

Title: A Common Central American Policy for Water, Initiated in the Grande de Tárcoles River Basin in Costa Rica.

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Partners: Costa Rican Ministry of Energy and Environment (MINAE), several NGOs, Chambers of Commerce, Communities organised in Local Development Associations, local agencies of the Ministries of Environment and Health.

Proposed Statement

To generate new models for water management at local levels – especially when no adequate legal system or institutional framework is in place – it is necessary to create platforms for long-term dialogues with the political authorities. The central government and other decision-makers of the country are needed to allow local initiatives to be developed efficiently. Good working relationships with mid-level government officials make it possible to communicate with officials at higher levels.

Summary Description of the context

Isthmus Central America comprises of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. It is one of the poorest and most densely populated regions of the world; in 1999, the human population was about 37 million, two-thirds of which lived in poverty. The population growth for the region was 3.5 % (CCAD - Central American Commission of Environment and Development: 2002). According to CCAD, more than 50% of the population is rural, of which 60% survive on less than US\$ 2 per day. Agriculture and industry are the most important sectors of the regional economy. In 2001, with a drop in coffee prices worldwide, the entire region suffered economically.

At present, Central America is going through a process of political and economic integration. Regional integration will be beneficial for the regional economies and the quality of life. The negative effects of globalisation will also affect these countries if they remain divided. Other external forces that influence the region's welfare are the Free Trade Agreement (FTA) and the Plan Puebla Panama (PPP). Both the FTA and PPP affect legal and institutional frameworks in Central American countries. FUDEU reasons that such treaties call for an integrated framework that considers production, trade and the environment as related aspects. Economic integration should not lose sight of the environmental and social limitations of Central America.

The **Grande de Tárcoles River Basin** in Costa Rica covers an area of 2,169 km², which is 4% of the national territory. In this region lie 36 of the 81 municipalities of the country, housing 55% of the total population. Over 85% of the industrial, transport and commercial activities occur here, as well as 50% of the coffee production and cattle farming. The hydrologic regime of the river basin is characteristic for the Pacific Slope, which has two seasons: a rainy season between May and December, and a dry season between December and April.

Primary issues / problems / changes / trends that are being addressed

The main problems in the Tárcoles River Basin are:

1. Water pollution from effluents of the agro-industries, especially coffee, and other industries.
2. Urban expansion taking over agricultural land. Simultaneously, farmers encroach upon the forest and protected areas.
3. Increasing demand for water for a) agriculture and industry, b) household use, and c) ecosystem conservation.

The Tárcoles River Basin is the most contaminated river basin in the country, and in Central America. The area near the city of San José is most heavily contaminated during the dry season and moderately contaminated during the wet season. In 1998, domestic effluents represented 40% of the total

contamination of the river basin, followed by industrial effluents (23%). The remaining pollutants were animals (16%) and solid wastes (14%).

The surface water is polluted due to urban growth and the development of industrial and agricultural activities without appropriate regulation. This has resulted in a) industrial and domestic residual spills; b) lack of clean water for agriculture; c) the loss of aquatic flora and fauna; and d) increased risks for human health.

Serious conflicts over water use in the basin exist between farmers, communities, ecologists, urban developers and agro-industries.

The innovative approach / good practice developed in your case

Since 1994, there have been several attempts to achieve a holistic management of water resources in the Grande De Tárcoles River Basin. A successful venture in this regard has been that of FUDEU (Urban Development Foundation), a local NGO. FUDEU has worked in Costa Rica and other countries of Central America, focusing on civil society participation in environment and water management.

From 1995 to 2000, FUDEU facilitated the development of treatment facilities, ecological seals and the creation of participatory structures for the management of the Tárcoles basin. Various social actors and stakeholders, local as well as regional, were encouraged to participate in decision-making. FUDEU developed:

- An awareness raising strategy aimed at local governments and civil society organizations to motivate them to participate in the sustainable management of the basin;
- Training programs for community leaders and members of the municipality in solid waste management and industrial pollution control;
- A capacity building program for civil society to increase their understanding of environmental laws and regulations.

The Costa Rican Ministry of Energy and Environment (MINAE) encouraged FUDEU's activities and equipped the Commission – which promotes inter-institutional and inter-sectoral management - with technical and financial resources. Training programmes for the commission members, meetings, seminars and workshops were organized, facilitating the exchange of information and experiences between stakeholders. FUDEU also supported the local governments in elaborating their regulations and territorial plans.

Although the activities were promising, FUDEU realized that the legal and institutional framework of Costa Rica was hampering the Commission to effectively manage the river basin. The existing framework prevented the Commission from assuming necessary functions and responsibilities for the integrated management of the basin. FUDEU therefore modified its strategy, without compromising its support to the social actors and the Commission. FUDEU started focusing on transforming the national legislation with the intent of a) changing the decision-making structures of relevant institutions and b) decentralizing the management of the country's river basins. FUDEU now supports MINAE in elaborating and discussing a new water law and facilitates dialogues with NGOs, environmental organizations, the ministries of Health and Environment, the National Parliament, and other institutions. This legal instrument is expected to radically change the existing system of water management, making way for the creation of River Basin Agencies. Other aspects, such as rules for effluent discharges, environment services and social control are also included in the new law.

However, given the closeness of the neighbouring countries and their relatively equal endowments in natural and human resources, differences in national environmental legislation could cause unacceptable economic advantages. As a consequence, FUDEU and its partners simultaneously embarked upon a region-wide process of harmonizing water-related laws and legal frameworks. Initiated in the Tárcoles basin, this initiative now influences water management at regional levels, involving various social and governmental actors on local, national and regional levels.

The main conclusion / lessons the case has to offer

The success of the Río Tárcoles experience has first of all been the establishment of an active commission, which achieved very important changes in the river basin. In particular, it has:

- reduced pollution from coffee cultivation;
- created voluntary plans to incorporate environmental management systems for industries and enterprises;
- created the first environmental tax system in the country;
- brought many stakeholders together to discuss and negotiate issues on water management and environmental protection;
- enabled the initiative of creating a new water law. Based on this effort many lessons were learned about integrated water management in Costa Rica.

To generate new models for water management at local levels – especially when no adequate legal system or institutional framework is in place – it is necessary to create platforms for long-term dialogues with the political authorities. The central government and other decision-makers of the country are needed to allow local initiatives to be developed efficiently. Good working relationships with mid-level government officials make it possible to communicate with officials at higher levels.

While the activities started at the local level dealing with local issues in the river basin, it has grown into an important initiative for the national and even regional level. This occurred as FUDEU realized that river basin agencies can operate effectively only when the national legal framework, dealing with environment and water management, is changed accordingly. This legal framework should in turn be in tune with regional and international political and economic processes in Central America. The next step in this regional process is the development of common laws for integrated and participatory water management. FUDEU has currently involved the Ministries of Environment and Health in six countries of Isthmus Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) to develop a regional strategy for environmental management.

Background information

- Encyclopedia of Sustainability: *Rio Tarcoles initiates common Central American policy for water*, http://www.bothends.org/encycl/cases/viewcase.php?cat=2&id=98&id_language=1.