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Learn Your World: Costa Rica

Community



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Economy

Population

Business

Additional Resources

GDP (PPP)

US\$83.94 billion (2017 est.)

4,987,142 (2018 est.)

According to the World Bank Group flagship report Doing Business 2019, Costa Rica scores 68.89 in “ease of doing business” on a scale from 0 to 100, where 100 represents best performance.

[Decarbonization Plan](#)

[Doing Business 2019: Costa Rica](#)

In September 2019, Costa Rica received the United Nations Champion of the Earth award at the 74th Session of the UN General Assembly. The environmental honor recognizes Costa Rica's plans to decarbonize its economy by 2050. The Central American nation currently runs on 95 percent renewable energy with a goal of 100 percent by 2030. The country already set a record of 300 days run on solely renewable power in 2017, and it is expected to generate around 99 percent of its energy from renewable resources in 2019.

The majority of Costa Rica's clean energy is generated by hydropower, followed by wind and geothermal sources, with some produced by biomass and solar panels. According to the Costa Rican government, clean energy powers 1.5 million homes and 225,000 businesses and has saved the country US\$500 million over the past 20 years.

In addition to energy, the Decarbonization Plan will impact the transportation, waste, and land sectors. Seventy percent of buses, trains, and taxis are expected to be electric by 2035 and all by 2050. The plan envisions a culture of citizens and businesses focused on generating less waste by 2030, with solutions for collection, separation, reuse, and disposal of waste in place by 2050. Additionally, there are benefits for agriculture, livestock, and biodiversity. Costa Rica plans to increase its existing forest coverage from 50 to 60 percent by 2030.

To facilitate the implementation of its plan, Costa Rica has an eight-point strategy that focuses on modernizing the education system and institutional and tax frameworks. Part of this strategy includes a green tax reform and public-private partnerships. General counsel of national or multinational organizations should be on the lookout for tax changes resulting from the plan as well as opportunities to work with the government to contribute to milestones.

However, there are already environmental regulations and incentives in place that impact businesses. Equipment used for renewable energy, such as PV panels, solar water heaters, and wind and hydro gear, is exempt from import duties and several taxes. But large consumers are required to develop energy plans that include energy efficiency and renewable energy options.

When starting or expanding businesses, keep in mind that building construction requires approval from the National Environment Technical Secretary and participation in an environmental impact study. More regulations may also be forthcoming as the Decarbonization Plan includes milestones for low-emission standards in building development.



Staff

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