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ACTION PLAN

FY 1990 - FY 1991

USAID/COSTA RICA

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PART I - STRATEGY & OVERVIEW OF PERFORMANCE

PROGRAM STRATEGY SUMMARY

Preserving Costa Rica as a model of democratic, broad-based development in the region has been the primary rationale for U.S. assistance to Costa Rica since the economic crisis of 1981.

This rationale connotes a clientele of people rather than economies. Yet the discussion below and the programs it represents focus heavily, though not exclusively, on economic issues. Why? Because from AID's analysis of the Costa Rican situation, we conclude that in this particular country, the most important issue for the people of Costa Rica, and especially the poor majority, is the recovery and growth of the private economy. That economy does a relatively good job of providing jobs and income to the lower half of the income scale and is the sole source for maintaining GOCR social programs which do so much for the quality of life of the poor.

The primary aim of the USAID program through FY 1992 in Costa Rica will be laying the basis for sustained economic growth through support for export-led growth. Economic stability, which heretofore was the main emphasis of our program, has progressed to such a degree that the Mission now views it as a necessary minimum precondition for long-term economic growth rather than as a primary goal. Even so, the economic stabilization process is not complete and continued external donor policy and financial support will still be required into the 1990's. Three major program focus areas in support of this goal are exports, macroeconomics/finance, and public sector efficiency.

The strategy's secondary emphasis will be on wider sharing of the benefits of growth through the integration of more Costa Ricans into an expanded economy and helping the Costa Rican government meet current and projected demand for social services. The third emphasis of the USAID program encompasses promoting democracy and strengthening democratic institutions, primarily through supporting democratic institutions and providing scholarships to Costa Ricans who have shown leadership potential.

The bulk of program resources are being directed to:

- Supporting Costa Rica's efforts to effect and consolidate an ongoing economic transformation from an economy based on public sector investment and import substitution to one which looks more to the private sector and diversified exports to beyond Central American markets for long-term growth.
- Assisting the GOCR to meet the present and future demand for services in a period of tight budgets and increasing population.

Assistance instruments include Economic Support Fund cash transfers, and PL-480 Title I food commodities which support Costa Rica's balance of payments; local currency made available under the balance of payments support programs for joint programming by the GOCR and USAID for development activities; and AID Development Assistance. As ESF cash transfer levels decline, AID plans to focus its ESF resources in specific sectors, starting with the export sector in FY 1991.

1. Laying the Basis for Long-term Growth. The AID program is assisting Costa Rica in moving away from an economy based on import substitution and parastatal enterprises toward export-led growth and an economy with a diversified and expanded production base and markets, strengthened financial markets, and expanded productive credit, all leading to the increased savings and investment needed to bring about sustained growth.

The strategy focuses on expanding non-traditional exports, but will also help support traditional exports to protect production levels or to take advantage of opportunities for increased earnings. (Other traditional crops receive support under PL-480 local currency financed programs.) The program is supporting both agriculture and industry simultaneously, because a changeover from a predominantly agricultural economic base to a light industry orientation cannot be achieved over the short term. Also, the opportunities of export growth and employment generation in agriculture make the development of the sector a key element to economic growth. The strategy also encompasses tourism because of its significance as a foreign exchange earner.

Success in expanding non-traditional exports (NTEs) requires macroeconomic stability, increased investment in those exports, and increased export productivity and marketing ability. As noted below, the Costa Rican Coalition for Development Initiatives (CINDE) is an important actor in these efforts.

To support Costa Rica's stabilization program and maintain import capacity, the Mission plans to continue providing balance-of-payments assistance in the form of ESF cash transfers through FY 1990 and PL-480 Title I food assistance through FY 1992. This assistance has and will continue to facilitate (a) the implementation of macroeconomic policy reform measures adopted by the GOCR, (i.e. monetary, fiscal and exchange rate policies) and (b) selected sector-level adjustments where identifiable constraints affect development programs (i.e. housing and export sector policy reforms). For 1991, the Mission is proposing to move to sector assistance, beginning with the export sector. The balance-of-payments impact of that program will continue to be an important element of the program strategy.

Another macro-level problem touching on virtually all aspects of Costa Rican life is inefficiency in the public sector. The USAID program is increasing its efforts to deal with the central but politically difficult issue of public sector employment through policy dialogue on limiting new employment, and, potentially, through a program aimed at public sector mobility--facilitating movement of the public sector labor force to the private sector. The Mission is also attempting to reduce administrative inefficiencies, especially in those areas that impact on export expansion, and is exploring possible avenues for improved central-local government relationships.

To encourage and facilitate further increases in NTE investments, both foreign and domestic, USAID is financing dollar credit projects which are directed to new and ongoing export production activities, and supporting measures which increase the efficiency of the national financial system. We are also supporting an expansion of CINDE's ongoing and very successful industrial investment promotion program, and have more recently initiated support for their agricultural investment program. In addition, we have also opened ongoing dollar credit projects to foreign-trade-zone shell and infrastructure construction, and are planning a new financial services project to expand and deepen the coverage of the national financial system.

The Mission's program is encouraging increased productivity and marketing ability in agriculture through an agricultural export strategy which supports the diversification of the Costa Rican agricultural sector into intensively produced crops with the potential for high economic return. In industry, a new local-currency financed CINDE project called Impulso Industrial (Industrial Development) will help local manufacturers gain experience in production for export via export subcontracting. The Mission has also opened credit programs to tourism projects. Specific constraints to export production and marketing such as customs, air cargo capacity and port operations are also being addressed through technical assistance and policy dialogue. Looking to the longer term, the Regional Agricultural School for the Humid Tropics will help fulfill technical human resources needs of the future, both in production and marketing.

The 1988 CDSS update expands the Mission's economic-growth program strategy to include natural resources. In response to the threat that the rapid deterioration of Costa Rica's natural resources (particularly forests) poses for continued economic development, the Mission will undertake two land-use-related programs in forestry and watershed management. The Mission is also considering what might be an appropriate role for our program in support of energy, since the demand for electricity is rapidly outpacing Costa Rica's production capabilities.

2. **Spreading the Benefits of Growth.** Costa Rica's social indicators rank favorably relative to those of other developing countries, largely because of Costa Rica's commitment to the well-being of its population and the broad outreach of its social programs. Therefore, our programs in support of spreading the benefits of growth seek (1) to integrate more people into active participation in the economy through generation of productive employment and the economic development of some of the poorest areas, and (2) to help Costa Rica deal with an expanding population and increasing demand for social services, especially housing and education, at a time when budgetary pressures cannot keep pace with service demand. USAID assistance gives priority to the country's poorest districts whenever possible and appropriate.

USAID is helping generate employment principally through export and investment promotion programs, the housing program, and PVO-managed small and microenterprise programs. We are also helping to open up and develop the Northern Zone, one of Costa Rica's poorest and most isolated regions, but one with good potential for contributing to the country's economic growth.

USAID is also supporting a series of Costa Rican programs in the social sectors. The housing program is emphasizing financial self-sufficiency in the sector and sustainable delivery systems. The centerpiece of the strategy is the establishment of the National Housing Mortgage Bank, a second-tier housing finance institution. In the education sector, the Mission is using ESF local currency to support a multi-grade classroom refurbishment project that fosters decentralized education. The Mission is assisting public and private-sector entities to increase the accessibility of family planning services in a two-pronged program that includes a private-sector retail sales program.

Finally, since the GOCR provides so many basic social services to its citizenry, our previously described efforts in increasing efficiency of the public sector are an important aspect of this element of the strategy.

3. **Promoting Democracy and Strengthening Democratic Institutions.** Costa Rica is a vibrant, functioning democracy. As a result, AID's role in support of special activities aimed directly at promoting democracy in Costa Rica is limited. USAID activities include strengthening institutions which serve as models for other Central American countries; training leaders and potential leaders, particularly under the Central American Peace Scholarships program; and promoting community organizations through special development activities identified and implemented by Peace Corps volunteers, as well as assistance to democratic institutions and cooperatives through PVO activities (e.g., AIFLD). A new bilateral Justice Sector Improvement Project focuses on improving the conduct and information base of the criminal justice court system.

PROGRESS OVERVIEW

I. Short-term Economic Stabilization

As noted in the Program Summary, the Mission program is addressing economic stabilization as a minimum necessary condition for long-term export-led growth, rather than as a primary goal. Therefore, macroeconomic progress is reported under Goal II below.

II. Laying the Basis for Sustained Economic Growth

Since the Mission's strategy for achieving Goal II is promoting export-led growth primarily through increasing non-traditional exports to markets outside of Central America and Panama (non CACM NTEs), progress toward the Goal can best be measured by examining performance with regard to exports, especially non-CACM NTEs and the various elements that contribute to their increase, including macroeconomic stability and finance. A relatively new thrust, and one that to which the Mission is turning increasing attention is that of public sector efficiency.

A. Exports

Progress has been outstanding in this area. Projections for 1988 non-CACM NTEs (including drawback value added) indicate a staggering \$125 million increase (34.7%) over 1987. Performance of these exports was strong enough to effect a 10.2% increase in total exports, in spite of the fact that traditional exports increased by less than \$9 million (just over one percent).

Program accomplishments under AID dollar credit and CINDE/PIE investment promotion programs correspond with the above results. Annual gross export capacity attributable to these programs increased by \$61 million (vs. the targeted \$38 million), and incremental investment in new or expansion export projects reached \$68 million (vs. the targeted \$45 million). We frankly cannot explain the unexpectedly high levels. They could be an expression of a virtuous cycle in which increased exports attract more investment, which in turn leads to further export increases. They may also be due to the new visibility of Costa Rica overseas (to which PIE and, we suspect, the Arias Nobel Prize have contributed).

Efforts to enhance investment in non-traditional agricultural enterprises and to increase the value of NTAEs were generally satisfactory. Increases in fresh produce exports directly facilitated by AID-assisted programs was in excess of \$6 million, almost double the target for the 1988; and new foreign investment in NTAE as a result of NTAE programs amounted to \$2 million, equal to the target. More disappointing is new Costa Rican national investment in NTAE directly attributable to AID programs was only \$850,000 or 11% of planned levels. (The problem here may not be only one of performance, but also of performance tracking.)

AID and CINDE/PAAC, the principal implementing institutions for the NTAE strategy, have agreed to a change in PAAC's program orientation from production technology to investment (domestic and foreign) and marketing promotion. We are confident that the program will accelerate as a result.

Given overall NTE results, we are satisfied that our export strategy is sound. However, the entire foreign-trade element of that strategy is being implemented by CINDE programs, which are virtually totally financed from ESF local currency. Perhaps the most important next step will be our work with the GOCR and CINDE to develop a method for continuing and sustaining a mechanism that has proven to be so beneficial for the country.

B. Macroeconomy/Finance

Precise comparisons between this year's and last year's macroeconomic indicators are impossible because the survey methodology was changed. However, trends can nonetheless be observed.

And according to the new indicators, the Costa Rican economy continues on a positive growth path, with the a 1988 growth rate of 3.4% and average growth including the previous two years of 4.7%. It should be noted, however, that the 1988 growth rate represents a decline from 1987's 5.1%. (At least some of that decline was intentional. The economy had heated up too much.)

A perennial problem encountered in a macroeconomic program is determining how much economic progress can be attributed to that program. The recent USAID/Costa Rica transition paper attempted to measure program impact through a "what-if" exercise covering the period 1980-1988. (See the note at the end of the narrative for a brief description of the methodology.) The exercise's two conclusions were (1) that production and income in Costa Rica would have been an estimated 24% lower in 1988 were it not for ESF balance-of-payments assistance and NTE-oriented policy reforms; and (2) that the engine of NTE growth is pulling an increasing part load each succeeding year--conclusions that are fairly gratifying to the Mission.

Returning to the more formal discussion of Action Plan progress, the most dramatic fluctuation in indicators is the inflation indicator (GDP deflator) at 18.8%. However, the GOCR is taking steps to reduce inflation (one immediate impact on Mission and GOCR programs is the low quarterly limit on ESF local currency monetization), and the rate is projected to decrease to about 15% in 1989.

With regard to specific program accomplishments, the most notable is the substantial though slower-than-projected progress on divestiture of parastatal companies. Only three substantial companies remain to be privatized, with the process completed by 1991.

Turning to policy accomplishments in the financial sector (see Objective 2), the access of private banks to externally financed credit lines has been maintained, along with other policy achievements pertaining to private banks. (A real threat to progress made to date occurred in the Legislative Assembly during heated debate on the passage of the Financial Reform Law - a precondition to IBRD SAL II. Fortunately, the threat was deflected. Moreover passage of the SAL II bodes well for improvements in the national banking system.) Another policy target was achieved via a recently passed law which requires the National Insurance Institute to insure deposits in private financial institutions.

