

# The United States and Costa Rica: An Enduring Partnership for Sustainable Development

*Peter E. Cianchette*

United States Ambassador to Costa Rica

United by a shared commitment to democracy, free enterprise, and sustainable development, the United States and Costa Rica have long enjoyed a good, mutually beneficial relationship. Building on Costa Rica's well-deserved reputation as a stable democracy committed to peace, social progress, and environmental conservation, President Oscar Arias has embarked on a "Peace with Nature" agenda aiming to make Costa Rica become Latin America's first fully developed, carbon-neutral country by 2021. However, Costa Rica also faces security threats arising from increased domestic and transnational crime, as well as threats to its prospects for a greener, more prosperous future resulting from persistent weaknesses in the country's business-enabling environment and key infrastructure, such as water, wastewater, energy, and transportation systems.

## Moving the US-Costa Rica Partnership from "Aid" to "Trade"

Having attained a remarkable degree of political stability and one of Central America's highest standards of living, Costa Rica graduated from most US aid during the mid-1990s. Nonetheless, the United States continues to work closely with our partners in government, the private sector, and civil society on a variety of fronts to help Costa Rica meet its remaining challenges and to advance our mutual interests in the country's long-term security and prosperity and, in so doing, promote sustainable development.

This is well illustrated by the CRUSA Foundation, which was created through a bilateral agreement in 1996 as a nonprofit, nonpartisan organization to promote "the broadest possible cooperation" between Costa Rica and the United States "through the exchange of knowledge, specialized assistance and technical support, for the execution and improvement of policies and programs that lead to sustainable development." Drawing from the proceeds of a \$47 million endowment fund provided by the outgoing US Agency for International Development (USAID), CRUSA has since channeled an equal amount—\$47 million—to support more than 300 projects, including environmental initiatives, educational programs, science and technology endeavors, and strategic capacity building. Some 82 different US institutions collaborated in these projects. Moreover, led by a governing body consisting of an equal number of Costa Ricans and Americans, CRUSA has delivered more than on-the-ground results. Its administration and operational quality have been exemplary, as evidenced by the "NGO Benchmarking Certificate" it earned from the Switzerland-based "Société Générale de Surveillance" (SGS), the first such certificate SGS has issued to a Costa Rican NGO.

As a further testament to the US-Costa Rica partnership, the Department of State established a "Regional Environmental Hub for Central America and the Caribbean" at the

US Embassy in Costa Rica in 1997, one of the first such hubs that now number twelve around the world. This Hub works closely with the region's governments, multilateral organizations, NGOs, and the private sector to address regional environmental issues such as forest and biodiversity conservation, marine and coastal resources management, scientific cooperation, and more effective domestic environmental governance.

In addition, by concluding the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) negotiations in 2004, we did much more than open the way for greater trade and economic prosperity in the region. We took a major step forward in the maturation of the US-Costa Rica relationship, solidifying it as one based on trade rather than aid. This agreement also bolstered our partnership for sustainable development with Costa Rica, thanks to CAFTA-DR's environmental chapter and its "Environmental Cooperation Agreement." As a result, the State Department (including our Regional Environmental Hub), USAID, the US Environmental Protection Agency, and other US agencies are working together with the Central American Commission for Environment and Development (CCAD) to provide trade capacity building (TCB) to help Costa Rica and other CAFTA-DR partners better protect the environment. This program provided for \$20 million of regional assistance in 2005, followed by \$40 million per year for labor and environmental TCB from 2006 through 2009.

In September 2007, the United States and Costa Rica agreed to a "debt-for-nature" swap in the largest such deal executed under the Tropical Forest Conservation Act (TFCA). The United States contributed more than \$12.6 million to this agreement, while two NGOs, Conservation International and The Nature Conservancy, gave a combined donation of more than \$2.5 million, enabling Costa Rica to reduce its debt payments to the United States and instead channel some \$26 million into the conservation of six Costa Rican forest ecosystems over the next 16 years. For example, these funds will help conserve the forest ecosystems of the Osa Peninsula, one of the world's most species-rich areas and home to Costa Rica's largest population of the endangered scarlet macaw. The TFCA also will support conservation of the La Amistad Biological Reserve, home to Central America's largest cloud forest and the source of over half of Costa Rica's fresh water. In addition, the TFCA will help to conserve forests in and around Tortuguero, Costa Rica's third most visited national park, and the Maquenque Wildlife Refuge, where the country's last remaining great green macaws can be found.

The United States and Costa Rica have also long maintained extensive cooperation and exchanges on science and technology matters. For example, most recently, hundreds of National Aeronautics and Space Administration (NASA) scientists have worked with Costa Rica's scientific community, led by the National Center of Higher Technology (CENAT), to conduct eight airborne scientific missions based in Costa Rica since 2003. Among other achievements, these missions have contributed significantly to our understanding of climate change, biodiversity, ozone depletion, and the consequences of past and present human activities on the landscape. People like Dr. Franklin Chang-Diaz, a former NASA astronaut and world-renowned physicist born in Costa Rica, embody the spirit of scientific exploration and discovery that marks the US-Costa Rican partnership.

