

## COSTA RICA IN THE WORLD AND COOPERATION WITH EUROPE

Costa Rica ratified the UNFCCC in 1994 and the Kyoto Protocol in 2002. The country sent two communications to the Convention's secretariat: one in 2000 and another in 2009. After the Copenhagen Conference in 2009, Costa Rica informed the UN climate secretary of its intention to reduce emissions in an attempt to reach carbon neutrality by 2021. It also announced future improvements in the areas of transport and energy, forest conservation and wastewater treatment. In 1994 the country ratified the CBD, and has since made four national announcements in this regard, the latest in 2009. The national strategy for biodiversity, drafted in 2000, contained a number of steps to reinforce remuneration systems for environmental services already in place in the country. Costa Rica has also ratified the UNCCD, preparing a national action plan and three national reports to this end.

Costa Rica is regarded by Germany as a pioneer in resource and climate protection. Accordingly, international cooperation in environmental issues is taking

on an increasingly important role. The IKI programme of the German environment ministry supports the implementation of nationally appropriate mitigation actions (NAMAs) under the MAIN (Mitigation Action Implementation Network) initiative. The partner institution in Costa Rica is the Ministry for Environment and Energy. Germany's international cooperation body supports the Costa Rican government in its climate protection efforts with a variety of programmes. By doing so, it also hopes to send a message to other countries in the region and the so-called middle-income countries with regard to climate protection. In addition, Germany and Costa Rica are important partners in regional projects such as the Mesoamerican Biodiversity Platform, Reducing Emissions from Deforestation and Forest Degradation, and Promotion of Renewable Energies and Energy Efficiency in Central America. Both countries appreciate the other's commitment to climate protection.

## ECUADOR

*Winfried Weck*

Environment, climate and energy – these are the issues of the future that Ecuador's president, Rafael Correa, sought to adopt as the guiding principles of his left-progressive government policy after taking office in 2007. In addition to garnering a great deal of national and regional media attention, his groundbreaking work on the new constitution and his concrete political proposals also contributed significantly to the global discussion on alternative constitutional and political models. All that remains today is a profound sense of disillusionment in Ecuador and beyond over a single political decision with far-reaching consequences.

### IMPORTANCE AND FUNCTION OF NATURE IN THE ECUADOR'S 2008 CONSTITUTION

From the very first year of his presidency, Correa laid the foundations of his long-term project for a complete overhaul of the Ecuadorian state in the form of a new constitution that provided the state's socialist

structure with a dazzling new façade. In order to achieve Ecuador's ultimate goal – the all-pervasive, indigenous-rooted concept of "buen vivir"<sup>1</sup> (individuals and communities living in harmony and balance with nature) for all Ecuadorians – two central elements were needed: a progressive-socialist model based on a popular, solidarity-based economy (*economía popular y solidaria*) and a new definition of nature that sets out principles of governance for environment and energy issues.

Accordingly, under Title II, Section 7 of the Constitution of Montecristi (so named after the meeting venue of the constitutional assembly), nature is granted the status of a legal entity for the first time in history of the world's constitutions: Article 71 accords nature "the right to exist, persist, maintain and regenerate its vital cycles, structure, functions and its processes

1 | Cf. Winfried Weck and Carolina Landin, "'Good Living' and the 'Social and Solidarity-Based Economy' in Ecuador", *KAS International Reports*, 01/2014, pp. 57–82, <http://kas.de/wf/en/33.36581> [28 July 2014].

in evolution”, while Article 72 enshrines nature’s right to restoration in the event of environmental damage. Furthermore, Article 71 explicitly empowers every person, community, municipality and nation<sup>2</sup> to protect the rights of nature and demand the recognition of such rights before state bodies. In addition, under Title II, Section 2, Article 15, the state is tasked with promoting environmentally friendly, clean technology and alternative, non-polluting forms of energy in both the public and private sector. The text continues: “Energy sovereignty shall not be achieved to the detriment of food sovereignty<sup>3</sup> nor shall it affect the right to water.” This provision is repeated almost word for word in Title VIII, Chapter 7, Article 413, once again highlighting the interconnectedness of the concept of the good way of living and the necessity of using alternative energy forms as part of a holistic approach.