On the program side, Mission-funded background studies and analyses necessary for the design of a rural credit policy reform program were completed in accordance with the Mission target. These studies formed the basis of a Mission decision to initiate a Financial Services project to promote financial deepening of formal and informal intermediaries. Development of this project will help identify future programs targets in the sector, including targets related to increasing deposit mobilization in rural areas.

On a more disappointing note, the Section 108 credit program did not begin operations in FY 88 as had been planned. Changing guidance on obligation procedures from the DCC coupled with the time required in soliciting and receiving proposals locally caused the obligation of funds to be delayed until FY 1989.

C. Public Sector Efficiency

The principal achievement under this relatively new program thrust is that, in accordance with ESF conditionality and Action Plan targets, public-sector employment levels held steady in a period of growing employment. This conditionality requirement will continue in FY 1989. But the Mission intends to involve itself more deeply in this topic, and is undertaking studies to help us identify the avenues where our involvement can be most effective. We should have more specifics by the next Action Plan.

D. Support for the Private Sector (other than financial sector).

One of our programs showed significant differences between planned and actual objectives for 1988. Under The Training for Private Sector Development project, a contracting delay meant that only 13 short-term participants were trained in the U.S. during the year, rather than the targeted 111. Moreover, companies are requesting more specific and specialized courses, which limits the number of potential trainees. This, combined with two changes in the implementing institution's staff position, resulted in only 984 Costa Ricans' participation in in-country short-term courses, as opposed to the projected 1,800. However, once the staffing problem was resolved, the trainee numbers of the second half of the year doubled the number of the first half. We project 1,400 trainees for 1989.

E. Natural Resources

Modification in the Development schedule for the Forest Resources project has resulted in delays in scheduled accomplishments.

III. Spreading the Benefits of Growth

A. Employment: Consistent with the better-than-expected performance in the export sector, Mission credit and export-promotion programs are estimated to have generated over 13,809 direct jobs in 1988, more than double the target of 6,800. On the other hand 1,740 direct jobs were generated under shelter and shelter service construction activities in 1988, less than half of the target 3,915 jobs, due to delays in the start-up of BANHVI's operations.

B. Population: The number of women receiving family planning services under AID programs was slightly higher than projected in 1988 (142,000 vs. 139,000). Distribution of contraceptives directly by the Social Security Institute (CCSS) began in early 1988, as planned. On the private sector side, the Contraceptive Social Marketing (CSM) condom sales nationwide reached 1.9 million, exceeding the 1 million 1988 target.

C. Housing: AID's accomplishments in the shelter sector during 1988 were mainly in the institutional development and policy-related areas as opposed to production. The start-up of BANHVI's operations was a monumental step forward in terms of the reorganization of the national housing finance system. However, the process was slower than expected. The flow of AID's disbursements to BANHVI were delayed approximately six months until appropriate conditions were in place. Consequently, the level of actual production was considerably below planned targets.

D. Education: Final design of EARTH's Phase I campus buildings has been completed. Years one and two of the four-year curriculum have been formulated and approved by the Board of Directors. Years three and four of the curriculum are drafted and approval is expected in the second quarter of FY 1989. The College Director was selected during January 1989. And finally, site preparation for construction of the campus core and general services was completed. We expect Phase I construction to be completed in the second quarter of 1990 and Phase II in the fourth quarter of 1991. The first 100 students should be enrolled in the College by the fourth quarter of 1990.

The Rural School refurbishment program is progressing smoothly after a late start. Three hundred thirty-five classrooms were constructed or renovated in 1988. Five hundred fifty additional classrooms are targeted for each of the years 1989 through 1990.

E. Regional Development. Since the Northern Zone Consolidation project was not signed until the end of FY 88, project activities have only recently commenced. However, AID did achieve a policy victory during project development when decision-making authority was given to the

Project Coordinating Office, and thus decentralized from MIDEPLAN's Central Offices. This will greatly facilitate project implementation.

F. **Health.** The Health Services project ended in FY 88, leaving the Social Security Institute with new inventory and procurement control systems and a manageable shortfall of only three to five percent, vs. the thirty percent shortfall of 1983. AID anticipates phasing out of the health sector and thus has limited its activity to training activities and equipment provision for emergency care under an Cooperative Agreement with Project Hope and to an in-service course on health services management for hospital and clinic directors.

IV. Democracy

The Justice Sector Improvement project is underway! The Judicial School is in the reorganization and staff-up phase, and the automated legislative reference system is in the pre-automation stage of refining the current manual retrieval system.

CAPS training was initiated for 188 short-term and 61 long-term participants during 1988. Due to changes in funding guidelines for the CAPS program, and timing of a waiver under those guidelines, no high school groups were trained in FY 88.

V. SELF-EVALUATIVE SUMMARY

There were a few dips in actual performance vs. targets, but in the focus areas overall progress was very good.

Methodology Used in the "What-if" Analysis:

The following methodology was intended to provide a rough approximation of ESF program impact.

If GDR is to grow, increased imports must be paid for. Since the correction of the exchange rate, the ratio between GDP and imports has been fairly constant at about 3.8-to-1. Two facts can be isolated which contributed to the country's ability to pay for these imports:

(1) balance-of-payments transfers, mainly from AID's ESF funds; and (2) growth in NTE revenues, which can be assumed to stem principally from GOCR policy reforms. Applying the above GDP-to-import ratio, the following table can be derived, comparing actual GDP growth with what it might have been in the absence of the balance-of-payments assistance and increases in NTEs.

	Actual GDP (1980 = 100) (%)	GDP without Assistance and Export Growth (%)	Importance of B/P Assistance (%)	Export Growth (%)
1980	100.00	100.00		
1981	97.74 (-2.3)	97.74 (-2.3)		
1982	90.62 (-7.3)	90.09 (-7.8)	100	--
1983	93.21 (2.9)	78.84 (-12.5)	93	7
1984	100.69 (8.0)	76.67 (-2.8)	71	29
1985	101.41 (0.7)	79.09 (3.2)	69	31
1986	106.95 (5.5)	80.34 (1.6)	54	46
1987	112.10 (4.8)	89.17 (11.0)	28	72
1988	115.54 (3.1)	88.30 (-1.0)	27	73

Details of the model and calculations summarized in this table are included in an October 5, 1988 paper by USAID/CR/EAO entitled "The Benefits of ESF Assistance", which is available from the Costa Rica desk in AID/W (LAC/CEN) or from USAID/Costa Rica.

FY 1988 Performance Matrix

OBJECTIVE No. 2: Strengthen the Private Sector

A. <u>Country Development Trends Indicators:</u>		<u>Actual</u>		
		<u>1986</u>	<u>1987</u>	<u>1988</u>
1.	Private Investment as a % of GDP	13.6	15.6	15.3
2.	Banking system credit to the Private sector (million colones)			
	--Current colones	44,824	56,126	62,755
	--Constant colones	31,556	35,840	33,739
 B. <u>A.I.D. Program Performance Indicators:</u>		<u>Planned</u>	<u>Actual</u>	
1.	Cumulative term credit available to private sector thru LC Generations	184	175	
2.	Private bank assets (\$M)	270	287	
3.	PVOs working w/ microenterprises			
	a. Local	20	15	
	b. U.S.	5	7	
4.	Microenterprises receiving AID funds thru PVOs	1,720	1,981	
5.	Participants in private sector training	1,915	1,002	
 C. <u>Policy Reform Targets:</u>		<u>Planned</u>	<u>Actual</u>	
1.	Access of private banks to externally financed credit lines in the Central Bank		Maintained.	
2.	System of deposit insurance for deposits in private banks		Recently passed law requires the insurance institute to establish such a system.	
3.	Continue abidance of GOCR to macroeconomic guidelines:			
	- controlled inflation		Increase in inflation rate to 18.8% (GDP deflator).	
	- market-determined interest rates		Interest rates positive in real terms.	
	- reduction of fiscal deficit		Fiscal deficit as % GDP increased by .1 percentage point.	
4.	Preparation of rural credit program		Background studies and analysis completed.	

OBJECTIVE No. 3: Stabilize Financial Structure

A. Country Development Trends Indicators:

	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Public sector deficit as % GDP	-5.5	-3.4	-3.5
--Non-fin. P.S. deficit as %GDP	-1.7	-0.3	-0.01
--Central Bank deficit as %GDP	-3.8	-3.1	-3.5
2. B/P current acct. def. as % GDP	-3.5	-7.8	-5.3
3. GDP growth (% increase)	5.5	5.1	3.4
4. Inflation per GDP deflator (%)	17.8	10.3	18.8

B. A.I.D. Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u>
1. Balance of payments relief (\$M)	139.75	130.95
2. Foreign exchange for private sector (\$M)	189.75	154.75
3. Privatization of major CODESA companies concluded.	2	1

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
1. Continued abidance of GOOCR to macroeconomic guidelines:		
a. Positive real interest rates		Maintained positive real interest rates.
b. No expansion of credit to non-financial public sector		Minor slippage in 3rd and 4th quarter.
c. Reduction of Central Bank losses		Slight increase, but less than projected.
d. Reduction of non-financial public sector deficit		Deficit has been virtually eliminated.
e. Exchange rates maintained at competitive level		Mini-devaluations maintained exchange rate at competitive level.
2. No increase in public sector employment		Public sector employment maintained at 9/30/87 levels.
3. Continued restriction of CODESA's ability to possess subsidiaries		Investment activities are restrained thru May 1990.
4. National Production Council movement toward market-based pricing		Subsidy revived temporarily on wheat in absence of FY 1988 Title I Agreement, but non-subsidized pricing resumed under FY 1989 Agreement. Subsidies on sorghum and rice not revived.

OBJECTIVE No. 5: Promote Exports

A. Country Development Trends Indicators:

	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Total value Non-Trad Export (US\$Mil)	431.0	517.6	626.6
--To CACM	133.0	157.0	141.0
--Outside CACM	298.0	360.6	485.6
2. Value added in drawback industry	34.8	44.2	50.0
3. Non-trad exports as % of total exports	38.4	44.7	49.1

B. A.I.D. Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u>
1. Gross annual exports generated (\$M)	43.4	67.0
2. New investment in NTE (\$M)	54.6	70.9
3. Non-trad. Agriculture Exports (\$M)	5.4	6.0
4. New investment in NTAE (\$M)	9.6	2.9
5. Jobs generated by NTE (Obj. 13B)	6,800	13,809

C. Policy Reform Targets:

<u>Planned</u>	<u>Actual</u>
1. Integrated administrative and freight handling systems at the airport	Plans of improved facilities completed. PL-480 funds programmed to finance 1989 construction.
2. Market-responsive rural credit program	Background studies and analysis completed.
3. Privatization of Free Zone Corporation operations in major ports	GOCR put Pacific FTZ operations up for bid, but received no response. Atlantic side FTZ offering being reworked to make it more attractive.
4. Support reorganization of GOCR's foreign trade and investment promotion operations	Discussions proceeding. Plan that includes CINDE has strong GOCR support.
5. Long-term managerial and administrative improvements in Customs	Partial personnel reorganization. Practicable improvement plan developed.

OBJECTIVE No. 6 - Manage and Preserve Natural Resources

Phase-in objective. No progress to report against targets.

A. Country Development Trends Indicators:

None

OBJECTIVE No. 8 - Increase Access to Voluntary Family Planning Services

A. Country Development Trends Indicators:

	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Annual Rate of Population Growth	2.8	2.8	2.6
2. Couples Using Contraception (%)	67.0	68.9	69.1

B. A.I.D. Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u>
1. No. of women receiving family planning services under AID programs (000's)	139	142
a. Under private sector programs	16	19
b. Under public sector programs	123	123
2. As a % of all women of reproductive age	18	18
3. Contraceptive Social Marketing Sales		
a. Condoms (000's)	1,500	1,900
b. Cycles of pills	10,000	0

C. Policy Reform Targets:

None

OBJECTIVE No. 9 - Improve Health and Child Survival

Phase-out objective.

A. Country Development Trends Indicators:

	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Outpatient Consultation			
a. Total (in millions)	7.00	7.10	7.20
b. Per 1,000 population	2.63	2.60	2.57

B. A.I.D. Program Performance Indicators:

	<u>Planned</u>	<u>Actual</u>
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None (APP health indicators are not appropriate for Costa Rica).

