
- **Disclosure:** The Republic has committed to monitor and report on twelve specific development outputs and outcomes of the Issuance.

5.B.3. Impact on Market Development: Moderate

This dimension evaluates the spillover effects of the Issuance on society and the broader economy, including:

- **Market Connectivity:** Costa Rica is committed to advancing necessary infrastructure for economic development such as high-quality internet connectivity across the country, specifically increasing the proportion of households with access to internet in the country from 81.3% in 2021 to 92.7% by 2026.
- **Market Competitiveness:** Costa Rica is actively supporting small and medium-enterprises and public employers by providing entrepreneurship programs and financial training with a special emphasis on promoting vulnerable populations, specifically benefiting on average 100 people per year with entrepreneurship programs from 2023 to 2026.

Investment Contribution Assessment: Averaging the elements of the investment contribution framework above suggests an overall assessment of **High** for the Issuance.

[19] To advance education and knowledge development, in 2011 the Constitution was amended to require expenditure of no less than 8.0% of GDP in education annually, compared to the previous requirement of 6.0% of GDP.

Development Intensity Assessment

5.C. Development Intensity Assessment

Costa Rica has a **Moderate** development gap in sectors and areas in scope of the Issuance and the Issuance is anticipated to have a **High** investment contribution towards sustainably addressing these development gaps. According to the matrix below, this combination yields an overall Development Intensity Assessment of **High** for this Issuance.

		DEVELOPMENT GAP			
		LOW	MODERATE	HIGH	VERY HIGH
INVESTMENT CONTRIBUTION	VERY HIGH	High	High	Very High	Very High
	HIGH	Moderate	**High**	High	Very High
	MODERATE	Moderate	Moderate	High	High
	LOW	Low	Moderate	Moderate	Moderate
	NONE	None	None	None	None

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APPENDIX A

Development Impact Reporting Template

Costa Rica is committed to promoting transparency on its initiatives from its national development plans and intends to monitor and report on the following indicators:

Indicator	Base Year	Base Year Value	Target Year	Target Value
Advocating for climate change adaptation, risk mitigation and sustainable energy sources				
Increasing the share of renewable energy in the energy mix				
Energy intensity *(megajoules / USD)*	2021	2.56	2026	2.42
Renewable energy utilization *(terajoules / year)*	2021	50.69	2026	59.41
Mitigating and reducing GHG emissions and other air contaminants				
CO_2 mitigated from agricultural production activities *(metric tons per year)*	N/A	N/A	2023-2026	39,265
Improving quality and control of water and reduction of wastewater residues				
Decrease in drinking water losses in supply systems *(percentage)*	N/A	N/A	2026	17
Advancing social development including healthcare and alleviating poverty				
Households in extreme poverty receiving state-sponsored money transfers *(% of total)*	2020	9.93	2026	12.03
Average wait time, ambulatory surgery in hospitals[20] *(days)*	2021	531	2026	365
Promoting economic development and productive employment				
Supporting small and medium-enterprises, entrepreneurship and public employers				
Beneficiaries[21] of state-sponsored entrepreneurship programs *(#, avg. annually)*	N/A	N/A	2023-2026	100
Beneficiaries, Program EMPLEATE (number per year)	N/A	N/A	2023-2026	5,000
Advancing necessary infrastructure for economic development				
Households with access to internet *(% of total)*	2021	81.3	2026	92.7
Advancing education and knowledge development, including relevant infrastructure				
Promoting education and knowledge development alongside necessary infrastructure				
Infrastructure projects in educational centers *(#)*	2021	102	2026	280
Stimulating culture-related economic activities and cultural awareness				
Beneficiaries[22] of civic centers focused on fostering peace and integral development *(#)*	2021	1,025	2026	1,904

N/A = not available

[20] Hospitals in the Costa Rican Social Security Fund.[21] Beneficiaries are defined as individuals between 18 and 35 years old. [22] Beneficiaries are defined as individuals between 12 and 35 years old.

APPENDIX A

Development Impact Reporting Template

Mitigating Negative Impacts: Costa Rica has set a target and commitment to monitoring and reporting on one sovereign Principal Adverse Impact ("PAI") Indicator as shown in the table below:

Mitigating Negative Impacts:

Indicator	Base Year	Base Year Value	Target Year	Target Value
Climate and Other Environment-Related Indicators				
Ozone depleting substances consumption *(kilograms)*	2021	65,026	2026	46,892

APPENDIX B

DISCLAIMER: READ IN CONJUNCTION WITH DEVELOPMENT IMPACT ASSESSMENT

The Development Finance Institution of JPMorgan Chase & Co. (the "JPM DFI") has prepared the Development Impact Assessment (the "DIA") to which this Appendix is attached in accordance with the methodology (the "Methodology") developed by the JPM DFI. The Methodology is employed to perform an ex-ante assessment of the developmental impact of Issuances in which JPMorgan Chase & Co. and/or its affiliates (collectively referred to herein as "J.P. Morgan") participate, including the Issuance referenced in the DIA. Capitalized terms used but not defined in this Appendix have the meanings assigned thereto in the DIA.