## American Volunteers, NGOs, and Private Firms Strengthen Our Partnership

Peace Corps Volunteers (PCVs) and NGOs also have played a significant role in strengthening US-Costa Rica bonds. Since 1963, PCVs have served in Costa Rica in a variety of projects including health, education, environment, agriculture, small business development, and youth development. The Peace Corps' presence in Costa Rica currently focuses on addressing the needs of the most vulnerable populations throughout the country. PCVs work with community organizations and associations in rural areas to strengthen the organizations and communities in general, as well as in teaching English in communities focused on boosting tourism. Other PCVs work in collaboration with local women's groups to generate incomes for their daily living. Some work with children, youth, and families at risk in marginalized communities, while other PCVs work with micro-enterprises (especially women's groups), entrepreneurs, and cooperatives to strengthen skills in business planning and management and to promote responsible development of eco-tourism and environmental conservation.

Major US-based NGOs, such as Conservation International, The Nature Conservancy, the World Wildlife Fund (WWF), and others, offer the type of organizational, technical, and financial expertise that has been tremendously important to Costa Rica's successes in conserving natural habitat and biodiversity. Likewise, the Organization for Tropical Studies (OTS), a nonprofit international consortium of over 60 universities and research institutes from throughout the United States, Latin America, South Africa and Australia, has worked for more than 45 years at three biological research stations in Costa Rica. Its work has contributed significantly to education, research, and conservation of natural resources throughout the tropics.

Nearly 100,000 Costa Ricans work for US companies, many of which provide some of the best jobs and employ some of the best workers in Costa Rica. Large firms, such as Intel, have demonstrated exemplary corporate citizenship and environmental stewardship. For instance, at the end of 2006, Intel Costa Rica donated equipment and volunteer hours to the Leatherback Trust. Also, the firm has 12 programs and projects in the areas of education, technology awareness, environmental awareness, and improvement in quality of life ranging from planting trees to teaching entrepreneurial spirit to supporting science fairs.

Small and medium-sized firms also are playing a lead role in promoting Costa Rica's sustainable development. For example, Secretary of State Condoleezza Rice gave the Secretary's 2005 "Award for Corporate Excellence" to the "Lapa Rios Ecolodge," which is owned and operated by American citizens in the Osa Peninsula area of Costa Rica. Secretary Rice highlighted the fact that Lapa Rios' developers adapted the project to the local environment, installed energy-saving generators and solar panels to operate more efficiently, developed a comprehensive plan for water conservation, waste management and recycling to operate more cleanly, and in concert with local and international partners, established a 400-hectare biological reserve in Costa Rica. She also cited Lapa Rios' contributions to local health clinics, its support for local police officials, its maintenance of

community roads and bridges, and its construction of an elementary school now operated by the Costa Rican government.

### Remaining Challenges Threaten Costa Rica's "Green" Image

The 2008 "Environmental Performance Index" (EPI) ranked Costa Rica as the world's fifth-best country in overall environmental management. The EPI index, which is based on a detailed analysis of each country's performance across some 25 key indicators, established Costa Rica as the top environmental performer in the Americas. It's no wonder, then, that Costa Rica continues to attract millions of eco-tourists each year from around the world, as surveys have shown that 70 percent of tourists visit Costa Rica in search of a "nature-based" experience.

Costa Rica deserves enormous credit for its commitment to sustainable development, particularly in its management of tropical forests and other key natural habitat areas. Yet, despite Costa Rica's "green" reputation and its laudable commitment to becoming "carbon neutral" by 2021, the country faces significant challenges, particularly with its "blue" and "brown" agendas. Advocates for marine resources have criticized Costa Rica's weak fisheries enforcement, arguing that it has permitted the over-exploitation of fisheries in Costa Rican waters. Costa Rica's watersheds are regarded as Central America's most contaminated, as only three percent of the country's wastewater is treated. As a result, water pollution in the Central Valley, where the capital city of San Jose is located, remains a significant problem. Costa Rican health authorities have had to close beaches—and even hotels in areas such as the Guanacaste province owing to unsafe levels of contamination. As Costa Rica continues to grow and attract greater numbers of tourists and new residents from the United States and elsewhere, additional strains on the country's water, wastewater, energy, and transportation infrastructure could become ever more apparent.

As in years past, the United States and Costa Rica will undoubtedly find ways to work together to address these and other remaining challenges. And, regardless of the outcome of the November 2008 elections in the United States, I am confident that the basic tenets of our policies toward Costa Rica will not change. We will continue to promote increased prosperity through trade and investment under CAFTA-DR, and we will continue to help Costa Rica strengthen the capacity of its public institutions and civil society to ensure a healthy, secure, and sustainable future.