C. Policy Reform Targets:

None

OBJECTIVE No. 10: Improve Housing

A. <u>Country Development Trends Indicators:</u>	<u>Actual</u>	
	1986	1987
1. New housing units built	15,567	15,638
		1988
		19,000

B. <u>A.I.D. Program Performance Indicators:</u>	<u>Planned</u>	<u>Actual</u>
1. New housing units built	6,928	2,001
2. Housing units improved	120	55
3. Building permits approved	5,574	6,189

C. Policy Reform Targets:

<u>Planned</u>	<u>Actual</u>
1. Establishment of BANHVI	
a. No engagement in direct project lending	Although BANHVI has construction credit lines, none are direct: they go thru 1st tier institutions.
b. Adoption of sound on-lending credit policies	Operational guidelines for supervised entities established. BANHVI monitors compliance.
c. GOCR pays contributions promptly	GOCR making full payment of earmarked revenues. Remaining 30% has required GOCR action but is now in process.
2. Improved efficiency of public housing institutions.	
a. Institutional roles defined	Utilization of inappropriate entity (CNE) continues, but GOCR becoming aware of problem. IMAS adopted role of serving rural poor.
b. Organizational reforms adopted	IMAS restructured organization to fit new role.
3. Improved financing of infrastructure investment	
a. Full cost recovery practices	Municipalities began to raise tariffs to cover costs.
b. Integration of infrastructure and public sector investments in planning and budgetary process	Topic brought up in discussions with infrastructure institutions.

OBJECTIVE No. 11- Improve Educational Opportunities

A. <u>Country Development Trends Indicators:</u>		<u>Actual</u>		
		<u>1986</u>	<u>1987</u>	<u>1988</u>
1.	Gross primary enrollment rate (%)	107	107	103
2.	Primary School Completion Rate (%)	76	77	78
3.	Years to produce a sixth-grade graduate	7.8	7.6	7.6
B. <u>A.I.D. Program Performance Indicators:</u>		<u>Planned</u>	<u>Actual</u>	
1.	Rural classrooms built/rehabilitated	390	332	
C. <u>Policy Reform Targets:</u>		<u>Planned</u>	<u>Actual</u>	
Mission will encourage MOE to increase its allocation of resources for teaching materials, in-service teacher training, and maintenance and construction of schools and classrooms.			Mission succeeded in raising concern within the GOCR for the maintenance of existing schools and for the construction of new schools and classrooms.	

OBJECTIVE No. 12 - Strengthen Democratic Institutions

A. <u>Country Development Trends Indicators:</u>				
None				
B. <u>A.I.D. Program Performance Indicators:</u>		<u>Planned</u>	<u>Actual</u>	
1.	Justice Sector Improvement Project			
a.	No. of judicial professionals trained	-	-	
b.	No. of consultations in the Procuraduria General on prevailing law	-	-	
2.	Democracy books (000's)	75	20	
3.	Community development activities (SDAF)	70	53	
4.	Membership in AIFLD supported unions	5,500	4,500	
5.	Persons beginning training under CAPS			
a.	Short-term total	314	188	
	Men	165	84	
	Women	149	104	
b.	Long-term total	46	61	
	Men	25	32	
	Women	21	29	
C. <u>Policy Reform Targets:</u>				
None				

OBJECTIVE No. 13A - Other (Regional Development)

A. Country Development Trends Indicators:

None

B. A.I.D. Program Performance Indicators: Planned Actual

Since the Northern Zone Consolidation Project was signed at the end of FY 88 and conditions precedent to disbursement have not yet been met, no progress can be reported on project activities and accomplishments.

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
1. National banking system makes credit available for NTAE crops in Northern Zone		Arrangements underway but not yet fully in place.
2. Decision-making authority decentralized to field group		Decision-making authority vested in MIDEPLAN field group.

OBJECTIVE No. 13B: Employment

A. Country Development Trends Indicators:

	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Unemployment Rate	6.2	5.6	5.6
2. Employed labor force growth rate	3.3	8.1	7.0

B. A.I.D. Program Performance Indicators: Planned Actual

1. Direct employment created	10,315	17,349
-- Credit and Export programs	6,800	13,809
-- Housing programs	3,915	1,740
-- PVO small enterprise program	600	1,800

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
1. Reduction in public sector employment levels		The GOCR maintained the level of public sector employment below September 1987 levels.

GOALS/OBJECTIVES MATRIX

STABILIZATION REFORMS/GROWTH SPREADING BENEFITS DEMOCRACY

1. Increase agricultural production		X		X	
2. Strengthen the private sector		⊗			
3. Stabilize financial structures	X	○			
4. Increase GDP		X			
5. Promote exports		⊗			
6. Preserve and manage natural resources		⊗			
7. Expand and improve the infrastructure		X			
8. Increase access to voluntary family planning services				⊗	
9. Improve health and child survival				⊗	
10. Improve housing				⊗	
11. Improve educational opportunities		X		⊗	
12. Strengthen democratic institutions					⊗
13. Other		X		⊗	X

○ = From the Mission's perspective, the objective contributes to the goal's achievement.

15A

PART II - PROPOSED FY 90/91 PROGRAM

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PART II A. - PLANS BY GOAL AND OBJECTIVE

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OBJECTIVE No. 2: Strengthen the Private Sector

1. <u>COUNTRY DEVELOPMENT TRENDS</u> <u>INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Private Investment as a % of GDP	13.6	15.6	15.1	15.3	15.5	16.5	17.0
B. Banking system credit to the private sector (million colones) ^{a/}							
-- Current colones	44,824	56,126	61,593	62,755	68,434	78,699	90,504
-- Constant colones ^{b/}	31,556	35,840	36,360	33,739	32,854	33,733	34,636
2. <u>A.I.D. PROGRAM PERFORMANCE</u> <u>INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Cumulative term credit available to private productive sector financed through local currency generations (\$million equivalent)							
A. ESF	126	151	175	175	201	201	201
B. PL-480 Section 108	-	-	9.0	0.0	8.9	8.9	8.9
B. Private bank assets (\$ million equivalent)	180.7	235	270	287	330	373	416
C. PVOs working with small and micro-enterprises in Costa Rica							
A. Local	33	9	20	15	20	23	25
B. U.S.	8	5	5	7	7	4	6
D. Small and microenterprises receiving AID funds through PVOs ^{c/}	830	1,600	1,720	1,981	2,050	2,200	2,400
E. Individuals trained under AID Training for Private Development Project	1,932	1,454	1,915	1,002	1,565	70	-

^{a/} End of year figures. The projections for 1989-1990 conform to a revised definition, which does not include credit extended to the nonbank financial public sector.

^{b/} Assumes: 1) Nominal credit is projected to grow at 13% in 1989, 15.0% in 1990 and 15.0% in 1991.

2) Inflation as measured by the GDP deflator is projected to be 15.0% in 1989, 12% in 1990 and 12% in 1991.

^{c/} Outputs from the proposed Support to PVOs project not included. Targets will be determined during project design.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989.

POLICY ACCOMPLISHMENTS

- A. The access of private banks to externally financed credit lines has been maintained, along with the other policy achievements pertaining to private banks.**
- B. The National Insurance Institute must now insure deposits in private financial institutions, per a new law recently passed in the Legislature. AID may provide technical assistance to establish the system, if requested.**
- C. Of the three issues mentioned under financial policies, two remained stable, and one worsened. Positive real interest rates were maintained, and the overall fiscal deficit changed very slightly, from 3.4% of GDP in 1987 to 3.5% of GDP in 1988. Inflation, however, reached 18.8%, vs. 1987's level of 10.3%. The GOOCR plans to combat inflation growth by limiting the expansion of credit to 13% and by lowering the public sector deficit by 9 billion colones.**
- D. The background studies and analysis necessary to the design of a rural credit policy reform program were completed in December 1988, in accordance with the Mission target.**

PROGRAM ACCOMPLISHMENTS

- A. The Section 108 credit program did not begin operations in FY 88 as had been planned. Changes in DCC guidance caused the target to be consolidated from six loans to one. Unclear guidance on obligation procedures from the DCC, coupled with the time required in soliciting and receiving proposals locally, have caused the obligation of funds to be delayed until FY 89.**
- B. 13 PVO subgrants were approved in FY 88, of which 9 were local currency and 4 were dollar, in full accordance with scheduled performance. In addition, there are 9 ongoing projects.**
- C. Management training for PVO representatives has been rescheduled for a FY89 start, due to delays in initiating an INCAE training program.**
- D. Private sector training was initiated for 1,002 participants in 1988.
--5 long-term participants began training in 1988, 1 more than the targeted 4, bringing the total number to 19 Masters and 4 Ph.Ds.
--Only 13 short-term participants were trained in the U.S. during 1988 (rather than 111) because the training contract was not signed until June 1988. The first group of trainees (13 flower growers) left for the U.S. in mid-September 1988. Because of the delay and its effect on both timeframe and training cost, the overall target of short-term trainees has been decreased from 311 to 247.
--In 1988 984 Costa Ricans participated in in-country short-term courses. The AP target of 1,800 trainees was missed due to two staffing changes during the first half of the year, and due to a change in user demand towards more specific and smaller courses. With the third person in place, the trainee numbers of the second half of 1988 were double those of the first half.**

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

- A. Maintain the access of private banks to externally financed credit lines in the Central Bank. Continuing
- B. To help increase domestic investment, the Mission will support policies which encourage increased domestic savings (e.g., positive real interest rates and controlled inflation), which increase market-led allocation of credit (e.g. limitation of allocative categories), and which are conducive to financial deepening (e.g., reduction of the fiscal deficit). Continuing
- C. In the continued interest of promoting a rural credit policy reform program, the Mission will prepare a policy paper and financial services project, using the results of the analytical work done in 1988. 4/88

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

- A. 2 Section 108 loans made through private banks, one from FY 87 funds and one from FY 89 funds. 4/89
- B. Increase in deposit mobilization in rural areas (targets to be determined during design of Financial Services project). 4/91
- C. Number of small/rural financial institutions receiving technical assistance under Financial Services project (targets to be determined during project design). 4/91
- D. PVO support entity (ACORDE) approval of 14 local currency and 6 dollar subgrants
 - 5 local currency and 2 dollar subgrants by the 3rd quarter of 89,
 - 4 local currency subgrants by the 3rd quarter of 90, and
 - 5 local currency and 4 dollar subgrants by the 3rd quarter of 91.3/91
- E. Management training provided to 375 local PVO representatives
 - 200 by the 3rd quarter of 1989,
 - 100 by the 3rd quarter of 1990, and
 - 75 by the 3rd quarter of 19913/91
- F. Private sector development training initiated for 2,637 participants: 3/90

	1989	1990
Long-term U.S.	1	-
Short-term U.S.	164	70
Short-term in-country	1,400	-

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Program Development & Support	515-0000	O	DA	Cont	G	315	120	150	175
Policy, Planning & Admin. Improvement	515-0190	O	DA	2,075	G	2,075	-	-	-
Policy and Training Support	515-0241	N/89	DA	1,250	G	-	60	750	440
BCCR Special Credit Line	-	O	ESF	Cont	LC	(126,000)	(25,500)	-	-
Section 108 Credit	-	O	PL I	Cont.	LC	-	(8,865)	-	-
Financial Services	515-0247	N/90	DA	3,500	G	-	-	2,500	1,000
Coop Business Development	515-0227	O	DA	800	G	800	-	-	-
ACDI OPG	515-0252	N/89	DA	1,000	G	-	1,000	-	-
FUNDES (microenterprises)	-	N/89	ESF	(691)	LC	-	(691)	-	-
Banco Federado (Coop)	-	O	ESF	(4,098)	LC	(4,098)	-	-	-
CINDE Program -- PROCAP	-	O	ESF	(3,610)	LC	(2,674)	(936)	-	-
Training for Private Sector Development	515-0212	O	DA	5,000	G	5,000	-	-	-
ACORDE	-	O	ESF	(7,000)	LC	(7,000)	-	-	-
PACT (OPG)	515-0232	O	DA	2,300	G	2,300	-	-	-
		O	ESF	2,600	G	2,600	-	-	-
Support to PVOs	515-0248	N/90	DA	2,000	G	-	-	2,000	-

7. NARRATIVE

Within the USAID strategy, strengthening and increasing the involvement of the private sector is not so much an end in itself as it is a means to numerous ends: e.g., stabilizing financial structures, promoting exports, and increasing service provision efficiency of activities in the social sectors. USAID activities involving the private sector are therefore wide-ranging. However, there are programs for which strengthening the private sector is their primary objective. The content of this section relates only to those programs. See other objectives sections for a better perspective on the scope of USAID involvement with the private sector. Small technical assistance and support activities carried out under this objective will continue to be funded through PD&S; Policy, Planning & Administrative Improvement, and the new Policy and Training Support project. There are no mortgage or pipeline problems for activities supporting this objective. The only mortgage under this objective for the Action Plan period is \$1 million going into FY 1991 for the Financial Services project.

