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OECD Accession Review of Costa Rica in the Fields of Environment and Waste
Summary Report

This report, produced at the request of Costa Rica, is based on the Secretariat's evaluation reports that were part of Costa Rica's accession review in the fields of environment [ENV/EPOC/ACS(2017)8/REV1] and waste [ENV/EPOC/WPRPW/ACS(2019)1]. It was declassified by EPOC through written procedure on 3 December 2019.

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Foreword

1. The OECD Council decided to open accession discussions with Costa Rica on 9 April 2015. On 8 July 2015, the Council adopted a Roadmap for the Accession of Costa Rica to the OECD Convention (the Roadmap) setting out the terms, conditions and process for accession. The Roadmap provides that in order to allow the Council to take an informed decision on the accession of Costa Rica, Costa Rica will undergo in-depth reviews by 22 OECD technical committees, including the Environment Policy Committee.

2. This Summary Report has been produced at the request of Costa Rica and is based on the Secretariat's evaluation reports in the fields of environment and waste, dating from 27 February 2018 and 10 May 2019, respectively. These evaluation reports were part of Costa Rica's accession review.

3. In accordance with paragraph 14 of Costa Rica's Roadmap, the Environment Policy Committee agreed to declassify this Summary Report and publish it under the authority of the Secretary-General, in order to allow a wider audience to become acquainted with its content. Publication of this document and the analysis and recommendations contained in the Summary Report do not prejudge in any way the results of the review of Costa Rica conducted by technical committees as part of Costa Rica's process of accession to the OECD.

Acronyms

AOP	Annual operational plan
CENIGA	National Geo-Environmental Information Centre
CONAGEBIO	National Biodiversity Management Commission
CPE	Core performance element
CZM	Coastal zone management
EIA	Environmental impact assessment
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EPR	Extended producer responsibility
ESM	Environmentally sound management of waste
FONAFIFO	National Forestry Financing Fund
ICT	Costa Rican Tourism Institute
IPPC	Integrated Pollution Prevention and Control
MAG	Ministry of Agriculture and Livestock
MIDEPLAN	Ministry of National Planning and Political Economy
MINAE	Ministry of Environment and Energy
MINSA	Ministry of Health
MFA	Material flows account
MOPT	Ministry of Public Works and Transportation
NSPCP	National Sustainable Production and Consumption Policy
PEEP	Public environmental expenditure programme
PGAI	Programme for Institutional Environmental Management
PM	Particulate matter
PNB	National Policy for Biodiversity
PNTS	National Plan for Sustainable Tourism
PPP	Polluter Pays Principle
PSA	Payment for environmental services
PSF	Sanitary Operating Permit
RECOPE	Costa Rican petroleum refining company
SEA	Strategic environmental assessment
SEN	National System of Statistics
SETENA	National Environmental Technical Secretariat
SIA	Environmental Indicators System
SIGREP	Hazardous Waste Management System
SINAC	National System of Conservation Areas
SINIA	National System of Environmental Information
SINIGIR	National Waste Information System
SINIGIRH	National Information System for the Integrated Management of Water Resources
SPP	Sustainable public procurement
VLA	Environmental viability licence
WEEE	Waste electrical and electronic equipment
ZMT	Maritime-Terrestrial Zone

1. Introduction

4. The accession review of Costa Rica in the fields of environment and waste took place in 2016-19 in line with the Roadmap for the Accession of Costa Rica to the OECD. It was conducted by the Environment Policy Committee (EPOC), with consideration of waste-related issues delegated to the Working Party on Resource Productivity and Waste (WPRPW), a subsidiary body of EPOC. EPOC evaluated the willingness and ability of Costa Rica to implement any substantive OECD legal instruments within the committee's competence, and Costa Rica's policies and practices as compared to OECD best policies and practices in the field of environment. The evaluation covered 43 OECD legal instruments: 35 OECD Council Recommendations in the field of environment and 1 Decision, 3 Decisions-Recommendations and 4 Recommendations in the field of waste.

5. The review was based on Costa Rica's February 2016 "Initial Memorandum", in which Costa Rica set out its position vis-à-vis all OECD legal instruments in force at the time, its "Brief Notes" providing an overview of the institutional, legal and policy frameworks in the fields of environment and waste, and the subsequent "Revised Positions" on the OECD legal instruments in the field of environment (June and December 2017) and waste (October 2017 and April 2019). Other written material provided by Costa Rica, including the translation of relevant legislation, as well as the Secretariat's missions to San José also contributed to the evaluation.

6. On 31 July 2019, EPOC completed its review of Costa Rica, integrating the conclusions of the review by the WPRPW and concluding that Costa Rica is willing and able to implement the OECD legal instruments in the field of environment and that Costa Rica's policies and practices are consistent with OECD best policies and practices.

7. This Summary Report presents the main elements of the evaluation reports on the environment and waste. Most information about Costa Rica's policies and legislation has not been updated since April 2019 for waste management and since December 2017 for other environmental domains.

2. Environmental policy, legal and institutional frameworks

2.1. Policy framework

8. The environmental policy framework in Costa Rica comprises several cross-sectoral and sector-specific strategies:

- The National Plan of Development and Public Investments for 2019-22 presents a single national objective, with a focus on sustainable development from the economic, social and environmental point of view. Among other priorities, it emphasises stabilising waste generation and increasing environmentally sound waste management.
- The 2009 National Water Policy establishes strategic guidelines on water governance, access to water, competitiveness in the water sector, sustainability of water resources, knowledge development, promotion of a water culture, vulnerability and adaptation to climate change, and public participation.
- The VII National Energy Plan (2015-30) aims to improve energy efficiency, promote sustainability and improve environmental regulations. The plan also promotes more efficient and cleaner public transportation systems, as well as the use of alternative fuels. The plan was developed with a high level of public and stakeholders' participation.
- The National Biodiversity Policy (2015-30) constitutes the main framework for the conservation and sustainable use of biodiversity. Specifically, it functions as a key instrument for urban development, adaptation to climate change, human health and food security. In addition, the National Biodiversity Strategy (2016-25) sets out Costa Rica's priorities grouped into seven strategic objectives. This framework is complemented by the National Plan for Sustainable Tourism (2010-16), the National Plan for Forestry Development (2011-20), the Policy for Protected Wildlife Areas (2011-15) and the National Sea Policy (2013-28).
- The 2007 National Climate Change Strategy articulates the country's commitment to a low-carbon economy. The strategy comprises a number of thematic areas, including mitigation of greenhouse gases, adaptation to climate change, financing, capacity building, public awareness and education across all the main environmental sectors. In addition to the Strategy, a 2015 Action Plan sets guidelines to improve the allocation of public and private resources to achieve the low-carbon goals.[1]

9. Since 2010, with the adoption of the Law on Comprehensive Waste Management, the focus of Costa Rica's waste policies is increasingly shifting from a culture of landfilling towards one of waste recovery. There are a number of strategies and plans addressing waste management.

- The National Policy on Comprehensive Waste Management (2010-21) establishes key principles such as prevention and reduction of waste at source, the promotion of recovery and recycling, extended producer responsibility, public access to information and participation.

[1] In February 2019, Costa Rica adopted a 2018-50 National Decarbonisation Plan to achieve a zero net emissions economy by 2050, in line with the objectives of the Paris Climate Change Agreement.

- The 2016 National Strategy for Waste Separation, Recovery and Valorisation aims to encourage further waste recovery. It targets key aspects of recovery/recycling supply chains, such as harmonising waste collection, sorting and recovery systems and integrating into them the informal waste recovery sector. The strategy sets an overall objective to increase the collection and recovery of waste to 15% by 2021.
- The National Waste Management Plan (2016-21) focuses on adapting the legal framework, reinforcing capacity and raising awareness, improving waste management financing, strengthening the institutional setting and research and technological development.
- The National Strategy for Reduction of Single-Use Plastic for 2017-20, in co-ordination with the United Nations Development Programme, aims to substitute single use plastics (plastic bags, bottles and packaging) by using recoverable and compostable materials. The main objective is to reduce the plastic component of municipal waste by 50% by 2021.
- The National Policy on Sustainable Production and Consumption for 2018-30 identifies seven strategic areas, including agro-food, construction, tourism and public purchasing and promotes waste prevention, recycling and recovery. However, the country has no dedicated strategy for industrial or construction and demolition waste.

2.2. Legal and institutional framework

10. The foundation of Costa Rica's environmental legislation is the 1949 Constitution, which guarantees protection of the environment. The country's main environmental laws are the 1995 Organic Law on the Environment, the 1998 Biodiversity Law and the 1973 General Health Law. In addition, Costa Rica has also enacted regulations on urban planning, land use, waste management, water management, air pollution, environmental impact assessment, industrial wastewater treatment and fuel storage.

11. The Organic Law on the Environment calls to provide "Costa Ricans and the state with the instruments necessary to achieve a healthy and ecologically balanced environment". It sets forth a general framework for protected areas, wetlands, marine and coastal zones conservation, land-use planning, public participation, forest management, soil management, quality of water, quality of air, pollution prevention and control, biodiversity, environmental impact assessment, and remediation of environmental damage. It also provides for the establishment of the National Environmental Technical Secretariat (SETENA) and the Environmental Administrative Tribunal.

12. The Biodiversity Law is the core law for conservation and protection of terrestrial and marine biodiversity. It formulates guiding principles for the use of biodiversity and establishes the National Biodiversity Management Commission (CONAGEBIO) and the National System of Conservation Areas (SINAC). It also establishes special environmental impact assessment provisions for biodiversity.

13. The 1973 General Health Law regulates industrial activities and sets obligations to obtain permits. It also establishes air emissions reduction measures. In addition, several of its implementing regulations address noise pollution, water management and soil contamination.

14. The 2010 Law on Comprehensive Waste Management of 2010 is the main piece of legislation governing waste management in Costa Rica. The Law is complemented by a series of decrees establishing requirements for national and municipal waste management

plans, waste shipments procedures, waste information and tracking systems, extended producer responsibility (EPR) schemes, hazardous waste management, etc. In addition, there are regulations for specific waste streams, e.g. electronic waste, pharmaceutical waste and used tyres. A 1994 law incorporates the requirements of the Basel Convention into Costa Rican legislation.

15. Four ministries share environmental responsibilities: the Ministry of Environment and Energy (MINAE), Ministry of Health (MINSA), Ministry of Agriculture and Livestock (MAG) and Ministry of Public Works and Transportation (MOPT). A number of agencies and bodies work under the aegis of MINAE, including the National Environmental Technical Secretariat (SETENA), Water Directorate, Directorate of Climate Change, Directorate of Information Technology, SINAC, National Forestry Financing Fund (FONAFIFO), CONAGEBIO, and General Directorate of Environmental Quality Management.