This Development Impact Assessment does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, any securities or any other financial product. The DIA has been prepared solely to assist recipients in evaluating the anticipated developmental impact of the Issuance based on the Methodology. Certain aspects of the JPM DFI Methodology are subjective in nature or require judgment, including the development impact intensity rating of the Issuance. The DIA does not purport to be all-inclusive or to contain all of the information that any recipient may consider material or desirable in making its own assessment regarding the Issuance and whether it assesses the Issuance's development impact for such recipient's individual purposes. Factors and information which were considered relevant by JPM DFI in making such determinations may not be suitable or appropriate for, or be considered relevant by, any recipient for such recipient's own assessment of whether the Issuance constitutes or meets the criteria for development finance. Each recipient of the DIA should therefore take such steps as it deems necessary to ensure that it has the information it considers material or desirable and should perform its own independent investigation and analysis of the Issuance. The information contained herein (a) is not a substitute for a recipient's independent evaluation and analysis and (b) should not be considered as a recommendation by JPM DFI or any J.P. Morgan entity that any recipient participate in the Issuance as a provider of development finance or as to whether the Issuance achieves any particular development finance criteria or requirement to which it may be subject.

As used herein "Evaluation Materials" means all information pertaining to the Issuer, the Issuance or the intended use of proceeds furnished or communicated to JPM DFI or any J.P. Morgan entity by or on behalf of the Issuer in connection with the Issuance (whether prepared or communicated by the Issuer, their respective advisors or otherwise) including, without limitation, (i) the Development Impact Questionnaire (ii) Costa Rica's Plan Nacional de Desarrollo e Inversión Pública 2023-2026 (iii) Costa Rica's Plan Nacional de Descarbonizacion 2018-2050 (iv) Costa Rica's Plan Nacional de Adaptación al Cambio Climático 2022-2026 (v) Costa Rica's Política Nacional de Gestión del Riesgo 2016-2030, and (vi) The Republic of Costa Rica's U.S.$1,500,000,000 7.300% Notes due 2054 and publicly available information. Any assessment of the Issuance regarding its development impact and the development intensity rating of the Issuance and its intended use of proceeds (including market commentary, market data, observations and the like) is based on the Evaluation Materials.

By reviewing the DIA, each recipient acknowledges and agrees that JPM DFI received the Evaluation Materials from or on behalf of the Issuer or publicly available sources and the DIA is provided to recipient for informational purposes only, and neither JPM DFI, nor any J.P. Morgan entity has any responsibility, and shall not be liable, for the accuracy or completeness or lack thereof of the Evaluation Materials or any information contained therein or their suitability or otherwise for use in connection with the DIA. Neither JPM DFI nor any J.P. Morgan entity has made any independent verification as to the accuracy or completeness of the Evaluation Materials or their suitability or otherwise for use in connection with the DIA.

The DIA has been prepared, in part, based on certain forward-looking statements and projections provided by the Issuer related to the Issuance and its intended use of proceeds. Any such statements and projections reflect various estimates and assumptions by the Issuer concerning anticipated results of the Issuance and the intended use of proceeds. No representations or warranties are made by JPM DFI or any J.P. Morgan entity as to the accuracy of any such statements or projections. Whether or not any such forward looking statements or projections are in fact achieved will depend upon future events some of which may not be within the control of Issuer. Accordingly, actual results may vary from the projected results and such variations may be material.

There is currently no market consensus on what precise attributes are required for a particular financing to be defined as 'development', and therefore no assurance can be provided to recipients that the Issuance will satisfy, whether in whole or in part, any expectations or requirements of any recipient or any present or future expectations or requirements with respect to development finance. Neither JPM DFI nor any J.P. Morgan entity makes any representations or assurances as to whether and are not responsible for ensuring that (a) the characterization of the Issuance as development finance or the level of its expected development intensity rating impact will (i) comport with any recipient's definition of development finance, (ii) meet any recipient's criteria and expectations with regard to developmental impact, or (iii) comport with the characterization or definitions used by any other development finance institution in the public or private sectors or (b) the proceeds of the Issuance will in fact be used for eligible development finance projects.

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