#### ENERGY POLICY AND INTENTIONS IN THE NATIONAL PLANS FOR THE GOOD WAY OF LIVING FOR 2009 – 13 AND 2013 – 17

Ecuador shares the fate of the majority of its Andean neighbours in that it is an exporter of primary goods, but has not been able to derive significant economic benefits for large parts of the population as the result of a trickle-down effect from its extensive raw material reserves, as practically all manufactured goods must be imported. For instance, in 2007 the country’s energy balance was made up of 90 percent “energy generation” (of which 96 percent refers to low-quality crude oil from the Amazon region, which had to be exported unprocessed due to a lack of refineries, while the remaining 4 percent came from hydropower and biomass energy) and 10 percent energy imports (of which once again 90 percent were refined oil products, and 10 percent electricity imports). It was therefore a declared goal of the second Correa government, upon taking office in 2009,<sup>4</sup> to fundamentally change this situation. Concrete policies to achieve this aim were established in the National Plan for the Good Way of Living 2009–13 (Plan nacional del buen vivir, PNBV).

2 | Ecuador defines itself (as does Bolivia) as a ‘plurinational state’, with extensive basic rights for the many indigenous nations on Ecuadorian territory set down in its constitution of 2008.

3 | The term sovereignty is used here in the sense of autarky, as defined in other sections of the constitution for the food and energy sector.

4 | Following the adoption of the constitution of Montecristi on 28 September 2008, the parliamentary and presidential elections were held on 24 April 2009 in which Correa and his movement Alianza PAÍS emerged as the clear winners.

In Subsection 6.7 of the PNBV entitled Transformation of the Energy Matrix (Cambio de la matriz energética), the 2009–13 period was described as crucial for the planning and implementation of the major projects required for an efficient and environmentally friendly national energy system. The new matrix was to consist primarily in the realisation of new hydropower plants and the construction of a large refinery, given that the highest energy needs were those of the transport sector. Furthermore, remedying the significant energy losses sustained from the transformation process and from transport and more efficient use of energy by industry and private households were defined as additional key areas requiring further work.

In its evaluation of the preceding period, the PNBV 2013–17 mainly addresses the measures devoted to expansion of nature reserves. In addition, both the large refinery (refinería del Pacífico) and ten hydropower plants are in the planning stage or already under construction (the largest of these is the Coca Codo Sinclair hydropower plant, which has a capacity of 1,500 megawatts and is scheduled to go online in 2015, thereby fulfilling the constitutional provision of energy sovereignty), but still a long way from completion. What is more, experts state that despite these efforts, the target of generating six percent of the overall energy matrix from hydropower laid out in the PNBV 2009–13 has not been achieved.<sup>5</sup> This is due primarily to the fact that Correa’s left-wing government is expediting the connection of private households in the countryside and in poor urban areas to the grid, and heavily subsidising electricity, with the result that Ecuador’s energy needs have risen more sharply than in neighbouring countries (long-term average yearly consumption rose by 6.7 percent, compared to 4.6 percent in Peru and just 2.3 percent in Colombia).<sup>6</sup> This has led to considerations both by the Ecuadorian government and international companies as to how better use might be made of the country’s thermal energy resources.

5 | The figures here are in part very confusing and depend largely on the respective reference parameters used. According to the country profile for Ecuador of the German Federal Ministry of Economic Affairs and Energy, 14 percent of Ecuador’s primary energy consumption currently comes from renewable energy (including a relatively low share of liquid bio fuels, wind power and biomass using cogeneration plants). The target is to increase electricity from renewables to 80 percent by 2020. The Market Analysis Ecuador: Photovoltaic published by the Worldwide Network of German Chambers of Commerce (AHK) even states 96 percent electricity from renewable energy by 2020!