16. There are 82 municipalities in Costa Rica. Article 170 of the Constitution grants municipalities a high level of autonomy to achieve their objectives within their territorial jurisdiction. Municipalities are in charge of planning, developing and managing local services and infrastructure, including water supply, sanitation and solid waste management. They are responsible for establishing a zoning plan for their territory as well as a coastal plan, where appropriate. Municipalities are also responsible for granting construction and waste management permits. The 1998 Municipal Code allows municipalities to join in federations to improve the effectiveness of local public services. They also co-ordinate with agencies at the national level on matters of national importance.

3. Implementation of OECD legal instruments

3.1. Implementation of the Polluter Pays Principle and use of economic instruments

17. This group of legal instruments includes:

- Recommendation of the Council on Guiding Principles concerning International Economic Aspects of Environmental Policies [OECD/LEGAL/0102] – recommends that countries, in determining environmental control policies and measures, observe the Guiding Principles set forth in the Annex, which introduces the Polluter Pays Principle (PPP)
- Recommendation of the Council on the Implementation of the Polluter-Pays Principle [OECD/LEGAL/0132] – recommends that countries not grant assistance to polluters in bearing the costs of pollution control whether by means of subsidies, tax advantages or other measures, except for well-defined transitional periods
- Recommendation of the Council concerning the Application of the Polluter-Pays Principle to Accidental Pollution [OECD/LEGAL/0251] – recommends that costs of reasonable measures to prevent and control accidental pollution at "hazardous installations" be borne by the installations' operators or other parties responsible for the accident
- Recommendation of the Council on the Use of Economic Instruments in Environmental Policy [OECD/LEGAL/0258] – recommends that countries make a greater and more consistent use of economic instruments as a complement or as a substitute to other policy instruments, such as regulations.

18. Costa Rica's Organic Law on the Environment (1995) establishes the polluter's responsibility for any damage to the environment and defines the concepts of pollution and damage. Costa Rica has an institutional and legal framework in place to implement the PPP. In keeping with Recommendation OECD/LEGAL/0102, Costa Rica harmonises its environment-related standards with international good practices. For example, in several areas it uses Central American Technical Regulations.

19. Law 8932 of 2011 and Decree 40013 of 2016 on tax exemption of wastewater treatment systems exempt from taxes the acquisition of wastewater treatment systems and their components and related materials based on case-by-case determinations of the MINSA. This practice is inconsistent with the provisions of Council Act OECD/LEGAL/0132. Costa Rica therefore requested ***a timeframe until 2021*** to meet the requirements of this act. The related Action Plan envisages a reform of Law 8932 and Decree 40013 to introduce a transitional period limited to five years for the tax exemption for treatment systems and equipment in the private sector. The reform would keep the exemption for public wastewater treatment systems unlimited in time. This is justified by the government strategy to reduce the use of septic tanks in the country and the related risk of surface and groundwater pollution.

20. The Organic Law on the Environment also creates liability for damage to the environment. In line with OECD/LEGAL/0251, the polluter must remediate the site by mitigating the impact of pollution and restoring its ecological conditions. If remediation is undertaken by the state, the polluter must compensate all the expenses. The competent administrative authority determines the liability, type and degree of mitigation and remediation measures, as well as conducts an economic assessment of damage. The

Environmental Administrative Tribunal can order environmental remediation measures in the second instance, if the initial administrative decision is appealed.

21. Several regulatory documents provide for the assessment of environmental damage. In 2014, SINAC and the Attorney General's Office issued joint guidelines for the economic assessment of damage to biodiversity. In 2013, MINSA issued an executive decree under the Regulation on Guidance Values in Soil for the Decontamination of Sites affected by Environmental Emergencies and Spills to specify remediation procedures and responsibilities. MINSA regularly inspects compliance with remediation orders.

22. Costa Rica uses a number of environment-related economic instruments, including taxes and levies, user fees, subsidies, tradeable allowances and deposit-refund schemes. The country imposes a tax on domestic production and imports of fuels. RECOPE, the national fuel monopoly, is the single payer of this tax. Its environmental impact is enhanced by the earmarking of 3.5% of the revenue to finance the Payment for Environmental Services programme (PSA).

23. In the water domain, there is a "water utilisation levy" (an abstraction tax) applied to any abstraction of surface water or groundwater, as well as a wastewater discharge levy on chemical oxygen demand and total suspended solids. MINAE is planning to extend the coverage of the wastewater discharge levy to other pollution parameters in the future.

24. User charges for drinking water supply and sanitary sewage services are set by the Regulatory Authority of Public Services. Municipalities set differentiated tariffs for residential, commercial and industrial waste management services; the rates may also vary depending on the type and amount of waste.

25. Costa Rica provides subsidies through tax reductions or exemptions for several categories of cleaner technologies, with each case requiring government authorisation. Imports of hybrid and electric vehicles, as well as of new regular vehicles benefit from reduced excise taxes. Certain tax exemptions apply to energy efficient and renewable energy equipment and materials, as well as wastewater treatment equipment. Owners or holders of agricultural land who apply best environmental practices are entitled to a 40% reduction of the real estate tax.

26. Finally, there are several nationwide voluntary deposit-refund schemes for used products, managed by large producers or importers as part of the emerging system of extended producer responsibility. They cover tyres, electronic equipment, small electric appliances, batteries, refrigerators and air conditioners, light bulbs and containers for oils and chemicals.

3.2. Environmental information

27. The issue of environmental information is addressed by the following legal instruments:

- Recommendation of the Council on Reporting on the State of the Environment [OECD/LEGAL/0170] – recommends improving environmental reporting and preparing periodic national state of the environment reports
- Recommendation of the Council on Environmental Indicators and Information [OECD/LEGAL/0257] – recommends that countries intensify efforts to improve statistics, indicators and information on the environment by linking environmental

and economic information and developing indicators and environmental accounting to measure environmental performance

- Recommendation of the Council on Environmental Information [OECD/LEGAL/0296] – recommends that countries take all necessary actions to increase the availability to the public of environmental information held by public authorities, improve the quality, relevance and comparability of data and promote effective and periodic reporting by enterprises.

28. Costa Rica's Organic Law on the Environment establishes that "the State shall promote, through its institutions, the implementation of an information system with environmental indicators, aimed at measuring the evolution and correlation of economic and social indicators for the country".

29. In accordance with OECD/LEGAL/0170, Costa Rica issues state of the environment reports. It is mandated by the Organic Law, which establishes the National Environmental Council, responsible, among other things, for preparing the report. The first official State of the Environment Report of Costa Rica was published in 2018.

30. MINAE co-ordinates work on indicators and accounts with the National System of Statistics (SEN) and the Central Bank of Costa Rica. MINAE also co-operates with the National Geographic Institute on issues related to spatial data. The National Geo-Environmental Information Centre (CENIGA), within MINAE, collects data from different environmental information sources. The National Environmental Information Network, established in 2013, engages all the entities and organisations responsible for environmental information across sectors, academia and local governments.

31. With regard to OECD/LEGAL/0257 and OECD/LEGAL/0296, Costa Rica is making progress in the development of environmental accounts and indicators. At the end of 2016, an Environmental Statistics Unit was created in the Economic Division of the Central Bank. This unit is responsible for elaborating, updating and annually publishing environmental accounts. Currently, work is being done to strengthen existing accounts (on water, forestry and energy) and to develop new ones, such as an ecosystem services account and an environmental protection expenditure account. The latter effort is carried out with support of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). Costa Rica has identified several indicators that can be produced from existing and planned environmental accounts.

32. Costa Rica is consolidating the National System of Environmental Information (SINIA), established in 2013, in accordance with the SEN. SINIA was created as an official platform for institutional and sectoral co-ordination to facilitate the management and distribution of national environmental information. SINIA has adopted the Framework for the Development of Environmental Statistics agreed with the United Nations Statistics Division. This flexible statistical framework guides the collection and compilation of environment statistics at the national level.

33. With regard to developing actual indicators, CENIGA is implementing an Environmental Indicators System (SIA) as a module of SINIA. The SIA has been designed to incorporate all environmental statistics and indicators related to drivers, pressures, states, impacts and responses, which is in line with OECD best practice. SIA will integrate all key national indicators in a publicly accessible database.

34. A preliminary list of 147 environmental indicators has been identified, in line with the OECD requirements, the Sustainable Development Goals and other international environmental commitments. At the time of submission of the Revised Position, Costa

Rica had analysed the availability of information to develop each indicator and had chosen 49 of them to be developed in priority and used for the elaboration of the State of the Environment Report.

35. Costa Rica is requesting a ***timeframe until 2022*** to fully align with the requirements of OECD/LEGAL/0296. The Action Plan foresees enhancement of the SINIA through identification of data gaps and collection of information, followed by the development and publication of relevant environmental statistics and indicators. Technological updates of the online platform of SIA will also be carried out. In addition, Costa Rica plans to progress on the publication of the foreseen environmental accounts and produce yearly reports on existing and new accounts. Finally, the country is envisaging establishment of a pollutant release and transfers register for the business sector, which is one of the requirements of OECD/LEGAL/0296.

36. Costa Rica has regularly replied to the OECD questionnaire on the state of the environment, which reveals a relatively good coverage of topics. The country systematically reports on environmental information to international bodies and under the framework of international agreements. These include the United National Environmental Programme, the United Nations Framework Convention on Climate Change, the Stockholm Convention on Persistent Organic Compounds, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Basel Convention on the Control of the Transboundary Movements of Hazardous Wastes, and the Convention on Biological Diversity.

37. Access to environmental information to the broader public is guaranteed by the Constitution.[2] There are some restrictions to the free access to public information related to security and commercial confidentiality, none of which contravene the requirements of the OECD legal instruments related to environmental information. SETENA publishes online all documents related to environmental impact assessment (EIA) procedures. There is an online legal information system covering all national legislation, including that issued by MINAE.

38. The importance of environmental education is mentioned in the Organic Law and the Biodiversity Law (1998). There are guidelines established at the national level to support environmental education in school programmes at all levels and awareness raising initiatives for the broader public.

3.3. Environmental assessment and integrated pollution prevention and control

39. The Recommendation of the Council on the Assessment of Projects with Significant Impact on the Environment [OECD/LEGAL/0172] recommends that countries integrate environmental considerations, using environmental assessment procedures, into the planning and decision-making process of all projects having a potentially significant impact on the environment. This also implies ensuring early consideration of measures for mitigating environmental impact and incorporating, where possible, alternative solutions in the assessment of environmental impact, and introducing, where appropriate, practical measures for informing the public and allowing those who may be, directly or indirectly, affected by the project to participate in the decision-making process. Finally, member countries should introduce practical measures

[2] In September 2018, Costa Rica signed the Latin America and the Caribbean Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters (Escazú Agreement).

for monitoring the effects on the environment of important projects which have been subject to EIA procedures.

40. The Organic Law on the Environment (1995) establishes an EIA process and gives SETENA the responsibility to approving EIA results and issuing the corresponding "environmental viability licence" (VLA). In addition to EIA of projects, SETENA conducts strategic environmental assessment (SEA) of land-use plans developed by municipalities, as well as of transport plans and programmes, to make sure they incorporate environmental considerations.

