


Costa Rica's path to a circular economy

Key milestones in the transition



Costa Rica has tremendous biodiversity, being a world example of success in the conservation of biological diversity and wildlife. Costa Rica considers its biodiversity as an asset, and continuously reaffirms its commitment and willingness to continue working on actions to conserve its natural ecosystems, mitigate the effects of climate change in its territory and fight against the adverse effects it produces.

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Costa Rica shows its commitment to sustainable development through solid environmental policies and collaborative and participatory processes with the different actors, becoming a leading country in Latin America in achieving the goals of the 2030 Agenda and the adoption of sustainable behaviours. This has been made possible by a relatively stable policy and economy and sustained economic growth over the past 25 years. The combination of political stability, social contract and steady growth has resulted in one of the lowest poverty rates in Latin America and the Caribbean.

The country is disseminating its good environmental and conservation policies and practices around the world, promoting ecotourism and its many national parks, which attract a considerable number of tourists visiting the country.

Costa Rica is willing to maintain its green leadership and is committed to reducing its carbon emissions by 2050 and being more ambitious in achieving a carbon-free economy.¹

The roadmap: How is Costa Rica's economy becoming circular?

- One of the main problems Costa Rica identified as affecting the environment was the generation of waste, which led it to launch, in 2010, the [National Policy for Integrated Waste Management 2010-2021](#). This initial steps towards circularity represented a paradigm shift in waste management in Costa Rica. The policy adopts a preventive and distributive perspective of shared responsibility in waste management among all sectors of society, promoting the adoption of sustainable production and consumption processes as well as the safe and environmentally sound management of waste generated in post-industrial and post-consumer processes.
- The same year, 2010, Costa Rica published [Law 8839 for Integrated Waste Management](#), which establishes the competence of the Ministry of Health as the governing

body and the responsibilities of municipalities in waste management, and the [Regulation of Waste Electrical and Electronic Equipment](#), which aims to reduce environmental pollution and the negative effects of poorly managed electronic waste on public health.

- In January 2014, the [Regulation for the declaration of Special Handling Waste](#) was published, stipulating that refuse declared as special handling waste by the Ministry of Health, including batteries and lubricating oils, must be separated from the regular waste management circuit to be treated in a differentiated cycle that reduces possible impacts on the environment and potential damage to public health.

¹ <https://www.unep.org/news-and-stories/story/costa-rica-living-eden-designing-template-cleaner-carbon-free-world>

- In 2016, the [National Strategy for Sorting, Recovery and Valorisation of Waste \(ENSRVR\)](#) was presented. It develops an inclusive model for the integrated management of solid waste in Costa Rica that allows the strengthening of capacities between the public sector, private sector, and civil society. Also published in 2016, the [Action Plan for Integrated Waste Management](#) seeks to promote the creation of regional projects to facilitate coordination between different actors for the integrated management of waste.
- Concern over the impact on the environment of single-use plastics in Costa Rica led to the establishment of the [National Strategy to replace single-use plastics with renewable and compostable alternatives 2017-2021](#), presented in 2017 as a collective and voluntary action of the public sector (both the central government and the municipalities), the private sector, and civil society to promote the replacement of single-use plastic with renewable and compostable options.
- In 2018, Costa Rica launched the [National Decarbonisation Plan 2018-2050](#), which aims to reverse the growth of greenhouse gas emissions, as well as promoting the modernisation and revitalisation of the economy under a vision of green growth, including the circular economy.
- In 2020, Costa Rica developed the [National Bioeconomy Strategy 2020-2030](#), with the vision of consolidating a

sustainable production of high added value in all its regions and emerging bio-cities, based on the fair and equitable use of its biodiversity, the circular use of biomass and the biotechnological progress of the country as a knowledge society. Costa Rica's **2020 Nationally Determined Contribution** includes measures related to the transition towards a circular economy.

- The **"Step-by-step guide to facilitate the transition to a circular economy from local government"**² was published in 2021, to provide governments and other local actors with practical guidelines on how to materialize the transition to a circular local economy through actions at different levels. At the same time, the guide establishes a direct link with the 2018 National Decarbonization Plan.
- In 2023, Costa Rica launched a [Circular Economy Strategy](#), which seeks to link all existing and planned sectoral initiatives, programmes and policies related to circular economy, with the ambition to place the country in a leading position in Latin America as regards the circular economy, innovation and sustainability. The strategy promotes a sustainable economic development model as a driver of inclusive territorial transformation. Based on a circular and resilient productive system, the strategy is supported by a network of expert innovation centres at the intersection of productive chains and circular businesses.

Milestones of the transition to a circular economy



² Guía paso a paso para facilitar la transición hacia una economía circular desde los gobiernos locales. Caso de Costa Rica (catie.ac.cr)

Drivers for the transition to a circular economy

Priority in the maintenance of biodiversity and ecosystems, connected with the well-being of people

The conservation of ecosystems and the protection of biodiversity is one of the central objectives of public institutions in the development of public policies. Costa Rica considers the environment as an asset for the economic and social development of the country and as a key element for the well-being of its citizens. The adoption of circular economy principles is a priority for the government, to both reduce environmental impacts through more sustainable production and consumption patterns and practices, and have positive social impacts through the creation of green jobs.

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Priority in the maintenance of biodiversity and ecosystems, connected with the well-being of people

The country's commitment to zero carbon

Adaptation and resilience to climate change

Knowledge society and innovation

Leadership of the public sector, common action, and commitment of the actors

Knowledge society and innovation

Costa Rica has opted for the development of knowledge and innovation through the [National Policy on Society and Knowledge-Based Economy 2022-2050 \(PNSEBC\)](#) and the [National Science, Technology, and Innovation Plan 2022-2027 \(PNCTI\)](#), which establish a research and innovation agenda consistent with the principles of the circular economy and the imperatives of the sustainable development agenda. Through this policy and plan, areas of innovation in production processes are promoted to achieve green transformation and sustainable development.