A. Encouraging private sector alternatives to nationalized banking services. Since the nationalization of the banking system in 1948, state banks have been used by the BCCR as paternalistic development tools in support of the governing party's economic program. The resulting inefficiency is a serious constraint on the productive sector. Since 1982 the Mission has worked successfully to foster the development of an efficient private banking alternative, through policy reforms (access of private banks to shorter term deposits, and to donor-funded Central Bank credit lines) and through \$204 million in dollar and local currency credit programs earmarked for private banks. The private bank share of total bank lending has increased from about 3% in 1982 to approximately 25% in 1988, and private banks are doing most of the export service business. The superior performance of the private banks has put pressure on the state-owned banks to increase their efficiency, and progress can be noted.

The recently passed Law for the Modernization of the Financial System (a pre-condition for the IBRD SAL II) removes numerous constraints that limited the efficiency of the state-owned banks. It also strengthens the position of the Bank Superintendent, which along with other provisions directly aimed at previously non-controlled financial agencies ("financieras"), will contribute to the strength and soundness of the

private and public financial system. One of the Mission's policy objectives in this area, insurance for deposits in private banks, was realized under the new law, which requires the state-owned insurance company to establish a deposit insurance program for the private financial institutions. The Mission plans to provide any technical assistance which may be requested to establish this program.

The supply of credit available appears to be adequate, especially after the recent increase of the special line of credit by colon equivalent of \$25.5 million. Credit lines financed by external lending agencies such as IBRD and IDB total \$122.6 million, and the drawdown of AIR funds is expected to increase due to various changes introduced in the Loan Agreement. The only other new funds from AID over the Action Plan period will be \$8.9 million in Section 108 loans, to be channelled through private banks for production loans, preferably in agriculture.

On another level, the Mission is supporting programs that will extend the availability and responsiveness of credit activities to those who do not normally use the national banking system, be it public or private, for lack of access or confidence. The Mission has already bolstered the Savings and Loan Cooperative System by programming \$4.1 million equivalent in ESF local currency for a second-tier cooperative bank. In addition, in 1988 the Mission synthesized recent investigations on rural credit policies and on the quality of financial services in general, the results of which will be the basis for a new \$3.5 million Financial Services project scheduled to begin in FY 1990.

B. Encouraging increased domestic investment. A strengthened private sector requires investment capital to either expand existing production or initiate new activities. To help assure availability of investment resources, the Mission is supporting policies which lead to both increased domestic savings and financial deepening. The Mission will encourage domestic saving by continuing to require real positive interest rates as part of ESF conditionality. To help stimulate financial deepening, the Mission will also, in conjunction with the IMF and the IBRD, continue supporting policies aimed at reducing Central Bank losses and the public sector deficit, and minidevaluations in the exchange rate to help build foreign exchange reserves.

As a whole, the financial system survived the 1987 liquidity crisis. Only the weak, badly managed "financieras" disappeared. Investor confidence in the National Stock Market has returned, helped by the establishment of a liquidity fund by the stock market itself (the creation of a similar one-year fund under discussion between the GOCR and AID was thus not necessary).

C. Strengthening the human resource base through needed training. While Costa Rica has a well educated population, there is need for specialized training to help raise private sector productivity. The Training for Private Sector Development project is providing a range of specialized programs for Costa Ricans in private enterprise, banking, and institutions of higher learning. During the Action Plan period, the program will provide for long- and short-term training in the U.S., as well as the continuation of in-country training which began in 1985. Unfortunately, a delay in contract signing for U.S. short-term training and its impacts on timeframe and training costs will result in a lowered target (from 311 to 247) for U.S. short-term training under the program. This shortfall will be offset at least to some extent by better-than-expected results for in-country training.

D. Supporting PVO involvement in development activity and small enterprise development. Since 1983 the USAID program has supported a local PVO umbrella support entity, ACORDE (previously CINDE/PVO) which provides financing to PVOs for loans to small and micro entrepreneurs and supports social interest projects. PVO activity in general is being strengthened through an OPG with the Private Agencies Collaborating Together (PACT) under which PACT channels funds to U.S. PVOs, strengthens ACORDE to take on that role, and provides management training to PVOs operating in Costa Rica.

Small enterprise development will receive special attention under the new \$2 million Support to PVO's project with ACORDE, and a recently established guarantee fund with FUNDES, financed with ESF local currency, will permit small entrepreneurs to get financing through the banking system. In addition, the Mission will continue to provide technical assistance to productive enterprises through an OPG with ACDI.

OBJECTIVE No. 3: Stabilize Financial Structure

1. COUNTRY DEVELOPMENT TRENDS INDICATORS	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Non-financial public sector deficit (-) as % GDP	-1.7	-0.3	-0.8	-0.01	0.3	0.6	1.0
B. Balance of payments current acct. def. (-) as % GDP	-3.5	-7.8	-4.2	-5.3	-5.4	-4.7	-4.0
C. Inflation per GDP deflator (%)	17.8	10.3	11.2	18.8	15.0	12.0	12.0
2. A.I.D. PROGRAM PERFORMANCE INDICATORS	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Total public sector deficit (-) as % GDP	-5.5	-3.4	-3.0	-3.5	-3.2	-2.7	-2.3
--Non-financial public sector deficit as % GDP	-1.7	-0.3	-0.8	-0.01	0.3	0.6	1.0
--Central Bank deficit as % GDP	-3.8	-3.1	-3.8	-3.5	-3.5	-3.3	-3.3
B. GDP growth							
--(% increase)	5.5	5.1	2.4	3.4	3.6	4.0	4.5
--Average growth including previous 2 yrs.	4.7	3.8	3.3	4.7	4.0	3.7	4.0
C. Major companies left in CODESA by year end ^{a/}	5	4	N.A	3	2	1	0
D. Interest rates ^{b/}	--Maintained at positive real levels--						
E. Exchange rates	--Maintained at levels competitive with other currencies--						

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

POLICY ACCOMPLISHMENTS

- A. AID policy objectives in support of a coherent monetary-fiscal-exchange rate program and public sector efficiency were largely achieved.
- In monetary policy: Positive real interest rates, minor net increases in credit to the non-financial public sector, and a small increase in Central Bank losses (but less than was expected).
 - In fiscal policy: A further decrease of the non-financial public sector deficit.
 - Exchange rates maintained at levels competitive with other currencies through a system of mini devaluations, including a 6% devaluation in January 1988.
 - Public sector employment levels held steady in a period of growing employment.

a/ Privatization of two companies is limited to 40% by law.

b/ In 1988, the interest rate for credit was positive in real terms if compared to the GDP deflator, but negative if compared to the CPI.

- B. With regard to the "sterilization" of CODESA, the GOOCR has agreed to bar CODESA from accessing BCCR investment credit or guaranteeing new investments for the duration of the present GOOCR administration (through 4/30/90).
- C. In general, the CNP (National Production Board) continues to move towards the use of market-based pricing policies, despite a temporary 15% subsidy on imported wheat prices in the absence of a FY 88 Title I Agreement. Rice and wheat subsidies have not been revived, and the GOOCR is moving to limit white corn and bean subsidies.

PROGRAM ACCOMPLISHMENTS

- A. USAID balance of payments relief in FY 1988 totalled \$130.95 million (the target was \$139.75 million) with \$39.75 million from the 1987 ESF disbursement, \$85 million from the 1988 ESF disbursement, and \$6.2 million from Section 416.
- B. \$154.75 million from the AID program was made available to the private sector for the purchase of raw materials, intermediate goods and spare parts from the U.S. This is \$35 million less than projected due to a reduction in TCIP levels from \$65 million to \$30 million. (TCIP assistance to Costa Rica has been suspended by EXIM, due to arrears on other obligations.)
- C. The divestiture progress of CODESA's parastatal companies has been substantial although slower than projected. Of the total of 42 CODESA companies (many of them empty corporate shells), 31 have been liquidated or privatized, ten are in process and one company (a seat on the stock exchange) is to be retained. Only three substantial companies remain to be privatized; the remaining seven companies are shells and the various legal procedures to complete their closure is in process.

Of the three substantial companies, one (CATSA) was passed to private management in 1988, which radically improved its performance; the sale of its shares to private buyers is almost concluded. The two other companies (CEMPASA and FERTICA) are limited by law to 40% privatization, which may take until 1990.

- D. The CNP used the computer model of pricing/cost effects of basic grains pricing policies to set wheat, rice and sorghum prices (the model is not fully operational for bean and corn prices). Demonstration seminars are planned for CY 1989.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

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|---|--|
| <ul style="list-style-type: none"> A. USAID, working in coordination with the IMF and IBRD, will maintain the thrust of past policy dialogue in the areas of monetary policy (interest rates, non-financial public sector credit and Central Bank losses), fiscal policy (central government expenditures), and exchange rates. B. Under the rubric of public sector efficiency, expand upon the issue of reductions in public sector employment and take up the questions of GOOCR pension systems and improved public sector audit coverage. C. USAID will continue to require as a condition of its assistance the prohibition of CODESA from creating, acquiring, or financing subsidiaries. D. USAID will continue PL 480 Title I policy reform measures aimed at moving the National Production Council (CNP) towards the use of market-based pricing policies. | <ul style="list-style-type: none"> Continuing Continuing Continuing Continuing |
|---|--|

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

- A. Balance-of-payments relief totaling \$185.5 million. 4/91
 --\$100 million in FY 1989
 (\$85 million ESF and \$15 million PL-480)
 --\$70.5 million in FY 1990
 (\$55.5 million ESF and \$15 million PL 480)
 --\$15 million in FY 1991 from PL-480
 (We also anticipate positive balance-of-payments effects from the \$36 million of ESF funds that will be allocated to sector programs.)

- B. \$176.5 million made available to the private sector for purchase of raw materials, intermediate goods and spare parts from the U.S. : 4/91
 --\$85 million in FY 1989 from FY 89 ESF disbursement
 --\$55.5 million in FY 1990 from FY 1989 ESF disbursement
 --\$36 million in FY 1991 from Export Sector Program

- C. Conclusion by GOOCR of CATSA (sugar company) privatization 3/89

- D. Transfer by GOOCR of FERTICA (fertilizer company) in trust to FINTRA for restructuring and sale of 40% of the shares. 1/90

- E. Demonstration of the results of the CNP computer model of the effects of basic grains pricing policies on CNP costs and on grains production to public and private groups in a minimum of three seminars. 2/89

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Project Dev. & Support ^{1/}	515-0000	O	DA	Cont.	G	108	75	125	150
Policy Plan. & Admin. Improv. ^{1/}	515-0190	O	DA	1,466	G	1,466	-	-	-
Policy and Training Support	515-0241	N/89	DA	1,250	G	-	60	750	440
Economic Support Fund	Misc.	O	ESF	Cont.	G	623,067	85,000	55,500	-
		O	ESF	Cont.	L	168,000	-	-	-
Public Law 480 Title I	Misc.	O	PL I	Cont.	L	119,814	15,000	15,000	15,000
CODESA Divestiture	0194A/1	O	ESF	(174,000)	LC	(174,000)	-	-	-
BCCR Financial Losses		O	ESF	(35,205)	LC	(35,205)	-	-	-
Public Sector Finance		N/89	ESF	(55,850)	LC	-	(55,850) ^{2/}	-	-
Public Sector Efficiency		N/89	ESF	(30,000)	LC	-	(5,000)	(25,000)	-

^{1/} Illustrative allocations

^{2/} Sector Support to the GOOCR

7. NARRATIVE

Since 1982, the AID program in Costa Rica has helped the country stabilize financial structures through both the transfer of ESF and PL 480 resources in support of the balance of payments and through strong policy conditionality undertaken in coordination and cooperation with the IMF and the IBRD. Today ESF and PL 480 assistance continues to help stabilize the nation's balance of payments. The current program also protects policy gains achieved to date by including their continuation as part of program conditionality. We expect that the sector programming beginning in FY 1991 will also have positive balance of payments effects.

In FY 1989, the Mission helped the GOCCR reduce Central Bank losses by agreeing to allocate more than \$55 million in ESF local currencies for demonetization under the Public Sector Finance sector support program. USAID also continues to help reduce GOCCR losses by supporting the divestiture of parastatal commercial enterprises under the CODESA holding company. At the time AID began dialogue on the divestiture, the companies were accounting for nearly a third of public sector credit. Now, after four years the majority of the companies have been sold or liquidated, and final actions are pending on the remaining three of the seven major subsidiaries. To assure that the loss situation is not repeated, USAID secured a GOCCR commitment to not allow CODESA to create, operate or finance any new subsidiary for the term of the present administration. In addition, USAID is helping to reduce the public sector deficit losses for the National Production Council.