41. The EIA process starts with a preliminary environmental assessment, during which activities having a potentially high or moderate-high environmental impact are subject to a formal scoring process, whereas activities with a potentially moderate-low and low impact only have to submit a simplified application. The initial classification of activities is contained in a 2004 executive decree. The formal scoring reflecting the size of potential impact, determines the type of document the developer would have to submit: a declaration, an environmental management plan, or a full environmental impact study. The environmental impact study must include an analysis of alternatives. After issuing a VLA, SETENA conducts follow-up monitoring and audits to ensure the activity complies with the VLA conditions. This process is in line with Recommendation OECD/LEGAL/0172.

42. All documents produced as part of the EIA process are open to the public. Any member of the public can consult those documents at the offices of SETENA or on its website. The developer must engage in an interactive participatory procedure with the local population if the activity is likely to generate social tensions or affect indigenous communities. The public can request to be a party to the EIA procedure (and be notified of its every step) and make comments on the developer's submissions in writing, in a meeting with SETENA technical staff, or in a public hearing. A public hearing can be initiated by any natural or legal person, but SETENA has the discretion of convening one. The criteria SETENA uses to justify its decision on whether or not to hold a public hearing include the existence of perceived information gaps regarding the project, its high environmental impact or social implications, or lack of appropriate public consultation by other means. Public hearings are uncommon, primarily because they are seldom requested.

43. The Recommendation of the Council on Integrated Pollution Prevention and Control (IPPC) [OECD/LEGAL/0256] recommends that countries take into account the effects of activities and substances on the environment (air, water, soil) as a whole as well as the impact of the entire commercial and environmental life cycles of substances on the environment and human beings. Adherent countries should ensure that their laws and regulations as well as administrative procedures and institutional measures support IPPC based on more detailed guidance in the Appendix of this Council Act.

44. Based on the General Health Law (5395/1973) and the Organic Law of Environment, the government has issued a series of decrees establishing environmental standards for air, water and soil pollution and waste management. MINSA oversees the greatest number and diversity of norms to directly regulate sources of pollution, mainly in the areas of wastewater discharges, air emissions, waste management, noise and chemicals. MINAE has important responsibilities for EIA and water management.

45. During the pre-construction phase, the developer must obtain a VLA from SETENA after a project or activity undergoes an EIA. In addition, a wastewater discharge

permit should be obtained from the Water Directorate of MINAE. To begin operations, a Sanitary Operating Permit (Permiso Sanitario de Funcionamiento, PSF) from MINSA is required. The PSF is issued if the person concerned complies with the other specific environmental regulations in force.

46. Each authority inspects compliance with the laws or decrees under its competence. Regional offices of MINSA monitor compliance with PSFs in accordance with an inspection plan, which gives priority to facilities designated as having high environmental and health risk. SETENA is in charge of monitoring compliance of projects and activities with VLA. The Water Directorate conducts site visits to verify the information submitted by operators in their wastewater discharge permit applications. Most on-site inspections are carried out in response to public complaints to the competent authority.

47. In order to address shared environmental responsibilities, a series of inter-institutional and inter-sectorial commissions have been created to co-ordinate regulatory actions and maximise institutional resources. These include, among others, the Commission on the Discharge and Reuse of Wastewater co-ordinated by MINSA; the Consultative Platform on Integrated Solid Waste Management managed by MINSA; the Technical Commission on Emission and Air Quality Standards co-ordinated by MINSA; and the Commission on Sustainable Production and Consumption coordinated by MINAE. However, the environmental permitting and compliance monitoring regimes are fragmented and cumbersome.

48. Costa Rica's ***Action Plan until 2022*** proposes to address these issues by creating an Integrated System of Environmental Permits. This system would involve the mapping and optimisation of environmental procedures required for construction and operation of facilities or infrastructure works. The Action Plan calls for legal analysis and regulatory adjustments to integrate and simplify these procedures and introduce a one-stop shop for the operator to submit an environmental permit application and receive the required permits. As part of the system, an information exchange mechanism would ensure adequate consultation between stakeholder government agencies during the permit determination process.

49. In addition, Costa Rica's Action Plan includes actions to establish an integrated environmental inspection regime. An annual inter-institutional operational plan will establish the frequency, mechanisms and procedures of inspections for each prioritized facility.

50. Costa Rica increasingly encourages development and implementation of cleaner technologies and good environmental management practices. MINAE is developing a National Sustainable Production and Consumption Policy (NSPCP). Costa Rica's Action Plan under OECD/LEGAL/0256 envisages the adoption of the NSPCP in 2018, creation of an inter-institutional and inter-sectorial platform on sustainable production and consumption, and implementation of several cleaner production promotion instruments defined in the NSPCP.

51. In line with this policy, voluntary cleaner production agreements between a competent ministry and a certain economic sector or enterprise would establish cleaner production goals and mutually agreed commitments. Furthermore, an Environmental Acknowledgment System would publicly recognise economic entities or organisations for significant environmental achievements. The NSPCP would also strengthen the National Environmental Labelling Programme and provide for training and technical assistance in priority economic sectors.

3.4. Environmental performance of government

52. Environmental performance of government is addressed by the following Council Acts:

- Recommendation of the Council on Improving the Environmental Performance of Government [OECD/LEGAL/0283] – recommends that countries develop and apply strategies for continually improving the environmental performance of their governments by integrating environmental considerations into all facets of government operations and facilities, including the decision-making process
- Recommendation of the Council on Improving the Environmental Performance of Public Procurement [OECD/LEGAL/0311] – recommends that countries take greater account of environmental considerations in the public procurement of products and services and develop greener public purchasing policies
- Recommendation of the Council on Good Practices for Public Environmental Expenditure Management [OECD/LEGAL/0345] – recommends that countries take effective measures to ensure that public environmental expenditure programmes (PEEPs) are environmentally effective, economically efficient and managed in accordance with the sound principles of public finance.

53. Costa Rica has adopted a range of requirements aimed at improving environmental performance of public institutions. The Programme for Institutional Environmental Management (PGAI), adopted in accordance with a 2011 Executive Decree on the Elaboration of Environmental Management Programmes for the Public Sector in Costa Rica, mandates all public entities, including public companies and municipal authorities, to implement environmental management systems and related training programmes. Guidelines have been issued on how to elaborate a PGAI for an institution, conduct an energy assessment, develop a greenhouse gas inventory, record the consumption of water, electricity, paper, fuels and generation of waste, and develop good environmental practice guides with regard to resource consumption and waste generation.

54. MINAE and MINSA are responsible for monitoring PGAI implementation in all public institutions. All institutions have to submit to MINAE a report on compliance with environmental goals every six months. MINAE conducts annual follow-up visits to every public institution and establishes an environmental performance rating based on 14 evaluation criteria (covering environmental measures, investments and savings, awareness and training) and a set of indicators on resource consumption and waste generation. Successful performance is recognised and publicised.

55. Costa Rica has been working on sustainable public procurement (SPP) since 2009. A National Policy on Sustainable Public Procurement was adopted in 2015. It assigned the lead in this area to the Ministry of Finance and created a National Steering Committee on Sustainable Public Procurement which includes representatives of the Ministry of Finance, MINAE, Ministry of Economy, Industry and Commerce, and Ministry of Labour and Social Security.

56. The Ministry of Finance issued Practical Guidelines for Sustainable Public Procurement in the Public Sector in 2010 and included sustainability as a key pillar of the Strategic Plan for Modernization of Public Procurement. As recommended by OECD/LEGAL/0311, the Guidelines' environmental criteria take account of emissions of greenhouse gases and ozone-depleting substances, use of toxic chemical substances, production and consumption of recycled and recyclable materials, and good environmental practices in the production process. The Guidelines currently cover 10

product categories, including computer, printing and other office equipment, office supplies, vehicles, clothing, cleaning, food and advertising services.

57. In 2015, the Ministry of Finance enacted Technical Regulations for the Application of Sustainability Criteria in Public Procurement. They require public entities to report periodically on the implementation of SPP. Furthermore, the Ministry of Finance has to date concluded 12 framework agreements on public procurement which include sustainability criteria. They cover, among others, vehicles, cleaning materials, furniture and office equipment. MINAE issued a directive on purchases of energy-efficient equipment for all government offices, including local ones.

58. In addition, the Ministry of Finance has produced an information Manual for the Implementation of Green Procurement in the Public Sector of Costa Rica. It has developed and delivered a range of awareness-raising and training courses for the public and private sectors. These training materials as well as a decision-making matrix for the use of sustainability criteria are available online. According to a 2016 survey of SPP implementation among public bodies in Costa Rica, 69% of survey respondents use the Practical Guidelines for SPP.

59. Costa Rica allocates on average about 0.5% of its gross domestic product for environmental protection. Since 2016, MINAE has been working with the UN ECLAC and the World Bank on an environmental protection expenditure programme that would allow the country to improve its data collection and management on public sector spending on environmental protection.

60. Costa Rica has adopted effective measures to ensure that PEEPs are managed in accordance with the general management principles of public expenditure. MINAE formulates a budget proposal and submits it to the Ministry of Finance as part of the overall budget process. It also elaborates annual operational plans (AOPs), information from which is included in the National Evaluation System. In line with the checklists of the Annex to OECD/LEGAL/0345, environmental results are measured through indicators that are part of the AOPs and of the National Development Plan.

61. MINAE funding comes from the general budget as well as several environment-related taxes and fees, including the fuel tax, the water levy, the national park fee, permitting fees. MINAE has special accounting manuals for internal procedures: a manual on budget and finance, accounting procedures, a procedure for financial transfers to public and private entities, a procedure for the management of a cash fund, etc. These procedures are available on the MINAE website, providing transparency about the rules governing the use of environment-related funding.

62. Costa Rica has a number of mechanisms in place to control public expenditure management. Internal accountability and transparency within MINAE is assured by thematic audits of the Comptroller General of the Republic. More than 30 such audits were conducted in 2011-15. The Ministry of Finance also issues semi-annual evaluation reports on public expenditure of government bodies, holding them to “a high standard of fiscal discipline”.

3.5. Material flows and resource productivity

63. The Recommendation of the Council on Material Flows and Resource Productivity [OECD/LEGAL/0324] and the Recommendation of the Council on Resource Productivity [OECD/LEGAL/0358] aim at improving environmental information and

analysis on material flows and resource productivity, including indicators and accounts, and call on OECD member countries to develop methodologies to enhance scientific knowledge on the environmental impacts and costs of resource use throughout the entire life cycle of materials, to upgrade the quality of data and improve material flow accounts and to promote the use of indicators on material resource use and resource productivity. These Council Acts further recommend that countries use such indicators to better integrate environmental and economic decision-making and take appropriate policy actions to improve resource productivity and reduce negative environmental impacts of materials and product use.