Leadership of the public sector, common action, and commitment of the actors

The leadership of the public sector is fundamental for the achievement of the objectives and commitments acquired, through the elaboration of effective environmental policies with concrete objectives and focused on common action, all with collaborative and participatory processes with different actors, both public and private, and with an effective and informed citizen participation. All actors in Costa Rica demonstrate an important commitment to building and developing a circular economy model for their country, through decentralized actions involving and reinforcing circular initiatives between different levels of society, public and private.

The country's commitment to zero carbon

Decades ago, Costa Rica faced significant deforestation problems, and by betting on the implementation of policies and strategies to achieve green growth, it showed that recovery and change were possible. For this reason, Costa Rica has a strong commitment to achieve the goal of decarbonizing the country and reaching 'zero carbon'.

Adaptation and resilience to climate change

Costa Rica is a country highly vulnerable to the effects of climate change that is affecting rainfall patterns, average temperature, frequency of extreme weather events and sea level rise, among other effects: Extreme weather events have caused great losses and put at risk the social and environmental advances achieved by the country. The circular economy has been considered fundamental by the Government in the development of public policies as a way to increase the country's climate resilience, reducing greenhouse gas emissions and promoting changes towards more sustainable production and consumption patterns.



EU support for the circular economy transition in Costa Rica

The European Union and Costa Rica have a historic relationship. The EU has been proactive, successful, and committed in formulating and implementing new approaches to cooperation that reflect Costa Rica's national needs linked to EU priorities.

The dialogue between Costa Rica and the [EU Delegation](#) is continuous at all levels of government and very committed to all actors, whether public or private.

The EU, through the EU's **Global Investment Agenda Gateway** for Costa Rica, has proposed to support initiatives with the aim of protecting the country's biodiversity and conserving at least 30 % of its territory by 2030. The **Global Green Bond Team Europe Initiative** is designed to provide technical assistance to Costa Rica for the development of green bond markets in the country and attract international capital, mainly for the development of the renewable energy sector.

EU-funded circular initiatives at a glance

◉ [Euroclima+](#)

Within the EU's Euroclima programme, the Costa Rican Agency for Conservation, has launched the initiative "Costa Rica is biodiversity 30x30" with the aim of supporting the adoption of actions that contribute to the maintenance and restoration of biodiversity in the country, and thus strengthening the regeneration of the natural cycles. Further, the Euroclima programme promotes circular practices by establishing of a low-carbon agrifood system with focus on organic agriculture.

◉ [AL-INVEST Verde Programme](#)

Its objective is to facilitate the transition towards a low-carbon, resource-efficient and more circular economy, through territorial and value chain development.

◉ [ADELANTE 2 Programme](#)

Its objective is to contribute to the achievement of the 2030 Agenda through initiatives that are implemented and executed through the Bilateral Cooperation Fund with Costa Rica. Additionally, the programme addresses two challenges: capacity building in the areas of ecological transition, circular economy, green recovery and decarbonization; as well as digitalization and innovation.

◉ [Productive Territorial Strategy for an Inclusive and Decarbonized Economy 2020-2050](#)

The EU, together with the Interamerican Development Bank, the Federal Republic of Germany, and the United Nations Development Program, financed the implementation of the **Productive Territorial Strategy for an Inclusive and Decarbonized Economy 2020-2050**, whereby Costa Rica intends to achieve a decentralized, digitized, and decarbonized economy (3D) to reach zero carbon emissions by 2050, using circular economy as a tool to achieve these goals.

Lessons learned in the transition process towards a circular economy



Costa Rica's experience in the design and implementation of successful practices in the field of environmental protection and preservation has facilitated the adoption and development of circular economy public policies.



The evolutionary and adaptive processes of Costa Rica's policies have generated greater innovation and collaboration among actors from various sectors for a common cause: to make the protection of biodiversity a priority.



The local participatory approach, involving the government and the population, can be considered as a good practice, in general, and as a success factor³. With this new policy set out in the 'Step-by-step guide to facilitate the transition to a circular economy from local government', Costa Rica is ensuring that policies and practices are adapted to the local context and are catalysts for success. This is why Costa Rica is often presented as a successful case study in green recovery and environmental engagement.

Future steps

The [*Step-by-Step Guide to Facilitating Local Government Transition to a Circular Economy*](#) is an important milestone in scaling up knowledge of local planning. It sets enabling conditions in the country that facilitate progress. Support to local governments is necessary to **elaborate and implement roadmaps in the municipalities of the country**, based on this guide. Support actions are being carried out by different institutions, like MINAE, the Institute of Municipal Development and Advisory of Costa Rica, and other international institutions.

The [**National Circular Economy Strategy**](#) needs to be **implemented**. The Ministry of Environment and Energy together with members of the inter-ministerial committee for the circular economy will be key in implementing the different strategic axes and lines of action proposed in the Strategy, as well as executing the proposed enabling mechanisms. Technical and financial resources are required for the implementation. Furthermore, it is necessary to establish mechanisms for stakeholder participation in the process as well as monitoring the implementation.

To fund the transition to a circular economy, including low carbon development comprising a renewable energy section, Costa Rica looks forward to benefiting from attracting international capital.



³ <https://circulareconomy.europa.eu/platform/en/knowledge/role-municipal-policy-circular-economy-investment-jobs-and-social-capital>