As a result of macroeconomic progress since 1981, the line between stability and growth has become increasingly blurred. The Mission therefore believes it is appropriate to view economic stability as a necessary condition to laying the basis for sustained growth, rather than as the principal objective of our program. Even so, we will continue to emphasize stabilization measures in our program and policy dialogue.

One area of continuing need is the balance of payments. For that reason our proposed program includes continuation of the PL 480 Title I program through and beyond the Action Plan period. The program also includes continuation of ESF balance-of-payments assistance through FY 1990. For FY 1991 ESF financing, we are proposing an export sector assistance program (see also Objective 5) whose disbursements will be based on performance against sector targets, but which will also provide for balance-of-payments support.

Our newer thrust is directed to increasing the efficiency of the public sector. This efficiency is critical for long-term productive capability of the GOCCR, which, when faced with a tightened budget, has chosen to save public jobs and cut investment spending. We will continue to support activities designed to reduce administrative inefficiencies, in those areas that affect the export sector (e.g., customs) as well as in other areas, such as through improvement in the audit capabilities of the entire public sector (through a short-term training activity with the Contraloria General). Last year's successful policy initiative to limit new employment in the public sector will be repeated. We are also considering a new initiative that facilitates voluntary employee movement out of the public sector into the private sector. There may also be opportunities for progress in pension reform and for increasing the role of municipalities and other means of service decentralization.

In moving toward export sector assistance and to new initiatives in public sector efficiency, we intend to work closely with the GOCCR. We will look to technical assistance funding, as appropriate, from PD and S, and the PPAI and the PATS projects.

OBJECTIVE No. 5: Promote Exports

1. COUNTRY DEVELOPMENT TRENDS INDICATORS	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Value of non-traditional exports (\$ millions)	431.0	517.6	588.4	626.6	689.0	772.0	864.0
1. Agricultural	125.8	140.1	235.4	200.0	220.5	262.5	311.0
2. Industrial	270.4	333.1	305.5	376.0	385.8	401.4	414.7
3. Value added in drawback industry	34.8	44.2	47.5	50.0	82.7	108.1	138.2
B. Value of non-trad. exports to non-CA markets	298.0	360.6	447.5	485.6	541.0	616.5	700.8
2. A.I.D. PROGRAM PERFORMANCE INDICATORS (includes drawback)	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Non-traditional exports as % of total exports	38.4	44.7	48.1	49.1	51.0	53.3	55.6
B. Non-trad. to non-CA markets as % of total non-trad.	69.1	69.7	76.1	77.5	78.5	79.9	81.1

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

POLICY ACCOMPLISHMENTS

- A. CINDE/PAAC has assisted the Civil Aviation Directorate to plan improved non-traditional export cargo facilities at the airport. Construction of the facility (using Title I matching funds) will take place in 1989.
- B. Studies carried out by both Mission and Legislative/Central Bank groups on financial services and rural farm credit will serve as the basis for a new financial services reform project (discussed under Obj. No. 2 because the credit will not be solely export-directed).
- C. The GOOCR has begun the process of privatizing the administration of the Free Zone Corporation operations in the major ports by putting them up for bid; although the first offering was unsuccessful, the Mission expects that eventually the pricing will reach levels acceptable to the private sector. The Mission encouraged the FZC to pull out of park administration by providing technical assistance to help redefine their role and by maintaining a clear Mission stance of not financing infrastructure that would tend to strengthen the FZC's position as park administrator.
- D. Discussions and planning on the reorganization of the GOOCR's foreign trade and investment promotion operations are proceeding well. The GOOCR has accepted a plan that includes CINDE as a key partner in the proposed new structure.
- E. In 1988, the management of Customs initiated a partial personnel reorganization and developed an improvement plan involving training, mechanization and site consolidation.

PROGRAM ACCOMPLISHMENTS

- A. AID dollar credit and CINDE/PIE investment promotion programs experienced a very successful year. As a result of these programs, annual gross export capacity increased by \$61 million (vs. the targeted \$38 million), and incremental investment in new or expansion export projects reached \$68 million (vs. the targeted \$45 million). We do not know why this occurred, it may be due to higher visibility of Costa Rica overseas (to which both PIE and the Arias Nobel Prize have contributed). PIE attracted more and larger companies, which raised both export and investment figures. Similarly, the incremental investment financed by credit projects was higher than anticipated.
- B. Efforts to enhance investment in non-traditional agricultural enterprises and to increase the value of non-traditional agricultural exports have seen mixed but generally satisfactory results during 1988. Increases in fresh produce exports directly facilitated by AID-assisted programs were in excess of \$6 million, which is almost double the target for the period. New foreign investment in NTAE as a result of AID funded programs amounted to \$2 million, which was equal to the target. On the other hand, new Costa Rican national investment in NTAE which we can attribute directly to AID funded programs was only \$850,000 or 11% of planned levels, and no estimate is available regarding the increase in processed NTAE exports (we now consider it too soon to begin projecting processed NTAE, and are eliminating it from the target list).

Given the increases in investment and increases in export value of NTAE which can be attributed directly to AID support projects, plus other activity in NTAE, the Mission is satisfied that the thrust of our programs is fundamentally sound. The principal project of the NTAE strategy, PAAC, is now changing its orientation from production technology to investment and marketing promotion, and we expect program outputs to accelerate as a result.

4. <u>KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED</u>	<u>QTR/YEAR</u>
A. CINDE/PAAC will continue to promote the completion of the improved cargo terminal and to monitor the performance of cargo service at the airport.	Continuing
B. Continue to encourage the GOOCR to finalize the privatization of Free Zone Corporation operations in the major ports and monitor its compliance with the respective ESR VII condition.	Continuing
C. Support the reorganization of the GOOCR's foreign trade and investment promotion operations	1/91
D. Support the General Director of Customs's plan to implement long-term managerial and administrative improvements in the Customs Department.	3/90

5. <u>KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED</u>	<u>QTR/YEAR</u>
A. \$150 million in gross annual exports generated by new or expansion projects financed by AID dollar credit projects or promoted by CINDE under the PIE and Industrial Development programs --\$50 million per annum	4/91
B. \$150 million in incremental investment in new or expansion export projects financed by AID dollar credit projects or promoted by CINDE under the PIE and IDP programs. --\$50 million per annum	4/91

- C. \$16.5 million in new Costa Rican investment in non-traditional agriculture export products resulting from USAID agriculture strategy activities: 4/91
 --\$5.0 million in 1989
 --\$5.5 million in 1990
 --\$6.0 million in 1991
- D. \$10.5 million in foreign investment in non-traditional agricultural exports resulting from USAID agriculture strategy activities: 4/91
 --\$3 million in 1989
 --\$3.5 million in 1990
 --\$4 million in 1991
- E. \$30 million in gross income from NTAE products exported fresh: 4/91
 --\$8.0 million in 1989
 --\$10 million in 1990
 --\$12 million in 1991

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Program Development and Support 1/	515-0000	O	DA	CONT	G	9,746	125	175	175
Policy Plan. & Admin. Improvement 1/	515-0190	O	DA	3,454	G	3,454	-	-	-
Policy and Training Support 1/	515-0241	N/89	DA	1,260	G	-	70	750	440
Private Sector Productivity 2/	515-0176	O	DA	10,000	L	10,000	-	-	-
Private Sector Export Credit 2/	515-0187	O	DA	10,000	L	10,000	-	-	-
Private Investment Corp.	515-0204	O	DA	1,000	G	1,000	-	-	-
	515-0204	O	DA	20,000	L	20,000	-	-	-
Agricultural & Industrial Reactivation	515-0223	O	DA	19,650	L	19,650	-	-	-
(AIR)	515-0223	O	DA	350	G	350	-	-	-
Special Credit Line for NTAE		O	ESF	(18,000)	LC	(18,000)	-	-	-
Non-Trad. Exp. Technical Support	515-0237	O	DA	3,500	G	3,500	-	-	-
CINDE Programs 3/		O	ESF	(34,477)	LC	(14,750)	(16,727)	(3,000) 1/	-
Export Dev. & Investment Promotion		N/89	ESF	(41,000)	LC	-	(26,000) 1/	(15,000) 1/	-
Export Sector Development	515-0250	N/91	ESF	36,000	G	-	-	-	36,000
		N/91	ESF	(32,000)	LC	-	-	-	(32,000) 4/
Coffee Tech. & Div (FEDECOOP)	0192/16	O	ESF	(20,000)	LC	(20,000)	-	-	-
Export Promotion/Research Activities		O	PL I	(1,204)	LC	(1,204)	-	-	-

1/ Illustrative allocations

2/ Although these projects have been officially terminated, they are included in the list because the Mission is actively monitoring them.

3/ Includes CINDE Central, PIE, PAAC, and Industrial Development.

4/ Balance of sector program local currency to be used for AID operating expenses.

7. NARRATIVE

Promoting and increasing Costa Rican exports, especially non-traditional exports, is the heart of the Mission's development program because it is the key to the country's return to sustained economic growth and thus to the continued and improved well-being of Costa Rican citizens. Achievement of this objective requires a multi-faceted approach which includes facilitating and promoting domestic and foreign investment, expanding markets, expanding and diversifying export production, as well as helping maintain production levels of traditional crops.

Small technical assistance and support activities carried out under this objective will continue to be funded through PD&S; Policy, Planning & Administrative Improvement, and the new Policy and Training Support project.

1. Ongoing Programs

A. Investment. The Mission recognizes that it is policy environment, not programs, which has the greatest impact on investment levels. IMF dialogue with the GOCR on maintenance of realistic exchange rates, and IBRD encouragement to reduce the anti-export bias of the protective tariff structure, are important to this effort. The Mission's macroeconomic policy initiatives, which are discussed elsewhere, complement these programs.

The primacy of policy does not mean that programs are unimportant. Over the past year, the Mission has begun to branch off from its predominate concern with macroeconomic issues to concentrate on more sectoral issues, including the future structure of an integrated GOCR investment and export promotion agency that includes CINDE as a key player. We believe that its creation may help assure the sustainability of many program achievements.

Current Mission export programs center on both credit and promotion. Some \$60 million of credit needed for non-traditional export investment is provided by four DA-funded projects. Local currency Special Credit Lines (currently at \$144 million equivalent and soon to be increased by the equivalent of \$25.5 million) are used by exporters and others, although not exclusively directed to them. As a group, the projects provide credit for new and expansion activities, for working and term capital, for domestic and foreign investors, and for industrial, agroindustrial and tourism activities. Other large credit lines are funded by the IBRD, the IDB and the GOCR. By and large, the dollar credit projects succeeded in making term credit available for projects that otherwise would not have come to pass. (Slow disbursements under the AIR project have been of significant concern to the USAID -- end-of-FY 1988 figures show that 2.2% of funds have been disbursed since FY 1986. The Mission has recently approved measures within the project authorization to help accelerate disbursements. Project progress will be reviewed in May, at which time the Mission will determine whether the funds should be deobligated.)

The Mission strongly supports CINDE's export/investment promotion program (PIE), whose results have been dramatic. Between 1986 and 1988, PIE has brought in 64 foreign companies who have committed export investments averaging over \$2 million per company. These investments will create over 19,000 direct jobs. In addition, PIE has been gradually shifting its focus towards attracting non-textile companies. In 1988, non-textile companies were responsible for 64% of the jobs generated by companies brought in by CINDE, more than four times the equivalent of 1986. An outside evaluation of CINDE contracted in June 1988 demonstrated the success of CINDE's projects and in particular that of PIE.

According to CINDE/PIE, the lack of well-run free trade zones with available shells for rent (outside of that in Cartago) has been a constraint to foreign industrial investment in Costa Rica. In November 1988, the Mission opened existing credit lines under ongoing dollar credit projects for FTZ shell and infrastructure construction, and designed a package of studies and technical assistance needed by private free zone developers to enable them to design, construct, promote and market free zone parks.

Specifically relating to agriculture, the Mission supports the CINDE/PAAC program which directs domestic investment from less efficient traditional crops to nontraditionals. PAAC has established an ombudsman office in Miami to assist exporters and with PIF is

promoting foreign investment and product sourcing in strawberries, cut flowers and ornamental plants.

