



HOPE FOR THE CHILD

Photo by Harmony Reforma



A small girl peers out from her dilapidated home in the shantytown known as Finca San Juan, in the western San José district of Pavas. A private foundation this week launched a \$3 million project to give the impoverished neighborhood a makeover. Some 130 houses will be demolished and rebuilt while another 63 will be remodeled – providing, of course, that the foundation succeeds in overcoming bureaucratic hurdles. See story on Pages 16 and 17 ▶

NEWS

Police Seize Firearms From Security Firms

Officials criticize the lack of firearms control after police this week raided 96 private security posts, confiscating 54 illegal weapons.

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President Oscar Arias Gets Highest Approval Yet

A CID-Gallup poll this week gave President Arias a 64% approval rating, the highest of his term so far and up from 44% in October.

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BUSINESS

Colón's Value Likely To Increase Further

Even with the release of the Central Bank's new monetary policy, pressure is still on for the colón to appreciate against the dollar.

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WEEKEND

Special Edition: Health and Beauty

Lower costs and high quality of medical services and facilities draw visitors to the country for more than its natural beauty alone.

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Strike 3, You're Closed

Government orders Papagayo hotel to close after finding wastewater going into estuary

By Dave Sherwood
Tico Times Staff

LIBERIA, Guanacaste – Health officials have ordered the 300-room Hotel Occidental Allegro Papagayo to evacuate its guests and

close its doors within 24 hours after discovering pipes dumping unidentified wastewater into a nearby estuary.

The hotel, part of the government-sponsored Papagayo Tourism Project, is in violation of the project's own laws and technical guidelines, according to the orders delivered to hotel manager Guillermo Guerra at 3:20 p.m. Wednesday.

The announcement comes after repeated warnings and sanitary orders from local officials, who had kept tabs on the hotel since early last year, when inspections first revealed its sewage treatment plant had failed.

At that time, manager Guerra, in a let-

ter signed and dated April 24 wrote that the problem had been "corrected," and that officials could "rest easy," knowing that it "would remain definitively eliminated in the future."

Despite Guerra's written assurances, nine months later the hotel still lacks a functioning sewage treatment plant, a requirement of operation for all hotels on government concession land, according to health officials.

During that time, the hotel began to ship its sewage off premises by truck, delivering instead to small-scale, sometimes illegal disposal sites in neighboring towns, and raising

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THE NICA TIMES

Police Work Questioned

President Ortega's attempts to involve his Councils of Citizen Power in the National Police has security experts worried.



Road Changes Everything

The new San José-Caldera highway places Orotina in developers' sights

By Peter Krupa
Tico Times Staff

OROTINA, Puntarenas – In the park, two older men wearing guayabera shirts sat playing a game of checkers with bottle caps.

The sun beat down hard, but it was cool in the shade, and a breeze stirred the trees.

The dry season had already turned the landscape outside the town to brown – miles and miles of empty pasture and fallow farmland. A green bottle cap jumped a red bottle cap. King me.

The story of a sleepy town converted into heaving commercial and residential mini-metropolis is already a cliché in Costa Rica, yet it appears likely to be repeated once again, this time in the canton of Orotina.

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U.S. Economy a Shadow Over C.R.

By Peter Krupa
Tico Times Staff

The Central Bank on Thursday released a pessimistic outlook on the Costa Rican economy, projecting that a slowdown in the United States economy will have a direct effect on Tico fortunes.

The bank is predicting that growth this year will shrink to 3.8%, while growth for 2009 is projected at 4.9%.

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300-Room Pacific Resort Must Evacuate Guests

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hackles among local residents.

The foul-smelling deliveries reached fever pitch again in December, as sunny skies ushered tourists to the region, filling Guanacaste's hotels to capacity.

Residents in the nearby towns of El Gallo and Santa Cruz, where the sewage was being delivered, protested. In both cases, the sites were ordered to stop receiving sewage from the Allegro Papagayo.

"The hotel was desperate," said Liberia municipal environment inspector Augusto Otárola, who last month outlined the hotel's seemingly panic-stricken activity in a meticulously detailed summary.

Otárola, in his report, faulted not only the company, but also government institutions for months of "inaction and apathy."

"It should have been shut down long ago," he said.

Hotel management has refused to comment, despite repeated phone calls from The Tico Times.

Where Did It Go?

Officials and residents this month scrambled to keep track of the unmarked sewage trucks from the Hotel Occidental Allegro Papagayo as they disappeared by the hundreds into the dry, windswept hills of the northwestern province of Guanacaste.

No one, not even the Health Ministry, could predict where they might appear next.