64. In 2014, Costa Rica started developing environmental accounts on forestry, water and energy resources, but has not yet developed accounts on material flows (MFAs) and their associated environmental impacts. In 2017, a steering committee responsible for environmental accounting decided to start compiling material flows accounts. The Central Bank of Costa Rica is in charge of the first steps of the process since it already collects information in the national accounts on the extraction of metallic and non-metallic minerals, as well as their export rates. The Central Bank has been co-operating with the Dutch Central Bureau of Statistics to get guidance on the strengthening of environmental accounts and the development of new ones, including MFAs, which is a positive initiative in line with Recommendation OECD/LEGAL/0358 that encourages OECD member countries to co-operate with non-members to improve material flows analysis. Costa Rica also plans to build on the experience gained through the forestry account, as it already quantifies part of the country's biomass assets.

65. For what concerns sustainable materials management, Costa Rica is in the process of developing its national policy on sustainable production and consumption.[3] The 2010 Integrated Waste Management Law includes provisions for extended producer responsibility and lays out principles for cleaner production, and life-cycle-oriented approaches. Finally, the government is determined to move towards a circular economy, with MINAE responsible for promoting this objective.

66. There are a number of economic instruments in Costa Rica to encourage more efficient use of resources. These instruments include a fuel tax, water abstraction and discharge taxes, and water supply and sanitation charges. There are also voluntary deposit-refund schemes for used products that are part of the extended producer responsibility system. More information on economic instruments applied in Costa Rica can be found in Section 3.1.

67. Additional efforts will be required by Costa Rica to fully develop a system of material flow accounts and resource productivity indicators. In order to do so, capacity building will be required. ***The Action Plan until 2020*** that accompanies the request for timeframe for the legal instruments related to material flows and resource productivity contains all the main elements required by the acts.

68. During 2018, Costa Rica would identify capacity needs to develop the accounts, set up a training plan, identify information sources, and define key indicators for a transition towards a circular economy. In 2019, data collection will be completed, while by 2020 indicators would be generated, included in a SINIA report and subsequently used to inform the policy-making. Indicators, along with relevant case studies and a dedicated

[3] The National Policy on Sustainable Production and Consumption was adopted on 21 February 2019.

communication strategy, would also be produced to support the transition to a circular economy.

3.6. Water management

69. The Recommendation of the Council on Water [OECD/LEGAL/0434] recommends that countries set up long-term water management plans, address water quantity through water demand management policies, improve water quality, and reduce eutrophication. It also recommends implementing a water risk management policy and improving policy coherence across sectors potentially affected by water risk. Enhancing the effectiveness of water governance and ensuring sustainable financing of water services and infrastructures are equally addressed by this Recommendation.

70. Costa Rica's 2009 National Water Policy provides a policy framework for water management and establishes 12 principles for the sustainable use of water resources. These include, among others, the PPP, integrated water management, territorial planning, financing, and stakeholder participation. The 2009 National Plan for Integrated Management of Water Resources addresses long-term water management by defining plans and actions to improve river basin management. The 2013 Water Agenda provides a roadmap to 2030 to achieve more efficient use, protection and sustainability of water resources.

71. Costa Rica has 34 river basins. For 15 of them, a "water balance" was prepared in 2008, following the methodology of the International Hydrological Programme of UNESCO. It determines the availability of water resources based on supply and demand. The planned Monitoring System for Groundwater will establish a real time monitoring network in major aquifers by the end of 2020. The system will record groundwater levels automatically and systematically. It will reduce data collection time in comparison to manual monitoring, improve the quality of these data and enhance results analysis to facilitate appropriate technical and political responses. A monitoring system has already been designed for Guanacaste – a basin in the north Pacific region, the country's driest. It includes 40 measurement points, information from which is currently available and will be also uploaded online. Full national coverage is expected by 2020. Other monitoring programmes and instruments include the 2012 National Programme for Monitoring of Water Bodies Quality and the 2015 National Information System for the Integrated Management of Water Resources (SINIGIRH).

72. MINAE is the responsible authority for water management through the Water Directorate. Effective water governance is achieved through inter-institutional committees (on hydrology and meteorology, groundwater, surface water and wastewater) that rely on the information provided by the above-mentioned instruments to influence the decision-making process and co-ordinate actions across ministries.

73. Water demand management is carried out through a system of water abstraction permits, called concessions. Any natural or legal person, whether public or private, requires a concession for surface water or groundwater uptake. MINAE is responsible for managing the application process and granting the permits, which are available online.

74. Water quality is ensured through regulatory instruments that limit the discharge of pollutants into water bodies and public sewers. The 2007 Regulation on the Discharge and Reuse of Wastewater sets effluent limit values for polluting parameters such as biochemical oxygen demand, chemical oxygen demand, phosphorus, nitrates, acidity, fats and oils and suspended solids. Additional limits are set for a group of hazardous

substances. MINSA monitors compliance with the regulation and imposes fines in case of breach of its requirements.

75. The regulation on wastewater also contributes to addressing eutrophication. Other measures stem from the 1998 Law on Soil Uses, Management and Conservation that establishes standards and good practices in agriculture on the control and management of nutrients. MAG provides technical assistance to farmers on measures to mitigate soil pollution, erosion and degradation. In addition, farmers have to develop plans on their use of fertilisers, risk of water contamination and soil management.

76. The 2016 National Policy on Sanitation aims at achieving the safe management of the total wastewater generated by 2045. This policy is complemented by the National Investment Plan for Sanitation 2016-2040, which details the needed investments in the national sewerage system and wastewater treatment plants.

77. Costa Rica has economic instruments in place that reflect the application of the PPP to water management. These include an abstraction charge differentiated depending on the type of use and the authorised abstraction rate, as well as a volume-based wastewater discharge tax. A quarter of the revenues from both instruments contribute to the Payment for Environmental Services (Section 3.7); another 25% support initiatives aimed at the conservation of protected areas; 50% of revenues are used to finance the Water Directorate of MINAE.

78. Sustainable financing of water services is ensured through the Public Services Regulatory Authority which determines taxes and charges applied to water services taking into account economic and social considerations. In addition, the 2016 Decree on Tariff Policy for operators of drinking water and sanitation systems lays out a number of principles on the financing of water services, which include integrating environmental considerations into investment planning, eliminating price distortions while allowing for socially justified subsidies.

79. Water risk is addressed through the 2006 Law on Emergencies and Prevention of Risks and the 2016 National Risk Management Policy to 2030. The policy provides for risk analysis and management based on principles of resilience and social inclusion, public participation, education and awareness, sustainable investment and risk reduction planning. The National Commission for Risk and Disaster Management manages these processes. Water risk management is a cross-cutting element of the policy and includes water security plans, technical guidelines on how to regulate storm water, alerts for water risk associated with climate change, as well as general emergency response plans.

80. To further align with the Recommendation, Costa Rica has developed an ***action plan for 2018-21***. The country intends to improve water governance by streamlining the current institutional framework through the approval of the Integrated Water Management Law that envisages the creation of Basin Councils and related Water Management Plans. The plans will be set per hydrological unit, and consider prioritised use of water resources, the hydrological cycle and include risk management criteria. They will also be adapted to exceptional circumstances, which is in line with the scope of the Act. The efficiency of the water allocations system will be increased through mechanisms that will give MINAE the flexibility to adjust the volume of water assigned in the concessions to adapt to changes in weather patterns and shifting circumstances. Finally, a number of measures are planned to tackle eutrophication, by first assessing the situation in the country, and then identifying causes and developing case studies on how to effectively address it.

3.7. Biodiversity

81. The Recommendation of the Council on the Use of Economic Instruments in Promoting the Conservation and Sustainable Use of Biodiversity [OECD/LEGAL/0326] recommends that countries establish and apply a policy framework aimed at ensuring efficient long-term conservation and sustainable use of biodiversity and its related resources. This implies making greater and more consistent use of domestic economic instruments in applying biodiversity policies, integrating market and non-market instruments into an efficient mix of policies as well as integrating biodiversity policy objectives into government sectoral policies.

82. In accordance with Costa Rica's 1998 Biodiversity Law, SINAC, a decentralised institutional co-ordination system under the auspices of MINAE, manages forestry and biodiversity conservation matters, including protected areas. The National Policy for Biodiversity (PNB) for 2015-30 is the main government document in this domain. It calls for integrating the value of biodiversity in the national planning and accounting processes through multi-sectoral co-ordination mechanisms. This contributes to mainstreaming of biodiversity considerations into sector-specific policies, in line with the recommendations of OECD/LEGAL/0326.

83. The PNB also envisages expanded use of economic incentives for conservation and sustainable use of biodiversity. To operationalise this objective, the National Strategy for Biodiversity for 2015-25 sets several targets. For example, target 66 calls for covering at least 300 000 ha of forest and plantations by the Payment for Environmental Services (PSA) programme by 2020. A legal framework for economic incentives to promote biodiversity is shaped by the Biodiversity Law (Chapter VIII) and the 2008 Regulations (Chapter V) under the same law.

84. The PSA programme is implemented through FONAFIFO and provides for financial compensation of private owners of forests for their conservation. The programme is funded primarily by 3.5% of revenues of the fuel tax. To ensure financial sustainability of the PSA programme, a Sustainable Biodiversity Fund was created in 2008 using a World Bank loan. It is an endowment fund whose financial yield contributes to the PSA compensation of small forest owners, particularly in poor and indigenous areas.

85. Annual executive decrees set the number of hectares and the overall payment amount for the given year. If a private forest property meets the PSA requirements, a contract is signed with the owner, specifying the transfer of greenhouse gas mitigation rights to FONAFIFO. Over the period of 1997-2014, 14 648 PSA contracts were signed, stipulating different sustainable use regimes: forest protection, forest management, reforestation, plantations, natural regeneration, and agro-forestry.

86. There are also a number of tax incentives targeting biodiversity conservation and sustainable use. Owners of natural, protected or replanted forests are exempted from property taxes under the 1995 Property Tax Law. The same exemption applies to properties that are part of the Natural Patrimony of the State or whose owners have willingly accepted respective environmental obligations. There are also tax breaks for investments into forest plantations. A government decree, expected to be adopted, would exonerate biodiversity protection-related equipment (except vehicles) of all taxes.

3.8. Noise

87. The Recommendation of the Council on Noise Abatement Policies [OECD/LEGAL/0163] and the Recommendation of the Council on Strengthening Noise Abatement Policies [OECD/LEGAL/0218] recommend that countries have comprehensive noise abatement programmes and laws to cover all noise sources and relevant measures. They should ensure more effective enforcement of existing noise abatement regulations and progressively strengthen and complement them with economic incentives and measures designed to promote production and use of quieter products. They should protect most exposed segments of the population by means of land-use planning, traffic management, construction of noise barriers and insulation of buildings, and carry out other measures.

88. Costa Rica has adopted a wide range of laws and regulations to control ambient and indoor noise. The Ministry of Health is responsible for regulating ambient noise, while the Ministry of Labour and Social Security regulates noise hazards at the work place. The General Health Law of 1973 and several of its implementing regulations define noise pollution as a form of pollution of the atmosphere. A 2015 executive decree of MINSA defines different types of zones (residential, commercial, industrial, agricultural, mixed zones and special quiet zones around health clinics) with corresponding maximum noise levels for day and night time. The planned consolidation of the noise-related regulations by MINSA envisages provisions for municipalities to develop binding noise maps of their territory. This demonstrates Costa Rica's application of land-use planning tools to control noise pollution.