B. New Markets. The Mission program is supporting development of new markets in two ways, which follow the market-led approach, i.e., already existing non-CACM market demand is the dominant criterion determining which commodity Costa Rica will produce. First, the Mission is financing the above-mentioned CINDE/PIE program. Working under a well defined plan, PIE brings Costa Rica as an investment opportunity to the attention of companies with already established markets. Once the companies are interested, CINDE/PIE assists them by informing them of investment regulations and directing them to credit institutions. New foreign investment promoted under the program is expanding production in such industries as apparel and electronics, and introducing new industries such as metalworking and sporting goods.

The Mission has developed an industrial development project that will broaden the scope of CINDE/PIE activities into industrial export promotion (financed with \$3.8 million in ESF local currency generations). The 30-month pilot project (FY 1989 start) will provide technical and marketing assistance to local companies in selected sectors to increase their capacity to export their own products or to subcontract production from overseas companies.

Under the NTAE strategy, the Mission works through CINDE/PAAC and other institutions to promote diversification of the agriculture sector into high value nontraditional export crops. Through the NETS project, the Mission finances technical assistance to production and marketing for 14 NTAE crops, the preparation of studies that are basic to policy analysis and reform, and technical assistance directed to the organization of commodity associations. PAAC's office in Miami and the PIE network are assisting with making market contacts and attracting foreign investment and technology. On the policy side, CINDE/PAAC also sponsored two seminars on the effects of structural adjustment on the agricultural sector which provided a unique opportunity for the farm leaders to discuss a potentially inflammatory issue with high GOCR leaders. The NTAE program will be evaluated in April 1989 for progress since its inception in 1987.

C. Production Levels of Traditional Crops. Recognizing that coffee is and will continue to be Costa Rica's principal export through at least the medium term, the Mission continues implementation of the ESF local currency-financed Coffee Technification and Diversification project, which minimized the adverse impact of coffee rust in the country. To date, the participants, who altogether export approximately 40% of total coffee exports in Costa Rica, have succeeded in increasing productivity by introducing new technology on their farms. Also, 1000 hectares of marginally productive coffee plantations have been replanted with macadamia and/or cacao.

2. Proposed New Programs

In the coming years, the Mission plans to continue with the basic program thrusts described above. However, at the same time, we foresee some changes in the implementation of those programs. First, the foreign trade function has essentially been carried out by CINDE, a private organization, even though the function itself is really a public one. Yet the GOCR institutions cannot perform as CINDE has because they cannot provide salaries necessary to attract the calibre of personnel which has been crucial to CINDE's success. Therefore, USAID has been consulting closely with the GOCR and CINDE regarding the establishment of a semi-autonomous institution that will essentially wed the GOCR and CINDE trade functions. The goal is establishment of a technocratic institution which operates outside the civil service. We have illustratively programmed over \$40 million in local currency to support the establishment and operations of the institution. (This funding level must, under local currency practices, be negotiated with the GOCR.)

Second, the Mission intends to move toward export sector assistance in FY 1991. We will engage with the GOCR in analysis of the sector to determine constraints to continued export growth and necessary steps to obviate them, and what is achievable. If such a program comes to fruition, we will apply dollar disbursements (based on targeted performance) to balance of payments and allocate all local currency, except that reserved for AID operating expenses, to export-related program activities. While our current program is a series of coordinated activities, we anticipate that sector programming will contribute to a more integrated approach.

OBJECTIVE No. 6: Manage and Preserve Natural Resources

COUNTRY DEVELOPMENT TRENDS
INDICATORS

1986 Actual	1987 Actual	1988 Proj.	Actual	1989 Proj.	1990 Proj.	1991 Proj.
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None

A.I.D. PROGRAM PERFORMANCE
INDICATORS

1986 Actual	1987 Actual	1988 Proj.	Actual	1989 Proj.	1990 Proj.	1991 Proj.
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Habitat acreage acquired (hectares)

-	-	-	-	40	40	40
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Farm land reforested (hectares)

-	-	-	-	-	-	300
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Infrastructure constructed (units)

-	-	-	-	1	6	4
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Communities participating in conservation

-	-	-	-	5	10	5
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3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

Modification in the development schedule for the FORESTA project has caused delays in scheduled accomplishments. Therefore, we have no progress to report as yet under the FORESTA project. However, there has been progress under the Forest Conservation and Management project. Forest management activities were developed and approved for the Osa Peninsula. In addition, planned wood processing activities were replaced by income-generating agro-forestry activities.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

A. Hold sawmills and other primary wood industries responsible for their own sustained wood supply, either through acquisition of forest properties, contracts with forest owners or other mechanisms.

3/90

B. Streamline and improve the internal coordination of the public sector institutions involved in wildland and forest management, especially the National Park Service and the Directorate General of Forests, and pass some of their development activities to private entities.

4/90

C. Encourage public sector to create more effective mechanisms for the control of logging, transport of logs and land clearing.

4/91

D. Bring the high fiscal incentives for reforestation in line with the true costs per hectare reforested.

1/89

E. Decentralize Directorate General of Forestry with more autonomy and presence at the regional level.

4/91

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

A. Complete land use study of the Osa Peninsula.

1/90

- B. Guidelines for logging and management developed and training in their implementation underway 4/90
- C. Administrative structure for managing the wildland system reformed with some functions privatised. 4/90
- D. Demonstrations of planting multi-purpose trees and of agroforestry systems in place. 4/90
- E. The nesting grounds of the green sea turtle will be protected, thereby protecting the species. 4/91
- F. Priority municipal watersheds to be covered by the watershed management project will have been identified and a dialogue established with the communities responsible for their management. 4/91

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Program Development & Support	515-0000	O	DA	Cont.	G	263	130	100	125
Forest Conservation & Management	515-0222	O	ESF	(80)	LC	(80)	-	-	-
Forest Resources for a Stable Environ.	515-0243	N/89	DA	7,500	G	-	5,500	2,000	-
Caribbean Conservation Corp. OPG	515-0249	N/89	DA	550	G	-	550	-	-
Wildlife/Natural Resources Conservation	PL I	O	PL	2,502	LC	(753)	(1,749)	-	-
Watershed Management	515-0246	N/91	DA	5,000	G	-	-	-	5,000
			ESF	(15,000)	LC	-	-	-	(15,000)

7. NARRATIVE

Costa Rica, once a country of lush forests, is projected to become a wood importer by 1995. Costa Rica is already an equal import/exporter of forest products, if raw materials for paper production are included. A strategy on natural resource management prepared for USAID/Costa Rica by ROCAP advisors projects that wood will soon become a new significant import--and that the levels will be high enough to detract from the positive impact of the effort to increase exports. Moreover, the destruction of forests has other environmental repercussions that affect supply and cost of water and hydroelectric power on which agricultural and industrial producers depend.

The natural resource strategy approved by AID/W in early 1988, document identifies improper land use as the common threat to soil, forest, wildland, wildlife, water, coastal, and energy resources. It further identifies indiscriminate clearing of forests as the central link to other land-use problems, including wood supply problems as well as hydropower and water supply problems, flooding, loss of wildlife and wildlands, and erosion.

The Mission is planning to initiate two land-use-related programs as described below: one directly supporting national park and commercial forest management in a specific geographic region (515-0243) and one involving watershed management (515-0246).

The first program, Forest Resources for a Stable Environment (FORESTA), an FY 1989 start-up, will address both the management of the national parks as well as the development of forestry and agroforestry as economically and ecologically appropriate land uses in the buffer zones around the parks. In full support of the intent of Section 118 of the Foreign Assistance Act, the Mission plans to join with the GOCR in an effort to protect primary and secondary forests (including natural forests and wildlands, national parks, and private forests) on the eastern slope of the Central Volcanic ridge. This area adjoins the most densely settled part of Costa Rica: the capital city and the productive Central Valley. It has exceptional economic and ecological importance because it supplies much of the water, wood and agricultural produce needed by the population in the Central Valley, and partly because the variety of its landscapes encompass unusual biological diversity and tourist attractions.

The Mission effort will involve encouraging improved forest management and harvesting practices, and the development of logging and management guidelines. In addition, wood-using industries will be encouraged to assure their own sustained wood supply through direct acquisition of forest properties and the formation of joint ventures. We will seek to expand tree production by farmers in the area, and improve the management of national parks and wildlands.

Beginning in FY 1991 the Mission will also fund a separate, complementary, watershed management activity to improve the country's ability to produce by providing electric power and water resources. We will give priority to those upper watersheds that have important downstream impacts on development, such as those that supply urban areas, hydroelectric installations and irrigation schemes. PD&S, ARDN funds will be used to fund the design of this effort as well as other assistance in the natural resources area.

Two smaller projects, one already being implemented and the other scheduled for obligation this quarter, also have a land-use focus. AID is providing local currency for the Forest Conservation and Management project, which is also receiving funding from AID/W and the World Wildlife Fund. The project, which is located in the buffer zones of the Corcovado National Park, is very similar to the FORESTA project. The second project is an OPG with the Caribbean Conservation Corporation to support efforts to safeguard a section of the Atlantic coastal plain between two national parks. Rapid settlement and tourist development in the area is threatening to destroy the fragile ecosystem which is the primary nesting grounds of the endangered green sea turtle. All of the above described projects have or will have a positive biological diversity impact through protection of wildlife habitats.

At least two other donors are interested in forestry and forest protection. The Interamerican Development Bank (IDB) recently signed a four year, \$12.2 million forestry development loan of national scope. The main objectives of this project are to provide credit to private landowners to create 10,000 hectares of forest plantation, and to extend the life of the native commercial forests by reducing waste in the forest industry.

The other major donor in this sector, the Dutch Government, provides forestry support to CATIE and to the National Autonomous University in Heredia. In June 1988 an agreement was signed between the GOCR and the Dutch Government for the establishment of a forestry development fund (FDF) through a "debt swap" mechanism. This fund of over US \$11 million equivalent will be used especially to promote tree planting by small and medium farmers as well as the protection and management of natural forests and other forestry development activities, over a period of at least four years, mainly in Guanacaste and the Atlantic Zone.

In addition, the GOCR is carrying out negotiations for German assistance in San Carlos, with emphasis on reforestation.

OBJECTIVE No. 8: Increase Access to Voluntary Family Planning Services

1. <u>COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Annual rate of natural population growth ^{1/}	2.8	2.8	2.6	2.6	2.5	2.5	2.4
B. Couples using contraception (%)	67.0	68.9	69.1	69.1	69.3	69.6	69.7
2. <u>AID PROGRAM PERFORMANCE INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. No. of women receiving family planning services under AID programs (000's)	123.8	133.8	139.0	142.0	146.4	153.9	159.0
1. Under private sector programs	10.0	14.0	16.0	19.0	20.0	24.0	26.0
2. Under public sector programs ^{2/}	113.8	119.8	123.0	123.0	126.4	129.9	133.0
B. As a % of all women reproductive age	17.0	17.5	18.0	18.0	19.0	20.5	20.5

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

- A. Distribution of contraceptives directly by the Social Security Institute (CCSS) began in early 1988.
- B. Technical assistance to develop a new communication strategy for disseminating family planning messages via mass media will take place in February 1989. Delay was caused by meeting new conditions precedent and AID/W contracting.
- C. The process of review and improvement of family planning content in medical and nursing school curricula began in late 1988.
- D. The Contraceptive Social Marketing (CSM) program sales nationwide of condoms reached 1.9 million in FY 1988, thus exceeding both 1987 and 1988 targets of 1.0 million and 1.5 million condoms, respectively. Sales of pill cycles have not yet begun, due to product registration difficulties.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

None

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

- A. Family planning included in curricula of medical and nursing schools, and taught regularly.

4/90

^{1/} Estimated crude birth rate in 1987 was 29.9/1000, factoring in 5% underreporting and crude death rate of 3.9/1000 (immigration not included).

^{2/} Excludes sterilization and includes only artificial contraceptives.

B. Contraceptive Social Marketing program sales nationwide maintain an annual level of 1.5 million condoms and reach an annual sales level of 20,000 cycles of pills.

4/91

1989 - 2.0 million condoms in 1989.

1990 - 2.1 million condoms and 10,000 cycles of pills in 1990

1991 - 2.2 million condoms and 20,000 cycles of pills in 1991.

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Program Development & Support	515-0000	O	DA	CONT	G	237	-	-	-
Family Planning Self-Reliance	515-0168	O	DA	8,500	G	6,250	900	1,350	-

7. NARRATIVE

The 1985 population growth rate for Costa Rica was 2.8% and the crude birth rate for the same year was 32.6 per thousand. Moreover, the Ministry of Health estimates that taking the refugee population into account, the country's population growth rate is 4%, which represents a doubling of population over a seventeen year period. Thus, at a time when Costa Rica is attempting to hold the line on expenditures, it must face ever-increasing pressure on its ability to maintain the level of basic services now available to the Costa Rican population. For this reason; increasing access to family planning services is an important objective for the Mission program, as well as the nation. Since 1987 the absolute number of reported births has begun to decrease. Statistical data collection is somewhat slow and can reflect an underreporting of 5-8% of births.