6 | Miguel Castro, “Matriz y política energética en Ecuador: realidades y propuesta estatal”, Centro Ecuatoriano de Derecho Ambiental, Temas de análisis, 12/2011.

As regards climate change, manifested in the region above all in the form of the El-Niño phenomenon and rising sea level, the National Plan 2013–17 places the blame on the industrialised nations, while observing that those most affected are essentially the group of developing nations. At the same time, the targets set in the 2013–17 plan are formulated in a notably more restrained and general fashion than in the plan for the previous legislative period. For instance, the main focus of the current plan is on environmental education, research into making more effective use of alternative forms of energy and the gradual reduction of the use of fossil fuels in transport. Fossil fuel consumption by the transport sector is indeed relatively high, claiming a 55 percent share in the overall energy matrix (in neighbouring countries the same figure averages at 39 percent),<sup>7</sup> which can be explained by the heavy subsidies enjoyed by fuels and the resulting excessive use of automobiles and other vehicles for any transport need (1 gallon – or 3.79 litres – of diesel costs around US\$1.09, while a gallon of premium-grade petrol costs around US\$2.00).

However much Ecuador's left-wing government claims to be aware of climate and energy issues and portrays itself, on the basis of its innovative policy proposals, as a leading international figure in the rights of nature movement and in the fight against climate change, media coverage – and therefore public discussion – of the issues of climate change and alternative/renewable energies remain negligible. Even the German energy transition was acknowledged at best as a peripheral aspect of a global yet somehow distant discussion, even though for seven years Ecuador had its own unique environmental project, which Ecuadorians had every reason to be proud of: the Yasuni-ITT initiative.

#### YASUNI-ITT: THE SPECTACULAR BEGINNING AND SAD END OF AN ENVIRONMENTAL INITIATIVE

The initiative began in 2007, and lasted almost for the entirety of the Correa government's time in office. In 1979, a 982,000 hectare area of Ecuadorian rainforest was declared a national park by the Ecuadorian government, and ten years later designated a biosphere reserve by UNESCO. The park, named after the Yasuni River, lies around 250 kilometres east of the capital, Quito, and is one of the most biodiverse areas in the world as well as being home to numerous indigenous peoples, most of them still living in close harmony with nature. Also in the 1970s, major oil

reserves were discovered in the Ecuadorian rainforest, including in the eastern part of the Yasuni National Park. Extraction was begun in areas outside of the park. According to the most recent estimates, the reserves amount to 846 million barrels of relatively low-quality heavy crude oil, and would be exhausted after around 25 years. The purpose of the Yasuni-ITT project by Raphael Correa's government, elected in 2006 and at that time still young and ambitious, was to prevent the future extraction of oil in the Ishpingo-Tambococha-Tiputini<sup>8</sup> (ITT) area of the Yasuni National Park in order to ensure the long-term preservation of the park's unique flora and fauna and prevent around 400 million tonnes of carbon emissions. In return, the international community, in particular the industrialised nations, were to provide compensation amounting to US\$3.6 billion over a period of 20 years. The first milestone set by Correa was the goal of obtaining US\$100 million from the potential contributors with no strings attached by the end of 2011. However, the government stated that this target was missed by around €30 million. The "publicity campaign" for the initiative was extended until 2013, with abysmal results. In total, just US\$13.3 million were actually paid into the fund, with a further US\$116 million pledged in the medium to long-term future (e.g. in the form of debt write-offs on the condition that the amounts were paid into the fund by the Ecuadorian government).