89. MINSA conducts noise inspections and measurements at noise sources and has a right to issue "health orders" to operators, prescribing a noise confinement plan with a timeframe for its implementation. Furthermore, noise assessment is part of the EIA process (Section 3.3).

90. Costa Rica also uses traffic management instruments for noise abatement. The 2012 Law on Public Road Traffic and Road Safety authorises the government to regulate vehicle noise emissions that should be monitored by traffic police on the road and authorised technical vehicle inspection bodies during routine vehicle checks. In 2015, MOPT issued a Regulation for the Control of Noise emitted by Automobile Tailpipes, which sets noise limits for different categories of vehicles (cars, heavy load vehicles, buses, motorcycles, etc.).

91. With respect to indoor noise pollution, the 1979 Regulation for the Control of Noise and Vibration issued by the Ministry of Labour and Social Security establishes limits for intermittent and continuous noise at work premises. Costa Rica ratified the International Labour Organisation's Convention on the Protection of Workers against Occupational Hazards due to Air Pollution, Noise and Vibration in the Working Environment in 1981.

3.9. Transfrontier pollution

92. The Recommendation of the Council on Principles concerning Transfrontier Pollution [OECD/LEGAL/0133] and the Recommendation of the Council for the Implementation of a Regime of Equal Right of Access and Non-Discrimination in Relation to Transfrontier Pollution [OECD/LEGAL/0152] recommend that countries harmonise their environmental policies with a view to solving transfrontier pollution problems, based on principles of international solidarity, equal right of access and non-

discrimination, equal right of hearing, exchange of information and consultation as well as early warning. In particular, countries should introduce explicit provisions in their legislation to implement the system of equal right of access to information and justice in relation to transfrontier pollution. The Recommendation of the Council for Strengthening International Co-operation on Environmental Protection in Frontier Regions [OECD/LEGAL/0165] recommends that member countries co-operate on environmental protection in frontier regions in accordance with the guidelines set out in its annex.

93. Costa Rica complies with the principles on transfrontier pollution outlined in these three Recommendations. Non-discrimination is ensured by the fact that the PPP is applied to all polluters, regardless of whether they pollute within or outside the country. The principle of the equal right of hearing is ensured by a constitutional right of everyone affected by environmental damage to claim for compensation. There are Environmental Administrative Tribunals to receive and manage complaints for violations of environment-related legislation. The equal right of hearing can also be realised through the EIA procedure (Section 3.3), in which SETENA ensures that any person or organisation that can prove a legitimate interest, whether national or foreign, can participate in any stage of the procedure.

94. The principle of information and consultation is stipulated in an executive decree "International Notification Procedure on the impact of transboundary environmental impacts related to pollution in the development of works or projects" which entered into force in December 2017. According to the decree, SETENA, which had already some international notification responsibilities under several Costa Rican laws related to biodiversity, is in charge of activating the procedure in the EIA framework. It is supposed to do so when it determines that a planned project can cause transboundary pollution. In such case, the potentially affected state will be informed and consulted to determine appropriate measures to prevent or mitigate the environmental risk. The other country has three months to respond to Costa Rica, and in case of non-response SETENA will proceed with the EIA and inform the country of the result of the process.

95. Costa Rica is party to several international conventions, such as Basel, Rotterdam, Stockholm and Minamata Conventions that contain provisions related to transfrontier pollution. The Central American and Dominican Republic Free Trade Agreement with the United States has an environmental chapter that includes a mechanism for member countries to deal with transboundary pollution. There is an agreement between the Government of Costa Rica and the Government of Panama on Co-operation for Border Development, which covers environmental protection and socio-economic development. Further examples of international co-operation activities are carried out through the Central American Commission for Environment and Development and the Central American Integration System. The latter deals with biodiversity issues, access to water and sanitation, and climate change.

96. Finally, the Recommendation of the Council concerning Certain Financial Aspects of Actions by Public Authorities to Prevent and Control Oil Spills [OECD/LEGAL/0191] recommends that countries involved in the prevention and control of oil spills agree in advance on the financial modalities that will govern their respective actions and, in the absence of such agreements, make use of the Polluter-Pays Principle and take into account the international financial aspects of prevention and control of oil spills, as laid out in the Recommendation.

97. There are some co-ordination activities among Central American countries in the region to prevent and control oil spills. For example, the Central American Commission

on Maritime Transportation under the Central American Integration System has developed a Regional Contingency Plan in case of an oil spill in any of Central American waters.

98. Costa Rica has requested a ***timeframe until 2022*** to fully implement OECD/LEGAL/0191 on actions to prevent and control oil spills. In line with the requirements of this recommendation, the country expects to present to the parliament for ratification the 1992 Civil Liability Convention that establishes strict liability for environmental damage caused by leakage or discharge of hydrocarbons from ships, and the International Oil Pollution Compensation Fund, which complements the Convention. The Action Plan for the requested timeframe details precise activities related to ratifying the Convention, such as capacity building and awareness raising initiatives. The Action Plan also foresees setting up a National Contingency Plan for Oil Spills at Sea, with the purpose to define and co-ordinate responses to emergencies that could result in oil spills.

3.10. Coastal zone management

99. The Recommendation of the Council on Integrated Coastal Zone Management [OECD/LEGAL/0268] recommends that countries engage in strategic planning and integrated management of coastal zones by defining policy objectives specific for the coasts and their resources and strengthening the integration and harmonisation of sectoral policies affecting coastal zone management. Achieving sustainable management and conservation of fishing resources, ensuring a proper balance between tourism development and the carrying capacity of the coastal zone and enhancing international co-operation for the management of shared or common coastal areas is also recommended. In their coastal protection and development policies, countries should be guided by the principles contained in the annex to the Recommendation of the Council on Principles concerning Coastal Management [OECD/LEGAL/0148].

100. Cost Rica's Maritime-Terrestrial Zone (ZMT) is considered national heritage and belongs to the state. It extends 200 meters inland but excludes cities located on the coastline as well as duly registered private property. Its use is governed by the 1977 Law on the Maritime-Terrestrial Zone and its implementing regulations. According to the law, ZMT development must be aligned with national development priorities and the preservation of national heritage zones. Costa Rica has established several protected marine wildlife areas and declared its territorial sea and exclusive economic zone a sanctuary for whales and dolphins.

101. Coastal zone management (CZM) considerations are also integrated into other national policies and strategies, including the National Policy for the Sea for 2012-28 and the National Policy for Biodiversity for 2015-30. The National Strategy for Biodiversity for 2015-25 includes a target to increase the area of protected coastal marine ecosystems to 4% of the country's exclusive economic zone. In addition, the National Policy on Risk Management for 2015-20 of the National Emergency Commission includes guidelines for land and sea use from the perspective of vulnerability to natural disasters.

102. ZMT development is subject to planning instruments at three levels: the National Tourism Plan, regional General Land Use Plans for the ZMT and local coastal regulation plans. At the time of the writing, there were 128 coastal regulation plans. Any activity in the ZMT must be foreseen in a coastal regulation plan and must be approved by the Costa Rican Institute of Tourism, the Housing Institute and the corresponding local government. A concession may be given for a tourism, recreational or sports activity, a

residential, commercial or artisanal establishment, farming, non-recreational fishing, or an industrial facility. Areas of the Natural Patrimony of the State (forested areas, mangroves, wetlands, parks and reserves) are off limits for any development activity. The 2013 Manual on the Development of Coastal Regulation Plans is fully in line with the provisions of OECD/LEGAL/0148. Coastal regulation plans undergo a formal environmental assessment. Each individual facility, including tourism establishments such as hotels, resorts, golf courses and marinas, is subject to environmental impact assessment and requires an "environmental viability licence" from the National Environmental Technical Secretariat, as explained in Section 3.3.

103. Costa Rica has several economic instruments relevant to CZM, including the environmental levy on wastewater discharges, the fee for entrance to protected wildlife areas, and the fishing licence fee. At the time of the writing, Congress was reviewing a draft bill to create a National Fund to Promote Conservation of Ecosystem Services of the Sea and Marine Coastal Resources. This fund would provide direct payments to local and community organisations engaged in the conservation of marine and coastal ecosystems and resources.

104. Non-regulatory instruments for CZM include the Ecological Blue Flag programme which recognises voluntary conservation efforts. In particular, the award distinguishes community organisations that monitor sanitary quality of beaches, implement appropriate wastewater and waste management practices in coastal areas, and raise environmental awareness.

105. In keeping with the provisions of OECD/LEGAL/0268, the Costa Rican Institute of Fisheries and Aquaculture promotes conservation and sustainable use of biological resources of the sea. It grants licences for marine fishing as well as for aquaculture facilities. A 2009 regulation established five Marine Areas of Responsible Fisheries, where commercial fishing activities are strictly regulated to ensure sustainable use of fishery resources.

3.11. Energy and air pollution

106. Four legal instruments address energy-related issues and one provides a linkage between energy consumption and air pollution. They are:

- Recommendation of the Council concerning the Reduction of Environmental Impacts from Energy Production and Use [OECD/LEGAL/0149]
- Recommendation of the Council on the Reduction of Environmental Impacts from Energy Use in Household and Commercial Sectors [OECD/LEGAL/0157]
- Recommendation of the Council on Coal and Environment [OECD/LEGAL/0173]
- Recommendation of the Council on Environmentally Favourable Energy Options and their Implementation [OECD/LEGAL/0221]
- Recommendation of the Council on the Control of Air Pollution from Fossil Fuel Combustion [OECD/LEGAL/0217]

107. Council Recommendations OECD/LEGAL/0149, OECD/LEGAL/0157 and OECD/LEGAL/0221 recommend that countries ensure that their long-term environmental and energy policies are integrated at all stages (from policy formulation to implementation) with the aim of improving energy conservation and energy efficiency as well as reducing environmental impacts of energy production and use. OECD/LEGAL/0157 includes specific measures for the household and commercial

sectors. OECD/LEGAL/0221 recommends that countries promote cleaner fuels and renewable energy sources as well as environmentally favourable energy options consistent with broader social and economic goals. Countries should conduct EIA for energy use and production, and, more specifically, for siting of major energy facilities. Furthermore, they should integrate environmental costs into the price of energy and take appropriate measures to protect the environment in relation to surface-mined coal and exploration and exploitation of off-shore oil and gas resources (including by reducing sulphur oxide emissions). Council Act OECD/LEGAL/0173 recommends that countries establish or improve environmental protection and control measures at each stage of the coal cycle.

108. Costa Rica implements OECD/LEGAL/0149, OECD/LEGAL/0157 and OECD/LEGAL/0221 through a number of laws and strategies. These include the 1974 National Planning Law, the 1995 Organic Law on the Environment, the 1992 decree on the establishment of the natural resources sector, energy and mining, the 2015 decree on regulating generation from renewable sources, the National Development Plan for 2015-18, the seventh National Energy Plan for 2015-30, the Electric Generation Plan for 2014-35, and the Strategy Plan for RECOPE for 2016-21. In particular, the Organic Law states that energy resources should be used efficiently to ensure environmental protection. It also encourages development of alternative energy sources.