The major provider of family planning services in Costa Rica is the public sector through its Ministry of Health and Social Security Institute clinical programs. The other provider working on a smaller but increasing scale is PROFAMILIA, a private firm which is receiving financial support from AID to help it expand family planning services through private sector activities.

The Mission's assistance, which will continue through and beyond the Action Plan period, concentrates on increasing access to contraceptive commodities through a Contraceptive Social Marketing (CSM) program which provides products at a subsidized price through commercial channels. The CSM program has successfully established sales of condoms and of a supporting line of baby care products, but has yet to begin the distribution of birth control pills, due to product registration difficulties. These are expected to be overcome by the 4th quarter FY 89. The Contraceptive Social Marketing (CSM) program is working toward expanding and providing greater coverage nationwide.

Other activities covered under the Project include training for public sector service delivery personnel, selected research projects aimed at collecting baseline data on the national program, and projects to improve the quality and efficiency of the service delivery. The recent amendment (mid-1988) to the Family Planning Self-Reliance Project added 5 years to the implementation period, and increased the LOP by \$6 million. Program coverage will be increased and more effective, as public sector institutional deficiencies that have hampered effective service delivery are resolved.

Other international donor activity in family planning services is comparatively limited. IPPF (International Planned Parenthood Federation) is providing operating support to ADC at levels of approximately \$300,000-350,000 yearly. Several population proposals are under consideration by UNFPA (U.N. Fund for Population Activities) for an adolescent clinic program and a national child health program, along with research on migration and aging. These should be operational by mid-1989, at a level of \$2.2 million for 3 years.

OBJECTIVE No. 9: Improve Health and Child Survival

1. <u>COUNTRY DEVELOPMENT TRENDS</u> <u>INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Outpatient consultations:							
Total (in millions)	7.00	7.10	7.20	7.20	7.50	7.60	7.7
Per 1,000 population	2.63	2.60	2.57	2.57	2.62	2.70	2.65
2. <u>A.I.D. PROGRAM PERFORMANCE</u> <u>INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.

None of the APP health indicators truly reflect the Costa Rica needs situation, which is different from other countries in the region because it has already been successful in meeting basic health needs of the population. Neither do they reflect what the remaining Mission activities, which focus on management and emergency medical training for medical and paramedical personnel, can impact on.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

- A. The CCSS is utilizing demographic data for the planning of new services and clinics.
- B. Shortfalls of pharmaceuticals are back to within a normal range of 3-5%.
- C. Technical assistance to train 400 hospital and clinic directors in health services management on the job contracted in August, 1988. Classes began in January 1989.
- D. Unit cost of outpatient/ambulatory care has been calculated, but no reductions in cost have been realized due to inflation.
- E. The drug estimation model is about to be installed. Average prescription cost per disease will be calculated and the overall pharmaceutical budget reduced by 5% annually.
- F. Training provided by Project Hope is on schedule.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES

QTR/YEAR

None

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

- A. Establish a pre-hospital care system (ambulance service) and improved emergency room care 3/90
- B. Provide training at the following levels:

Emergency Medical Technicians	275	3/90
Basic Life Support	1,260	
Advance Life Support	520	
Paramedics	20	
TOTAL	2,075	

C. 400 hospital and clinic directors trained in health services management on the job

3/90

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Program Development and Support	515-0000	O	DA	CONT	G	268	-	-	-
Policy Plan. & Admin. Improvement	515-0190	O	DA	1,265	G	1,265	-	-	-
Project HOPE	515-0238	O	DA	250	G	250	-	-	-
			ESF	250	G	250	-	-	-
			OFDA	100	G	100	-	-	-
			ESF	(14,693)	LC	(14,693)	-	-	-
Water Sector Support			ESF	(5,900)	LC	(5,900)	-	-	-
Child Welfare Sector Support			ESF	(5,900)	LC	(5,900)	-	-	-

7. NARRATIVE

The Mission is phasing out of this objective. Costa Rica's high level of service in the sector has led to health indicators which are among the best in the developing world, e.g., an average life expectancy of almost 74 years and an infant mortality rate of 18 per 1,000 live births. At the same time, however, population and cost increases have strained the GOCR ability to deliver the same level of services as has been the case in the past, a problem exacerbated by the simultaneous need to cut public sector expenditures, and the changing pattern of morbidity and mortality.

The Mission has helped Costa Rica maintain its service level by improving efficiency and cost effectiveness of administrative and service delivery systems. AID has been involved in policy dialogue actions to promote the concept of cost effectiveness in health sector administration and service delivery. In conjunction with this, USAID has dedicated limited amounts of resources to support improved efficiency in targeted areas such as managerial improvements. Dollars and local currency from the PPAI project are also supporting activities recommended as priority areas for attention by the November 1985 health sector overview, e.g., training 400 senior and mid-level management personnel in financial management, information systems and health unit program management.

In 1987 the Mission entered into a Cooperative Agreement with Project HOPE for the implementation of the Emergency Medical Services Manpower Development project (515-0238). The project is helping to improve Costa Rica's ability to respond to medical emergencies (including among others accidental injuries which have become one of the leading causes of death in the country) through technical skills training, and communications and ambulance transport capabilities. It is also helping establish a coordinated system for an appropriate health sector response in disaster situations.

In December 1988, the Mission agreed to the GOCR's use of local currency for water (potable water systems) and child health sector support. Although these are not part of the Mission program and therefore do not contribute to specific Mission targets, they do contribute to the overall objective of improving health and child survival.

Upon the completion of the Project HOPE Cooperative Agreement the Mission will withdraw from Objective 9. However, we will continue to provide limited amounts of technical assistance or training where such might contribute to efficiency and cost effectiveness in the sector.

OBJECTIVE No. 10: Improve Housing

1. COUNTRY DEVELOPMENT TRENDS INDICATORS	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. % of households with substandard housing	11.3	N/A	N/A	N/A	N/A	N/A	N/A
B. New housing units built	15,567	15,638	26,000	19,000	23,000	25,000	26,000
2. A.I.D. PROGRAM PERFORMANCE INDICATORS	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. New AID-supported housing units	1,862	3,092	6,928	2,001	4,342	4,600	2,800
B. AID-supported Housing units improved	513	126	120	55	-	-	-

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

POLICY ACCOMPLISHMENTS

- A. The GOCR and BANHVI have over the past year taken appropriate steps to stimulate the financial operation of authorized on-lending institutions while maintaining the second-tier position of BANHVI as the rector of the national housing finance system. USAID's monitoring and continuous policy dialogue with the Minister of Housing and BANVHI have resulted in their full compliance with ESR VII covenants on discounting of mortgages vs. direct project financing, adoption of uniform credit analysis criteria and procedures to ensure cost recovery, as well as BANHVI's receipt of GOCR contributions for its capitalization in advance of funding needs.
- B. Rationalization of the roles and responsibilities of public sector housing institutions INVU and IMAS continues to be stymied by the GOCR's use of the National Emergency Commission (which operates outside the normal housing production and finance framework) as the principal public housing provider. However, the Ministry of Housing is slowly coming to realize the long-term consequences of relying upon the Commission as the principal public housing provider instead of INVU. Also, IMAS now agrees with the Mission's view that it should become integrated into the national housing finance system. Additional sessions are planned with the GOCR to define specific actions to achieve further consolidation of the sector.
- C. The principal achievement in infrastructure financing in 1988 has been a widespread adoption by municipalities of more realistic tariff rates, which came as a result of reduced national budget support and increased interest in decentralizing basic services. The Mission carried out an infrastructure investment needs and alternative financing study, the results of which will be used in combination with the demonstration effects of the IFAM project to further policy reforms at both national and local levels.

PROGRAM ACCOMPLISHMENTS

A. AID's accomplishments in the shelter sector during 1988 were mainly in the institutional development and policy related areas as opposed to production. The start-up of BANHVI's operations was a monumental step forward in terms of the reorganization of the national housing finance system. This process was expected to be more accelerated than what has actually occurred. Consequently, the flow of AID's planned disbursements to BANHVI were delayed approximately six months until appropriate conditions were in place. For this reason the level of actual production was considerably below planned targets. Appropriate actions have been taken to overcome these implementation problems, and FY88 losses are expected to be regained in the middle of FY89.

Target	Planned	Actual
a. Housing construction	6,928	2,056
b. Building permits approved 1/	5,574	6,189
c. Number of families benefitted (a + b) 1/	12,502	8,245

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

- A. Increase the savings mobilization activity of BANHVI's authorized financial entities
- B. Encourage the GOCR to improve the efficiency and productivity of public housing institutions such as INVU and IMAS by clearly defining their respective responsibilities and adopting organizational reforms.
- C. Promote improved infrastructure financing by establishing full cost recovery practices of investments.

4/90
2/90
4/91

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

Based on existing AID projects, the following outputs are projected:

4/91
2/89
4/91

- A. 11,742 new housing construction/improvement loans financed --4,342 in 1989, 4,600 in 1990, and 2,800 in 1991.
- B. 3,540 new building permits issued in 1989 (based on infrastructure improvements).
- C. 15,282 families benefitted (A + B); 8,482 in 1989, 4,000 in 1990, and 2,800 in 1991.

Note: Projections for 1989 and 1990 reflect only the direct impact of the ESF local currency support for BANHVI, because the impact of reflows is not expected to be significant during the Action Plan period.

1/ The target of 13,300 permits used in last year's AP was an LOP target; we changed it to reflect annual output.

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Program Dev. and Support ^{1/}	515-0000	O	DA	CONT	G	274	100	100	125
Policy, Plan & Admin. Improv. ^{1/}	515-0190	O	DA	615	G	-	-	-	-
Policy and Training Support	515-0241	N/90	DA	1,240	G	-	60	750	430
Private Sector Low Cost Shelter	515-HG-007	O	HG	20,000	L	(14,000)	-	-	-
Nat. Housing Mortgage Bank (BANHVI)	0222/0231	O	ESF	(45,000)	LC	(20,300)	(19,500)	(5,500) ^{1/}	-
COFISA Housing Proj. (OVI-OVA)	515-0192	O	ESF	(5,000)	LC	(5,000)	-	-	-
COFISA Housing Proj. (Priv.Banks)	515-0222	O	ESF	(5,000)	LC	(5,000) ^{2/}	-	-	-
CHF/Peace Corps/FEDECREDITO		O	ESF	(823)	LC	(590)	(233)	-	-
FEDECREDITO	PL I	O	PL-480	(234)	LC	(234)	-	-	-
Urban Housing Relocation (NEC-INVU)	PL I	O	PL-480	(2,000)	LC	(2,000)	-	-	-
Puntarenas Urban Development	PL I	O	PL-480	(1,464)	LC	(1,464)	-	-	-
Municipal & Urban Dev't (IDB)	PL I	O	PL-480	(3,500)	LC	(1,242)	(2,320)	-	-
Low Cost Rural Housing	Sect. 416	O	416	(2,414)	LC	(2,414)	-	-	-
Rural Housing ^{3/}		N/89	ESF	(6,667)	LC	-	(6,667)	-	-

7. NARRATIVE

Until the beginning of Costa Rica's economic crisis, its shelter finance and construction delivery system was relatively successful in nearly meeting annual shelter requirements. However, housing construction suffered severely in 1982-1983 as the result of skyrocketing inflation, devaluation of local currency, and other effects of the 1981 economic crisis. In 1986, Costa Rica was faced with an accumulated housing deficit of 125,000 dwelling units; this deficit increases every year because production fails to meet new annual demand. President Arias, recognizing the nation's shelter problem, pledged the construction of 80,000 dwelling units during his administration, the only specific pledge he made in his victory address. In light of these considerations and the employment impact of a thriving housing sector, the Mission has made the improved housing objective one of its highest priorities. Other international donors are also supporting this GOOCR priority by financing projects in housing (IDB, Canada), and water and sewerage (IBRD, IDB and Germany).

The Mission has reduced its level of direct shelter financing by not initiating any new major direct financing projects when old projects close out. Instead, the Mission's shelter strategy has shifted to helping establish financial self-sufficiency and sustainable delivery systems in the shelter sector. We are doing this through support for Costa Rica's national housing bank (BANHVI) and conducting policy dialogue with the GOOCR aimed at institutionalizing the achievements attained under the existing housing programs, an emphasis on full cost recovery of mortgage payments and of infrastructure investments, promotion of the private sector's more active participation in housing construction and financing, and consolidation of the public sector's participation in housing.