#### MAJOR REVERSAL IN THE CORREA GOVERNMENT'S ENERGY POLICY IN AUGUST 2013

In view of the long-term prospect of compensation payments amounting to US\$3.6 billion by 2027 versus the expected income from oil extraction of US\$18 million, in August 2013 the Correa government decided on a drastic reversal of its previous policy. On 15 August, President Correa announced to the world that the Yasuni-ITT initiative had failed, and that oil extraction would take place in this unique nature reserve after all. Correa's announcement of the initiative's failure was accompanied by a clear accusation directed at the international community, which he said was responsible for the decision given the low level of support offered to the initiative. This decision was met with disappointment and incomprehension on the part of practically all Ecuadorians, but in particular by large numbers of the president's loyal supporters, as they had always associated the Yasuni project with the government's commitment to a new social model

7 | Ibid.

8 | These are the names of three successful exploratory drillings in the east of the Yasuni National Park.

in which the protection of natural resources is of fundamental importance. One thing is certain: with this decision, Correa's left-wing government has forfeited its status as a beacon of environmental protection and lost a great deal of trust on the international stage. In the future, the Ecuadorian government's loud protests against the capitalist industrialised nations at climate conferences will lack a great deal of their former credibility.

In the wake of the Yasuni-ITT decision, the Correa government's position on alternative energy sources will also come under close scrutiny. The decisive question will be whether here too political necessities of a budgetary nature are allowed to hold sway.

## GUATEMALA

*Annette Schwarzbauer*

On this year's Earth Day, which is celebrated in numerous countries on 22 April, the cartoonist from the Guatemalan daily newspaper *Prensa Libre* drew a gloomy-faced globe being cooked in a large pot over an open fire. To either side stand the leaders of India, China, the United States and Russia in a nonchalant pose for a selfie alongside the overheated planet, which is giving off small clouds of steam. No Europeans are to be seen around the fire; they are presumably busy elsewhere with damage control. The message is clear: Guatemala is aware of climate change and has a good idea of who is responsible.

In the general popular perception, there is no doubt as to the existence of climate change. The taxi driver grumbles that the rainy period is not nearly as clearly defined as it used to be, making the weather totally unpredictable. Citizens complain of the rising heat, saying that it never used to be such a problem. They perceive a trend towards longer dry and hot periods and more extreme rainfall.

There is some media coverage of the IPCC reports published in March and April 2014, but it is generally based on international press reports from news agencies. In addition to global consequences, such as the international tensions expected to result from water shortages caused by climate change, the impacts for Central America are also highlighted: water scarcity in semi-arid regions, floods in urban areas, declining food production and an increase in diseases spread by mosquitoes.

Various government bodies, research and consultancy institutions and environmental organisations are involved in efforts to combat the effects of climate

change and also actively devising possible potential preventive measures in this field. However, a realistic assessment is that although these issues are being addressed, environment and climate are not considered a priority at the government level.

In December 2009, the National Climate Change Policy (*Política Nacional de Cambio Climático*) was published by the Ministry for Environment and Natural Resources. The policy covers the topics of education and training, technology transfer, risk management, reducing vulnerability, improving adaptation and reducing greenhouse gas emissions. In September 2013, Congress approved the framework law to regulate vulnerability reduction, obligatory adaptation to the effects of climate change and the mitigation of greenhouse gases (*Ley Marco para regular la reducción de la vulnerabilidad, la adaptación obligatoria ante los efectos del cambio climático y la mitigación de gases de efecto invernadero*). The law establishes the National Fund for Climate Change and the National Information System on Climate Change (both administered by the environment ministry) and the National Council for Climate Change (under the supervision of the country's president).

A number of initiatives have also been launched at regional and Central American level. Of particular significance was the presidential summit on climate change held in May 2008 in Honduras. The national presidents of the Central American Integration System (*Sistema de Integración Centro-americana, SICA*) allocated tasks to national and regional institutions. Under this initiative, the Economy of Climate Change in Central America project is being implemented by a number of regional institutions. One of the fruits of the summit is the Regional Strategy on Climate Change, which prescribes measures by government