109. Long-term integration of environmental and energy policies is ensured by SETENA, which conducts SEA of land-use and transport plans. EIA is in place for electricity, gas and hydro power generation projects that are listed in Annex II of the 2004 EIA Decree. These include electricity distribution networks, transmission lines, pipelines, and wind, hydropower and geothermal electricity generation starting at less than 100 kW of installed capacity. Both EIA and SEA processes are open to the public, which can consult relevant documents on the SETENA website, as well as participate in meetings organised by SETENA and in public hearings (Section 3.3).

110. Alternatives are considered when a full environmental impact study is conducted. Internal guidelines developed by the Costa Rican Institute of Electricity contain specifications for environmental considerations in the location selection of projects. SETENA also issued technical guidelines on the use of the Environmental Fragility Index, a tool for land-use planning at the national level. There are restrictions for development of energy projects in protected areas.

111. Renewable sources supply almost all Costa Rica's electricity, three-quarters of which is hydroelectric power. The remainder of the electricity mix consists of geothermal and wind power. Biomass and solar generation account for less than 1%.

112. Fossil fuels account for almost 50% of the total primary energy supply and are mainly used in the transport sector. The National Energy Plan encourages the use of biofuels, natural gas and hydrogen in vehicles. In addition, the purchase of electric and hybrid vehicles is supported through tax exemptions.

113. Energy conservation is ensured through various measures. Technical regulations establish minimum efficiency requirements for imported products, such as cooling equipment, refrigerators, air conditioners, electric motors, lighting and water heaters. Moreover, the government promotes voluntarily certification programmes which include energy efficiency requirements for public institutions and private businesses.

114. Energy products, either produced or imported, are subject to a single tax by fuel type. Part of the tax revenues (3.5%) is used to fund the Payment for Environmental

Services programme (Section 3.7). Exemptions are in place for fuels supplied to airlines and merchant or commercial ships for international service, the Costa Rican Red Cross Association and the domestic fishing fleet. Other measures to control emissions form the transport sector are transit permits that cover emissions requirements, and a ban on imported leaded gasoline, in place since 1996.

115. Information campaigns on energy efficiency, such as the 2013 "Energy for People" campaign, are envisaged in the National Energy Plan as well as in MINAE programmes. Trainings are conducted for teachers and students at all levels of education on topics like energy efficiency and climate change. For example, the National Commission for Energy Conservation, MINAE's interagency co-ordination body for energy conservation, developed a course on energy efficiency for primary school teachers. RECOPE also organises school visits and provides online information on energy saving tips.

116. The reduction of environmental impact of energy consumption in the residential and commercial sectors is achieved through the use of electricity, which is produced from renewable sources. In addition to energy demand management measures and information campaigns described above, there are technical guidance documents on reducing energy consumption in the commercial sector.

117. Costa Rica has a moratorium on the exploration and exploitation of hydrocarbons (oil, gas and others) since 2014. Coal accounts for less than 1% of total primary supply, and no coal mining activities are conducted in the country.

118. Council Act OECD/LEGAL/0217 recommends that countries pursue policies to effectively control air pollution resulting from emissions of sulphur and nitrogen oxides, hydrocarbons and particulate matter from stationary and mobile sources. The aim is to achieve environmentally acceptable levels of ambient air quality and deposition of pollutants using the Guiding Principles set out in this Recommendation. In addition, they should develop consistent emission control strategies at the regional and national levels and co-operate to improve the availability and quality of data on air pollutant emissions from different categories of polluters.

119. The 1973 General Health Law establishes that every natural or legal person whose activity produces air emissions is compelled to take steps to reduce pollution. In addition, polluters should periodically submit reports on their emission levels to MINSA. In 2016, an Air Quality Commission was established to take actions to reduce air pollution.

120. Air pollution sources are controlled in Costa Rica through measures stipulated in the National Energy Plan and the National Strategy on Climate Change. Air quality is monitored through the National Network for the Monitoring of Air Quality that was created in 2008 by MINSA, MINAE, MOPT, the National University of Costa Rica and the Municipality of San José. The 2016 Regulation on Air Quality established the organisational and operational structure of the network. The air quality monitoring network measures ambient concentrations of particulate matter, carbon monoxide, ozone, volatile organic compounds, sulphur dioxide, nitrogen dioxide and ammonia.

121. Population exposure to ambient $PM_{2.5}$ has been significantly declining in Costa Rica over the past 20 years and in 2015 the estimated value was almost half the mean exposure in the OECD. The latest Costa Rican Air Quality Report covering 2013-15 shows that concentration levels of PM_{10} were in line with national regulations.

122. The 2016 Decree on the control of air pollution caused by mobile sources establishes standards for pollutants and regular inspections of vehicles. All vehicles in

Costa Rica are imported. By 2018 every new vehicle must comply with international emission standards Tier 2 and Euro 4, and as of 2021 imported vehicles must comply with Tier 3, Euro 6 standards. There is a ban for importing vehicles older than 12 years.

123. Regarding stationary sources, Costa Rica implements a 2011 decree on the release of air pollutants from boilers and indirect core type furnaces. The decree establishes emission limits for all entities, public or private, whose processes or activities include the operation of boilers and furnaces. Emission limits are established for particulates, sulphur dioxide and nitrogen oxides according to the type of boiler or furnace and the fuel used. This regulation also sets the frequency and content of self-reporting of such emissions.

3.12. Transport

124. The Recommendation of the Council on Traffic Limitation and Low-Cost Improvement of the Urban Environment [OECD/LEGAL/0131] recommends that countries seek to achieve a better balance between private and public transportation through expanding and improving the quality of transportation services. This implies, for example, improved traffic management, giving priority to public transportation, provision of bicycle-designated lanes, establishment of car-free areas, and carpooling. These policies should be complemented by improving local environmental quality by creating small parks, open spaces and pedestrian areas. The Recommendation of the Council on Assessment and Decision-Making for Integrated Transport and Environment Policy [OECD/LEGAL/0325] recommends that a systematic evaluation of economic, social and environmental effects underpin all transport plans and programmes and all major transport sector investments. It also recommends that countries take measures to promote integration of transport and environmental policies, following the Guidelines for Good Assessment and Decision-making Support found in an annex to this Recommendation.

125. The National Transportation Plan (2011-35) implemented by MOPT lays out Costa Rica's policy in the transport domain, including a vision to modernise the country's public transport system, starting with the metropolitan region of San José. It also envisages the development of an electric train connection between the country's four main cities. The Seventh National Energy Plan (2015-30) provides for the modernisation and electrification of the transport system in order to reduce emissions of air pollutants and greenhouse gases. It includes promoting renovation of the private vehicle fleet and, in a longer term, creating rapid passenger transit system. The plan also encourages the use of biofuels, natural gas and hydrogen in the transport sector. A Transport Electrification Strategy, with a particular focus on promoting electric buses, was expected to be adopted in 2018. The Efficient Vehicle Purchase Programme developed by MINAE offers financial bonuses for purchasing high fuel efficiency vehicles. The purchase of electric and hybrid vehicles is supported through tax exemptions.

126. In keeping with the recommendations of OECD/LEGAL/0131, a 2013 executive decree stipulates low-cost measures to improve the urban environment through better traffic management, including priority lanes for public transport, bicycle lanes and measures to control street parking and restrict private vehicle access to certain areas. For example, there has been restricted access to downtown San José on specific weekdays based on the licence plate number. Furthermore, several national and regional plans contain provisions on sustainable urban mobility. For example, the Sustainable Urban Mobility Programme for San José, elaborated in 2017 with support from the Inter-

American Development Bank, envisages development of non-motorised public transport, measures to control vehicle flows, and motor vehicle fleet renewal.

127. In line with the provisions of OECD/LEGAL/0325, infrastructure projects, including roadworks, implemented by MOPT are subject to mandatory socio-environmental analysis in accordance with a 2015 executive decree making the "environmental and social management process" part of MOPT's planning procedure. Moreover, all public works undergo EIA and must obtain a VLA prior to the start of construction. Land-use plans, including local roadway plans, undergo SEA (Section 3.3).

3.13. Tourism

128. The Recommendation on Environment and Tourism [OECD/LEGAL/0171] recommends that countries integrate environmental considerations in their tourism development policies and strategies and develop a set of environmental indicators to assist relevant authorities in developing and implementing environmentally friendly tourism policies.

129. The Costa Rican Tourism Institute (ICT), an autonomous governmental organisation, issued the first National Plan for Sustainable Tourism (PNTS) for 2010-16 and updated it for 2017-21. The main objective of the 2017-21 plan is to maintain tourism as a driving force of the Costa Rican economy by promoting its sustainable, innovative and inclusive development. It establishes a Social Progress Index, with a score, including environmental indicators for water supply and sanitation and ecosystem sustainability, to be calculated for each major tourism site in the country.

130. The PNTS is Costa Rica's official policy framework that demonstrates its commitment to sustainable tourism practices. This commitment is supported by several laws, including the 1998 Biodiversity Law which regulates tourism in wildlife protected areas and the 1995 Forestry Law which comprises provisions for ecotourism.

131. SINAC has developed a Strategy for Sustainable Tourism in Protected Wildlife Areas for 2015-18. It stipulates that tourism in protected areas should be sustainable and be in line with conservation policies, plans and programmes. This strategy is part of the National Strategy for Biodiversity for 2015-25. It seeks to maintain Costa Rica's reputation as a green country by insisting on the uniqueness of tourism activities in its protected areas.

132. Tourist infrastructure, including hotels and resorts above a certain size, golf courses, marinas and docks, is subject to EIA. Each facility requires a VLA from SETENA (Section 3.3). This is in line with the guidelines found in an annex to OECD/LEGAL/0171.

133. The ICT issues Certificates of Tourism Sustainability to tourism businesses that want to have their environmental performance assessed and certified by the National Accreditation Commission. The certificate addresses the impact of the activity on the surrounding natural habitat, environmental aspects of the facility's operations (water and energy consumption and waste management), sustainability aspects of its customer relations, and interaction with local communities.

134. MINAE uses the Visitor Flow Management Tool to assess and mitigate the impact of tourism in protected areas. Consistent with the provisions of OECD/LEGAL/0171, it comprises indicators that are specific to each protected area and reflect its biological, geological, scenic and cultural aspects.