Two weeks ago, angry residents of El Gallo de Liberia, a small town 30 minutes from the hotel, blockaded streets in protest, after documenting evidence that hundreds of trucks had deposited sewage in small-scale facilities – often mere holes in the ground – incapable of handling the pressure.

Municipal environmental inspector Otárola then forbade the Allegro Papagayo from discharging its sewage in El Gallo.

Shortly thereafter, residents in Santa Cruz, about an hour away, began to smell something rank in the air.



Dave Sherwood | Tico Times

A Resort Under Fire: The Hotel Occidental Allegro Papagayo, in the Bahía Culebra on the northwestern Pacific coast, has been ordered to close its doors after government officials found it violated wastewater dumping directives.

Jefferson Angulo, director of the Rio Cañas regional office of the Environment and Energy Ministry (MINAÉ), confirmed trucks from the Spanish-owned hotel had taken new aim, delivering sewage to a disposal site there that lacked appropriate permits.

The site, described by Juan Luis Sánchez, director of health in Santa Cruz, as "artisanal lagoons capable of handling only small amounts of domestic waste," was quickly overwhelmed.

Sánchez said a rash of complaints from neighbors and lack of proper permitting forced health officials to shut down this site, too – and raised questions about the company contracted by the hotel to transport its client's excrement.

The hotel told municipal officials it had hired the trucking company to take care of its "problem" – and as such, was not respon-

sible for keeping track of the sewage – a claim the MINAÉ's Environmental Tribunal judge Marisel Navarro disputes.

"In environmental law, a hotel is responsible for where its sewage winds up," she said, citing article 100 of the country's Environmental Law.

Since the closure of dumpsites in El Gallo and Santa Cruz, Liberia Regional Health Director Mario Calvo, who oversees the Papagayo Project, acknowledged that even he couldn't guarantee the hotel's sewage was being disposed of legally.

"Once it leaves our region's borders, we don't know where it's going," he told The Tico Times on Tuesday. "We have warned management at the hotel many times. If we find any contamination on site, we will shut it down."

He made good on his word the next day.

Government Work

The Allegro Papagayo, part of the global Spanish chain Occidental, is one of 25 concessionaires in the government-sponsored and directed Papagayo Tourism Project, the largest such development in Central America, and one which for decades has touted itself as "eco-friendly."

On April 24, 2007, the Liberia mayor's office reported the hotel's violations to Javier Bolaños, director of the project for the Costa Rican Tourism Institute (ICT).

Wastewater from the hotel, they said, had "saturated" a stream beside the hotel that feeds into the estuary, and by default, was contaminating the ocean waters fronting the hotel.

The first legal action taken by the ICT – a formal complaint with the country's Environmental Tribunal – wasn't filed until six months later, despite repeated warnings from inspectors who called the situation "grave."

During this time, the hotel remained in operation, and its beach, Playa Manzanillo, retained its Blue Flag designation, an international program certifying coastlines as clean and environmentally friendly.

The Papagayo Tourism Project bylaws, according to municipal inspectors, cite a lack

of a sewage treatment plant as a reason "for cancellation of a concession."

Francisco Coto, director of the tourism institute's legal department, also assured The Tico Times this week that the project's board of directors, after an appropriate investigation, could have cancelled the concession.

They did not. Instead they turned to the notoriously slow and overburdened Environmental Tribunal, which has yet to resolve the issue.

Tribunal President Mario Leiva said such tactics are common amongst officials at government ministries.

"These complaints came from the Costa Rican Tourism Institute. They could have taken action, but they chose not to," he said, adding that the tribunal has only three judges who handle cases countrywide.

Despite recent events, Bolaños insisted that the government's Papagayo Tourism Project "complies with all legal requirements."

When asked if he could guarantee that no other hotels in the government project were contaminating Bahía Culebra, Bolaños told The Tico Times he "hoped not."

Bolaños neglected to mention another complaint filed by his employer, the Costa Rican Tourism Institute, over alleged contamination emanating from the Grand Papagayo, a five-star hotel that is another of the project's prominent concessionaires and also from the Occidental chain.

Leiva, of the Environmental Tribunal, confirmed that there were various outstanding complaints regarding wastewater treatment violations inside the Papagayo project.

He said the tribunal has planned a complete review of the project in the coming months.

Dirty Water

Concerned local residents – plagued for months by the sights and sounds of the wandering sewage – celebrated the Health Ministry's announcement Wednesday.

But many still worry about the potential environmental impact of this abuse and others yet undiscovered.

Bolaños, of the ICT, urged calm.