3.14. Environment and development assistance

135. Three legal instruments address issues of environment and development assistance:

- Recommendation of the Council on Environmental Assessment of Development Assistance Projects and Programmes [OECD/LEGAL/0220] – recommends that countries ensure that development assistance projects and programmes that due to their nature, size and/or location could significantly affect the environment undergo environmental assessment
- Recommendation of the Council on Measures Required to Facilitate the Environmental Assessment of Development Assistance Projects and Programmes [OECD/LEGAL/0227] – recommends that countries adopt an environmental assessment policy for their development assistance activities
- Recommendation of the Council concerning an Environmental Checklist for Possible Use by High-Level Decision-Makers in Bilateral and Multilateral Development Assistance Institutions [OECD/LEGAL/0246] – recommends that countries make use of the "Environmental Checklist for Possible use by High-Level Decision-Makers" included in the annex of the Recommendation in deciding whether to approve proposed development assistance projects.

136. Costa Rica is engaged in four main types of international technical co-operation activities:

- South-South co-operation: technical cooperation between countries of similar level of development
- Triangular co-operation: activities involving three parties, two developing countries (recipient and provider) and a developed country or an international organisation that acts as a financier of the project
- Trans-frontier co-operation: collaboration with Panama that can include adoption of common strategies. The legal basis for this type of co-operation is the 1995 Agreement between the Government of Costa Rica and the Government of Panama on Co-operation for Border Development (Section 3.9).
- Regional co-operation related to environmental matters performed under the aegis of the Environmental Committee of Central American Integration System.

137. The institutional framework for international co-operation is primarily shared between two ministries. The Ministry of National Planning and Political Economy (MIDEPLAN) is responsible for international co-operation. According to the National Planning Law, MIDEPLAN has to define national priorities, keep a registry of all projects, and co-ordinate the national process. The Ministry of Foreign Affairs and Worship supervises international co-operation projects. A Technical Council for International Co-operation has been established to facilitate co-operation between the two ministries.

138. MINAE's Directorate for International Co-operation liaises with MIDEPLAN and the Ministry of Foreign Affairs for the implementation of international co-operation initiatives related to the environment. MINAE is responsible for managing international co-operation under South-South and Triangular co-operation with regard to desertification, marine resources, water allocation, low-carbon initiatives, and energy efficiency.

139. A 2017 amendment to the procedure to approve international co-operation projects included an environmental assessment to identify whether the project is likely to have a

significant environmental impact. The amendment follows the Appendix of OECD/LEGAL/0220 which provides a list of projects and programmes most in need of environmental assessment. If the project falls under one of these categories, a checklist to identify impacts and plan mitigation measures will be applied, in full compliance with OECD/LEGAL/0246.

3.15. Waste management

140. Environmentally sound management of waste is addressed by the Recommendation of the Council on Comprehensive Waste Management Policy [OECD/LEGAL/0147], Recommendation of the Council on the Environmentally Sound Management of Waste [OECD/LEGAL/0329], Recommendation of the Council on Waste Paper Recovery [OECD/LEGAL/0184] and Recommendation of the Council concerning the Re-Use and Recycling of Beverage Containers [OECD/LEGAL/0159].

141. Council Act OECD/LEGAL/0147 calls for a policy to reduce waste at source, promote waste recycling and recovery, use economic instruments and ensure appropriate data collection and access to information. The Constitution of Costa Rica enshrines the right of every person to "a healthy and ecologically balanced environment". Costa Rica's 2010 Law on Comprehensive Waste Management states an objective to "achieve a comprehensive approach to waste handling and making efficient use of resources, through the planning and implementation of regulatory, administrative, financial, educational, health and environmental actions, which should be duly monitored and evaluated".

142. The National Policy on Sustainable Production and Consumption adopted in March 2018 addresses the issue of waste reduction at source. The policy encourages restrictions on the use of hazardous substances as well as eco-design and environment-friendly products. In addition, Costa Rica runs prevention measures and programmes for specific waste streams, such as food waste, through the Costa Rican Network for the Reduction of Food Loss and Waste, with technical support from the Food and Agriculture Organization. The country adopted a National Strategy for Reduction of Single-Use Plastic 2017-20 which aims at substituting single use plastics (plastic bags, bottles and packaging) by recoverable and compostable materials.

143. There has been a shift towards the promotion of waste recovery since 2010. Article 4 of the Law on Comprehensive Waste Management establishes a waste management hierarchy that gives priority to recovery over disposal and to material recovery over energy recovery. However, major efforts are still needed to translate the stated objective into concrete measures and environmental performance. The 2016 National Strategy for Waste Separation, Recovery and Valorisation foresees measures to foster recovery and separate collection by municipalities. The recovery rate for municipal waste in 2016 was estimated at around 6%. There is currently very limited information on waste generation, recovery or recycling rate as a data collection system is being set up. This makes it difficult for Costa Rica to establish clear targets. MINSA has set an operational recycling target of 15%, which is still below the OECD average.

144. To transfer the cost of waste collection and treatment to its producers or importers, Costa Rica implements EPR for 15 waste streams, including waste electrical and electronic equipment (WEEE), tyres, batteries, waste oils, light bulbs, and, since 2019, end-of-life vehicles. However, there is no specific target set for collection, recovery or recycling within EPR schemes. Municipalities establish tariffs for municipal solid waste

collection and treatment that cover the full costs of comprehensive waste management. While municipalities are free to establish differentiated tariff systems, surcharges or other incentives to promote separate collection and recycling of waste, it is unclear how many have implemented such schemes.

145. MINAE manages the SIGREP information system for hazardous waste, MINSA – the future National Waste Information System (SINIGIR) system for all waste streams. MINSA organises workshops to assist municipalities with the preparation of waste management plans, with the help of guidance documents developed with technical assistance from Germany. The National Strategy for Waste Separation, Recovery and Valorisation targets informal waste pickers to provide them with relevant information and guidance to formalise their business.

146. The 2016 National Strategy for Waste Separation, Recovery and Valorisation is a key element of Costa Rica's implementation of Recommendation OECD/LEGAL/0147. Its practical implementation will require policy measures up to 2021 and beyond. For this reason, Costa Rica has requested an ***implementation timeframe until the end of 2021***.

147. Costa Rica's action plan to fully implement OECD/LEGAL/0147 has three main components:

- Improving waste information for policy makers: starting up SINIGIR and providing biannual data updates on EPR-managed waste streams and municipal waste, publication of annual statistics, a policy review and recommendations for policy makers
- Strengthening performance of EPR schemes: analysis of five-year data and setting targets for tyres, WEEE, pesticide containers, used oils, refrigerants, setting initial targets for other waste streams and analysis of relevant SINIGIR data
- Reinforcing administrative arrangements for waste recovery and recycling: follow-up and training/communication on the implementation of new and amended decrees on waste, development of guidance manuals for local governments on reporting requirements, developing municipal waste plans and harmonising waste collection systems, and conducting an awareness campaign on separating recoverable wastes.

148. Council Act OECD/LEGAL/0329 aims to ensure that any activity concerning the management of hazardous as well as non-hazardous waste (collection, storage, disposal, recovery) is carried-out in a safe manner in order to protect human health and the environment. It contains provisions for improving environmental standards for waste management and ensuring a level playing field through the application by facilities of six specific "core performance elements".

149. Costa Rica has measures to implement key elements of environmentally sound management of waste (ESM). Waste management facilities are subject to EIA. MINSA publishes a list of best available techniques and promotes them through guidance documents. MINSA regional offices issue permits for waste management facilities and waste generators in accordance with Decree 39472 of 2016. Permits are valid for five years and include an obligation to develop and implement a waste management programme, including a closure plan, and deposit a financial guarantee to remedy potential environmental damage. Inspections of these operators are carried out prior to granting the permit, randomly or following citizen complaints. There are five inspectors at MINSA's central office and 81 in the regional offices. Fully complying facilities benefit from less frequent inspections.

150. Enforcement is still an important challenge in Costa Rica. Ten percent of municipal "ordinary" waste is deposited in illegal dumpsites or sub-standard landfill sites. There were eight illegal dumpsites still operating in the country in 2019 (down from 35 in 2016 and 15 in 2018). The Law for Comprehensive Waste Management defines infractions and sanctions related to waste management. In case of non-compliance, permits can be revoked and waste management facilities are liable in case they cause environmental damage. In 2017, there were 282 inspections of waste handlers, generators and EPR compliance units. Eighty percent of the sites inspected needed minor corrective actions due to infringement of legal requirements.

151. Costa Rica has set up an Advisory Platform, an inter-sectoral entity composed of various relevant stakeholders, to foster the implementation of the Law on Comprehensive Waste Management. In addition, information on waste is managed through the Waste Handlers Registry publicly available on MINSA's website. The site facilitates the matching of waste generators and specialised waste handlers.

152. Costa Rica takes account of the six Core Performance Elements (CPEs) OECD/LEGAL/0329 in its regulatory framework, especially for hazardous waste facilities and landfills. Decree 41052-S of June 2018, which was adopted as a result of the accession review process, incorporates all CPEs as requirements for waste recovery facilities. These facilities will have one to three years to comply with the amended decree depending on their size and type of activity. Individual CPEs are implemented as follows:

- With regard to CPE1 provisions on the need for a waste facility to have an environmental management system (EMS), to annually report on its environmental performance and to be regularly controlled, Costa Rica requires reporting in various regulations specific to installation types or environmental impacts. However, facilities are not making annual reports on their overall environmental performance and the information is not made publicly available. EMS certification by a third party (such as ISO 14001) is encouraged by Decree 41052-S of 2018 for large recovery centres.
- CPE2 is implemented through occupational health and safety regulations. Decree 39472 of 2016 establishes an obligation for waste generators to develop an occupational health programme within four months of obtaining a permit.
- CPE3, which recommends a monitoring, recording and reporting programme, is implemented through a series of decrees for specific environmental impacts or types of installations. The Regulation for Discharge and Reuse of Waste Waters (Decree 33601 of 2006) sets reporting frequencies and the type of information to be collected for effluents (solid and liquid wastes) depending on the amount of effluent generated (between one and 4 times a year). Landfills are subject to bi-annual operational reporting obligations. Hazardous waste generators must record the type, composition, quantity and destination of hazardous waste. However, these reports are not public. Furthermore, there is no obligation to report on the overall environmental performance of facilities.
- With regard to CPE4 on training for staff operating in waste management facilities, Decree 39472 on operational permits includes training requirements in the field of occupational health as part of the occupational health plan. The National Vocational Training Institute offers courses on waste handling. Decree 41052-S includes a training requirement for recovery facilities.

- Development of adequate emergency plans (CPE5) is compulsory for all waste management facilities (Article 40 of Decree 39472). Such plans must be updated every two years.
- In line with CPE6 on adequate plan for closure and after-care, Costa Rica requires all waste disposal facilities to have financial guarantees for site remediation actions. Closure plans are also a requirement for new hazardous waste management facilities subject to EIA. The cessation of activities in landfills is addressed in Decree 38928 of 2015. As a result, plans for closure and after-care are currently mandatory for most existing waste management facilities (i.e. landfills). Decree 41052-S includes similar requirements for recovery facilities.

153. In line with Council Act OECD/LEGAL/0184, Costa Rica has introduced several instruments to encourage waste paper recycling and recovery. It promotes waste paper collection among large paper consumers. Public authorities (300 organisations) have to treat paper as a recyclable /reusable waste and include information on paper waste management in their environmental management plans. Sixty ministries and decentralised public authorities are collecting around 660 tonnes of waste paper per year. In addition, the National Strategy for Waste Separation, Recovery and Valorisation aims to promote separate collection of paper waste from households with a separate colour-coded bin. Costa Rica is also considering introducing EPR for paper and cardboard materials (packaging) with recovery targets.

154. To promote demand for recycled paper and other green products, Costa Rica has developed a National Policy on Sustainable Public Procurement and a manual on green purchases in the public sector, which includes sustainability criteria such as content of recycled materials. As of July 2017, public procurement standards required a minimum of 30% recycled fibre in office paper.

155. MINSA does not collect data on waste paper. According to preliminary estimates, paper and cardboard constitute around 21% of municipal solid waste, with a recycling rate of 49%. More accurate data should become available through SINIGIR.

156. Two companies dominate paper recycling: Empaques Santa Ana and Kimberly Clarks, while 50 enterprises collect paper or cardboard. Kimberly Clarks exports waste paper to El Salvador for recovery. The company reported around 13 000 tonnes of waste paper recovered in 2015. Empaques Santa Ana manufactures around 96 000 tonnes per year of recycled paper domestically, using around 70 000 tonnes of waste cardboard and paper and importing around 22 000 tonnes.

157. The objective of Recommendation OECD/LEGAL/0159 is to ensure that environmental costs arising from the production, use and discarding of beverage containers are borne by producers and users while promoting the recycling and re-use of beverage containers. The Recommendation proposes a series of measures such as introducing systems of refillable containers, economic instruments such as taxes on products or packaging, mandatory deposit schemes and standardisation of products.

158. Costa Rica does not collect data on packaging and waste from beverage containers. A 2015 study estimated that 600 million plastic containers were generated, of which only 10% were recycled. Based on official municipal waste data for 2016, 320 tonnes of glass, 100 tonnes of aluminium and 2 500 tonnes of plastics were collected, which is quite little. SINIGIR is expected to make additional data available.

159. Private initiatives encourage collection and recycling of beverage containers. Florida Bebidas, the largest food and beverage producer in the country, has started

voluntary beverage container collection and has been able to recover 51% (3 700 tonnes) of the aluminium, plastic and multilayer containers it placed in the market in 2014. The same year, this company, along with other large producers and importers (Dos Pinos, Coca-Cola and Walmart) collected 25 259 tonnes of multi-layered containers and plastics. In 2015, Coca-Cola alone reported collecting 77 296 tonnes of plastic bottles and 9 790 tonnes of aluminium.

160. Costa Rica has adopted a National Strategy for the Reduction of Single-Use Plastic for 2017-21, which is expected to reduce the amount of single-use plastic beverage containers and promote reusable containers. In connection with this strategy and to fully comply with Recommendation OECD/LEGAL/0159, the country has requested an implementation ***timeframe until the end of 2021***. Its action plan includes:

- a feasibility study on setting up an EPR scheme for beverage containers
- municipal-level incentives to substitute single-use beverage containers, including the possibility of tax reduction for complying commercial enterprises
- consumer awareness campaigns in all sectors, including academia and the private sector
- support for research activities in academia and industry
- measures to substitute beverage containers and other single-use plastics in public institutions
- support for private sector investments in standardisation of containers
- promotion of recycling and separate collection of beverage containers.

3.16. Transboundary movements of waste

161. The Decisions-Recommendations of the Council on Transfrontier Movements of Hazardous Waste [OECD/LEGAL/0209] and on Exports of Hazardous Wastes from the OECD Area [OECD/LEGAL/0224] lay out fundamental requirements for controlling hazardous waste exports and imports within and outside the OECD area in order to protect human health and the environment.

162. These legal instruments have served as a basis for the Basel Convention, which includes similar requirements. Costa Rica is party to the Basel Convention since 1995, which it implements through Law 7438 of 1994. Procedures are laid down in Decree 41525-S of 2019, Regulation for the digital registry and approval by the Ministry of Health in the field of comprehensive waste management through SINIGIR.

163. Costa Rica tracks and monitors hazardous waste generation since 2015 through an online Hazardous Waste Management System (SIGREP), which will be incorporated in the SINIGIR platform in 2019. Entities involved in the transport, handling and treatment of hazardous waste undergoing a transboundary movement have the obligation to register in the system. Hazardous waste shipments are also recorded in the PROCOMER customs database.

164. Inspections and controls are carried out by customs officials and by the Control Unit of the Directorate for Protection of the Human Environment of MINSA via its local offices. Since 2015, all imports of recoverable wastes are subject to verification according to the Law on the Comprehensive Management of Waste with random inspections by customs authorities.

165. Costa Rica applies regulatory restrictions on hazardous waste shipments in order to protect human health and the environment. It forbids transit and import of hazardous

waste. Import of "waste requiring special handling" is only allowed for recovery purposes. This is waste that is subject to an EPR scheme and fulfils criteria set out in Decree 38272 of 2014: the same type of waste must be generated in the country, the country should have adequate treatment capacity, they should not have been altered, pre-treated or disassembled. MINSA's Human Environment Protection Directorate is in charge of authorising transboundary movements of hazardous waste and acts as a focal point to the Basel convention.

166. The Decision of the Council concerning the Control of Transboundary Movements of Waste Destined for Recovery Operations [OECD/LEGAL/0266] establishes an intra-OECD control system for waste shipments destined to recovery operations. It aims at facilitating the trade of recyclables within the OECD area while protecting human health and the environment. Prior information and consent procedures differ for hazardous and non-hazardous waste and are simplified compared to other international instruments such as the Basel Convention.

167. Costa Rica has modified its regulatory framework to incorporate provisions of this Decision by adopting a Regulation for the digital registry and approval by the Ministry of Health in the field of comprehensive waste management through the SINIGIR platform (Decree 41525 of 2019) and by amending the General Regulation to the Law on the Comprehensive Management of Waste (Decree 37567 of 2012) and the General Regulation for the classification and management of hazardous waste (Decree 41527 of 2019).

168. The definitions of waste, hazardous waste, recovery and disposal as well as the list of hazardous characteristics applied for the purpose of transboundary shipments in Costa Rica are consistent with those included in the Decision. Disposal and recovery operations are in line with Appendices 5A and 5B of the Decision. The green and amber lists of waste (Appendices 3 and 4 of Decision OECD/LEGAL/0266) are reflected in Decree 41525.

169. Costa Rica already implements general conditions for authorising shipments of waste (legal status of importers and exporters, respect of international transport agreements, contracts and financial guarantees, notification documents, duty to return or re-export). These are listed in Articles 33-37 of the Law on the Comprehensive Management of Waste and Articles 54-61 of Decree 37567, as amended. The OECD specificities (mixture of waste, exemption for laboratory analysis, risk based approach, provisions for interim or temporary waste handling operations, notification and shipment documents) are addressed in Decree 41525.

170. Costa Rica has taken measures to implement OECD shipment procedures (amber and green control procedures) gradually. The OECD amber control procedure is established in Articles 38b, 39b, 40, 41 and 63 of Decree 41525 and will apply as soon as Costa Rica becomes an OECD Member. The OECD green control procedure is set up in Article 38b, 43, 44, 45, 46 and 63 of Decree 41525. It will be applied two years after the country becomes an OECD member. During this two-year period, a specific and more stringent national control procedure will apply to green-listed waste. Shipments of such waste will require approval by MINSA. Each import request will need to mention quantities, type and characteristics of the waste, their final destination in the country, and adequate transport procedures.

171. This gradual entry into force of the green control procedure can be considered as a specific national control procedure for green listed waste. This is in line with the cases

foreseen in Chapter II B.4 "provision for specific national control" of Decision OECD/LEGAL/0266, which states that "*the decision does not prejudice the right of a Member country to control, on an exceptional basis, certain wastes differently, in conformity with domestic legislation and the rules of international law, in order to protect human health and the environment*". Costa Rica currently has limited capacity for environmentally sound recovery of green-listed waste, which justifies a different temporary control mechanism. In addition, Costa Rica will implement a more stringent procedure for imports of categories of green-listed waste that are also considered as waste requiring special handling by the Regulation of the Declaration of Wastes requiring Special Handling (Decree 38272 of 2014).

172. In line with its domestic laws and regulations, Costa Rica will continue applying restrictions to the import and transit of some amber-listed waste as follows:

- Costa Rica will only allow imports of waste presenting hazardous characteristics in the case of "waste requiring special handling", i.e. waste that is subject to an extended producer responsibility scheme and for which the country has adequate treatment capacity. In addition, Articles 4 and 4bis of Decree 38272 describe a series of requirements for allowing shipments of waste requiring special handling. The transit of hazardous waste is prohibited in accordance with Article 34 of Law 8839 of 2010.
- Imports of amber-listed household waste will only be authorised "as long it is determined through technical studies and in view of the precautionary principle, that human health and the environment are not endangered" in accordance with Article 35 of Law 8839 of 2010.

173. The Decision-Recommendation of the Council on the Reduction of Transfrontier Movements of Wastes [OECD/LEGAL/0260] calls for the reduction of transboundary movements of waste destined to disposal, and thereby managing waste as much as possible in the country where it is generated. To be self-sufficient in terms of waste management, OECD members need to establish the appropriate infrastructure to manage their waste in an environmentally sound manner on their territory or develop bilateral and regional agreements with other countries to do so. Countries should therefore produce accurate data on the generation, export and import of waste.

174. Costa Rica implements a series of measures, which de facto reduce waste shipments: regulatory measures restrict the import of hazardous and non-hazardous waste in the country. Import of non-hazardous waste for recovery is also limited in view of Costa Rica's limited domestic capacity. Costa Rica also implements prevention measures to reduce waste generation through education campaigns and environmental management plans for public sector agencies while it fosters information exchanges between waste generators and waste handlers to better identify domestic treatment capacity for recycling and recovery. In addition, the country has developed partnerships abroad to ensure the environmentally sound management of its waste. The country has bilateral and regional agreements for hazardous waste shipments in place with the USA and Central American states.

175. Costa Rica records transboundary movements of waste in its customs database. In addition, Article 19 of Decree 41525 establishes a mechanism to continually identify waste that cannot be managed in an environmentally sound manner within the country. Using data collected through SINIGIR, MINSA will carry out biennial analysis of waste shipments data in order to inform and adapt national strategies and infrastructure

development. This will thus increase the traceability of waste handled within and outside the country, allowing Costa Rica to compile waste generation data.

176. Exports of hazardous waste remain limited compared to the waste handled in the country. The country has also increased treatment capacity, in particular through co-processing in cement kilns. This is why it also imports large amounts of used oil for recovery as "waste requiring special handling".

177. Regarding non-hazardous waste, scrap metal and e-waste constitute the main exports mainly destined for recovery. As a relatively small country, Costa Rica has limited treatment capacity for these waste streams (no foundry for metal waste for instance) and is not expecting to build additional capacity for scrap metal for economic reasons.