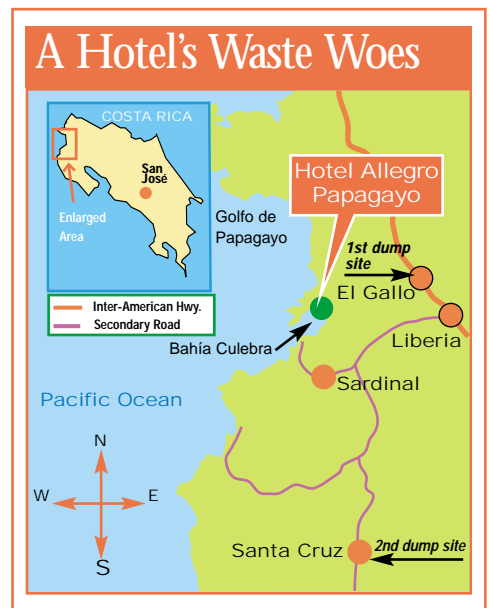
He said University of Costa Rica (UCR) studies proved the ocean water in Bahía Culebra, the sparkling bay fronting the hotel

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Dave Sherwood | Tico Times

Blue Flag Beach: The beaches in front of Hotel Occidental Allegro Papagayo were earlier handed Costa Rica's "Blue Flag" designation, meaning it is ecologically sound and safe for swimming.



Roy Arguedas Arias | Tico Times

Dr.'s Visit Now Required To Get Cash Benefits

Officials hope better health will keep kids from skipping school

By Gillian Gillers
Tico Times Staff

The state already pays teenagers to stay in school. Now it will pay them to see the doctor. The Housing Ministry this week attached another string to its cash transfer program *Avancemos*, which will give up to \$100 a month to 140,000 poor high school students in 2008.

In addition to proving they are enrolled in school and passed the previous grade, beneficiaries must show that they got a medical checkup within the last year.

The new requirement is intended to keep kids in school by preventing pregnancies, helping pregnant teens, checking abuse by family members, and promoting emotional and physical health.

Students can get free medical treatment through the Caja, which manages Costa Rica's socialized health-care system.

An initiative by President Oscar Arias' administration, *Avancemos* (Spanish for "let's go forward") has grown quickly. Transfers went to nearly 93,000 students in 2007, up from 8,000 the previous year. The program aims to pay 140,000 students in 2008, when its

budget will double to \$80 billion.

The goal is to discourage teenagers from dropping out and getting jobs. That becomes harder to achieve as students age, said Housing Minister Fernando Zumbado. Some 29% of beneficiaries are in seventh grade, while only 10.5% are in 11th grade, even though the ministry pays \$30 a month to seventh graders and \$95 a month to 11th-graders.

The Union of Private University Rectors (UNIRE), which includes most of the country's private colleges, gave scholarships this week to the 1,000 *Avancemos* graduates with the highest scores on a national exam.

The Housing Ministry will add another incentive to graduate beginning this year. Each ninth-grader in the program will get a bank account with \$500. Another \$500 will be added when she completes each of 10th and 11th grade - the last year of high school. Only at graduation can she access the entire \$1,500, spending it on whatever she pleases.

Avancemos has come under criticism because ministry authorities do not check where families spend the money - whether on food and school supplies or cell phones and alcohol. The ministry this year will survey a sample of beneficiaries to determine how they use the money and what they think of the program. Ministry advisers concede that families may not tell the truth.

But Zumbado said, "We can't hire police officers to monitor where the money is going." ■

Hotel's Next Step Unclear

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and the region's main tourist attraction, was the "cleanest of any developed area in the country - cleaner than ever Puntarenas, Golfito and Limón."

But the studies, now seven years old, are outdated, according to the university's Ocean Science Research Center (CIMAR) biologist Eddie Gómez.

More recent studies, including one by Cindy Fernández, a marine biologist with local environmental group MarViva, revealed nutrient runoff from the well manicured grounds of regional hotels has led to a bloom algae that is killing native corals.

The study, which relates directly to the Papagayo Tourism Project, made national headlines in the country's Spanish-language dailies in 2007. Bolaños said he had not heard of it.

Activists wary of such incidents have long decried the government's plans to increase the total number of rooms in the 2,000 hectare Papagayo tourism project from the originally proposed 1,500 to 26,450.


They question whether the region can sustain that kind of pressure.

Gadi Amit, of the Guanacaste Brotherhood Fraternity, a local environmental group that has long highlighted lack of water and sewage problems in the region, said the recent discovery and closing orders put the development situation in perspective.

"This kind of growth is simply not sus-

tainable, and this is proof. Before the government invites more investors here, it needs to regain control and put a more realistic plan in place." ■

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