^{1/} Illustrative Allocation

^{2/} This activity is included as part of funding for BANHVI.

^{3/} This is not a USAID activity. It is a local currency sector support requested by the GOOCR and agreed to by the Mission. Nonetheless, it is supportive of the Improve Housing objective.

A. Housing Finance The centerpiece of AID's housing strategy has been the creation of the National Housing Mortgage Bank (BANHVI) as a second-tier housing finance institution and the central regulatory agency of the housing finance system. In this role it has the responsibility for maintaining a continuous flow of resources into the finance system, establishing uniform market-based financial policies and operational procedures, and requiring that the authorized financial institutions operate efficiently. AID is providing seed capital from ESF local currency (programmed to reach the equivalent of \$50 million) to BANHVI. The Mission is also financing a technical assistance and training program directed not only to BANHVI but also to those financial institutions supervised by BANHVI. The assistance is and will continue to be financed from PD&S, and the PPAI and PATS projects. The Mission has also programmed with the GOCR PL 480 and ESF local currencies in support of several smaller housing-finance activities. In spite of a slower-than-expected operations start-up, the progress made by BANHVI has been very satisfying, both in terms of institutional soundness and of promulgation of credit policies.

B. Housing Production AID's goals in this area are: to encourage the GOCR to clearly define institutional responsibilities and thereafter, establish a system of coordination among them; and to facilitate the expansion of private sector activities into low and moderate income housing construction. The first is being pursued with some success through continuing policy dialogue with the GOCR Ministry of Housing.

The second goal, mobilization of the private sector into low and moderate income housing construction, requires two principal achievements: the lowering of indirect costs (streamlining project approval and permit processing) and risk levels, and the increased accessibility of working capital for both large and small developers. The latter will be handled through BANHVI and the authorized institutions. However, progress in the former depends largely upon the success of the GOCR in rationalizing the institutional framework.

C. Housing Infrastructure Lack of adequate infrastructure, particularly water and sewage systems, is a major constraint to housing development, and many municipalities refuse to issue housing permits due to their inability to provide necessary infrastructure and other public services. Since the feasibility of increasing municipal revenues by providing improved utility services and charging high user rates was concretely demonstrated in the AID/IFAM Municipal Infrastructure Project, both municipalities and infrastructure institutions have begun to adopt more realistic tariff rates and to consider the introduction of other cost recovery mechanisms. Per discussions with RHUDO in June 1988, the Mission will not be undertaking any new project activities in this area over the AP period, but has agreed to provide policy dialogue support to the new RHUDO/CABEI project with IFAM. The Mission will continue to support this development with technical analyses and policy dialogue, and will also investigate the possibilities for more support to municipalities (this is discussed in Objective No. 3).

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OBJECTIVE No. 11: Improve Educational Opportunities

1. <u>COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Gross Primary Enrollment Rate	107%	107%	108%	103%	104%	104%	105%
B. Primary School Completion Rate	76%	77%	77%	78%	79%	79%	79%
C. Years to produce a sixth-grade graduate	7.8	7.6	7.6	7.6	7.6	7.6	7.5
2. <u>A.I.D. PROGRAM PERFORMANCE INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Rural classrooms built/rehabilitated	-	-	390	332	550	550	550

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

POLICY ACCOMPLISHMENTS

A. The Mission succeeded in raising concern within the GOOCR for the maintenance and construction of classrooms and schools. A part of the GOOCR-owned ESF local currency generations has been earmarked for this purpose.

PROGRAM ACCOMPLISHMENTS

A. 4,000 teachers manuals for multigrade classrooms were printed. Of these, 2,000 were delivered to the teachers during 1987 and 1988. The rest will be delivered according to need. (Target met)

B. 200 supervisors manuals were delivered in 1988. The other 800 will be delivered according to need. (Target met)

C. 160 supervisors of multigrade classrooms completed training in 1988. (Target met)

D. The target for textbooks for grades 7-9 was not met because the GOOCR decided other local-currency programs had higher priority.

E. With program expansion, the total number of rural classrooms to be constructed or renovated is now estimated at 1,982 (as opposed to the originally planned 1,280). In spite of a late program start, work on 332 classrooms was completed in 1988 (vs. the 390 target). There will be no Mission urban classroom activity in line with last year's Action Plan decision. However, the GOOCR plans to work in the area with funds provided under Educational Infrastructure sector support.

F. Final design of EARTH's Phase I campus buildings has been completed. Years one and two of the four year curriculum have been formulated and approved by the Board of Directors. Years three and four of the curriculum are drafted and approval is expected February, 1989. The College Director was selected early January, 1989. Site preparation for construction of the campus core and general services was completed.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

None

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

- A. Renovation of 1,982 rural multigrade classrooms 4/91
 - 550 rural classrooms renovated in 1989
 - 550 rural classrooms renovated in 1990
 - 550 rural classrooms renovated in 1991
- B. The design and principal construction of the Regional Agriculture College will be completed. 4/91
 - Phase I construction completed -- 2/90
 - Complete final design of Phase II campus buildings -- 3/90
 - Phase II construction completed -- 4/91
- C. 100 students enrolled in the Regional Agricultural College 4/90
- D. 200 students enrolled in the Regional Agriculture College 4/91

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Program Development & Support	515-0000	O	DA	CONT	G	889	-	-	-
Policy Plan & Admin. Improvement	515-0190	O	DA	200	G	200	-	-	-
Ag. School for the Humid Tropics	596-0129	O	DA	26,400	G	7,000	2,800	3,500	-
	0192/15	O	ESF	(92,000)	G	(92,000)	-	-	-
Education Infrastructure Sector Support	515-0194A	N/89	ESF	(6,785)	LC	-	(6,785)	-	-
Rural Classroom Renovation	0192/0231	O	ESF	(1,939)	LC	(983)	(956)	-	-
Substance Abuse Awareness/Education	515-0253	N/90	DA	500	G	-	-	500	-
Academic Examinations	515-0194	O	ESF	(204)	LC	(204)	-	-	-
Education Center Endowments	515-0186	O	ESF	(5,000)	LC	(5,000)	-	-	-
School Computers (GOCR activity) ^{I/}	0192/0231	O	ESF	(6,949)	LC	(4,420)	(2,259)	-	-

7. NARRATIVE

During the Action Plan period, in support of the Education objective, the Mission will continue focusing on rural primary education and the EARTH school. In FY 1990, the Mission also plans to initiate a small Substance Abuse Awareness/Education program.

A. **Rural Primary Education.** Education has historically been one of the GOCR priorities, and the indicator statistics reflect this. However, the education budget is strained severely at a time when primary school enrollment is jumping by unprecedented amounts. Total public sector expenditures in real terms fell 32.4% between 1980 and 1985; at present over 98% of expenditures in basic education go for salary and

^{I/} This is a local currency activity requested by the GOCR and agreed to by the Mission.

salary-related expenses. This leaves little over 1% for teaching materials (including textbooks), construction and maintenance, and in-service training. Although universal coverage still holds, the quality of basic education is diminishing. It still requires an average of 7.6 years to produce a 6th grade graduate, and that graduate is likely to leave with only a rudimentary education (as evidenced by the results of a nationwide diagnostic test in math and Spanish, termed "disastrous" by the Minister of Education).

The problem goes deep: to allocation of and efficient use of resources; and to the need for more and better textbooks and teaching materials, better trained teachers and improved curricula. The first of these is the most serious and difficult problem. Because of its political sensitivity, there is little we can do directly. However, efforts to improve public sector efficiency (discussed under Objective 3) could have some impact.

With regard to the second set of needs, we have previously assisted the GOCR in its primary school textbook program, under which ESF local currency financed the printing of a set of textbooks for every primary school student in the country. (We were also prepared to allocate local currency for a textbook program for grades 7 through 9, but the GOCR has considered other of its activities, as higher priority.)

Our attention is now focused on rural multigrade schools, consistent with our strategic emphasis on the poorest areas of the country. We have provided (from PPAI and local currency funding) specialized teaching and educational materials, and in-service training for both multigrade teachers and rural supervisors to help increase efficiency and effectiveness in teaching the variety of students attending one-room schools. In conjunction with those activities we have begun a local currency-funded program of refurbishing multigrade rural schools (defined here as schools with 3 or fewer classrooms). The project responds to a need made acute by GOCR budget cuts (in real terms) and will markedly improve the educational environment by repairing or replacing physically inadequate classrooms and by providing basic classroom furniture (desks, chairs, blackboards and lighting). The GOCR will soon begin its own classroom construction and renovation program, covering both rural and urban schools, with ESF local currency sector support for educational infrastructure.

The Mission intends to encourage the Ministry of Education to sustain the gains of recent projects by increasing its allocation of resources for teaching materials, in-service teacher training, and construction and maintenance of schools and classrooms. It is hoped that the GOCR will decide to commit ESF generated local currency resources to a secondary school textbook program similar to that carried out for primary school students in 1987.

B. Higher Education. Costa Rica, and other Central American countries, have not had higher education in agriculture which provides practical and educational experience needed to address agricultural production problems associated with the humid tropics of the region. In response to this situation, the GOCR and the Mission are funding the local currency costs of the construction and establishment of the Regional Agriculture College for the Humid Tropics (EARTH) which will be located in Costa Rica. (Dollar costs are being provided under the ROCAP Regional Higher Education project).

C. Drug Awareness. The 1988 Costa Rica program strategy update, recognizing the dangers of substance abuse and drug trafficking, indicated that the Mission would support U.S. Mission anti-drug efforts through "awareness" activities. The Mission education objective encompasses the goal of increasing social awareness of subjects which can enhance individuals' productive contributions both economically and socially. It is well known that the negative impact of drug abuse can be pervasive through a society. The more informed individuals are, the more probably that there will be a dampening effect on the demand for such illegal substances and the problems which stem from demand for those substances. It is in support of this aspect of the education objective, that the Mission plans to initiate the Substance Abuse Awareness/Education project in FY 1990.

OBJECTIVE No. 12: Strengthen Democratic Institutions

1. COUNTRY DEVELOPMENT TRENDS INDICATORS		1986 Actual	1987 Actual	1988 Proj. Actual		1989 Proj.	1990 Proj.	1991 Proj.
None								
2. A.I.D. PROGRAM PERFORMANCE INDICATORS		1986 Actual	1987 Actual	1988 Proj. Actual		1989 Proj.	1990 Proj.	1991 Proj.
A. Justice Sector Improvement Project (only)								
1.	No. of judicial professionals trained	N/A	N/A	-	-	150	200	300
2.	No. of consultations in the Procuraduria General on prevailing law	N/A	N/A	-	-	30,000	35,000	50,000
B. Democracy books (000's)		20	90	75	20	15	-	-
C. Community development activities (SDAF)		56	36	70	53	75	75	75
D. Membership in AIFLD supported unions		2,600	4,000	5,500	4,500	5,500	6,400	7,300
E. Persons beginning training under CAPS/CLASP II								
Short-term total		355	313	314	188	219	140	60
Men		188	191	165	84	132	84	40
Women		167	122	149	104	87	56	20
Long-term total		33	53	46	61	267	205	100
Men		19	28	25	32	135	103	50
Women		14	25	21	29	132	102	50

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

- A. The Justice Sector Improvement Project is underway with the Judicial School in reorganization and staff-up phase. The automated legislative reference system is in the pre-automation stage of refining the current manual retrieval system.
- B. By the end of 1988, 130,000 classics of democracy were printed, out of a projected 145,000. Texts by Costa Rican authors were not ready in time to meet FY 88 projection. New total of 145,000 copies represents 5,000 copies of 25 texts, plus reprints.
- C. Membership in AIFLD-supported unions increased to 4,500 members in 1988. Target shortfall due to increased emphasis on delivery of services, rather than membership enrollment.

- D. Only 53 SDF projects were implemented in 1988 (instead of the projected 70) because SDF funding was suspended for much of FY 88, pending the results of local currency negotiations with the GOCR.
- E. CAPS training was initiated for 188 short-term and 61 long-term participants during 1988. Due to changes in funding guidelines for the CAPS program, and timing of a waiver under those guidelines, no high school group was trained in FY 88. The planned departure of two long-term groups totaling 65 students slipped by several weeks thereby turning them into FY 89 departures.
- F. 12 CAPS undergraduates (on target) and 23 CAPS graduates (2 fewer than target) completed training by 12/88.
- G. 10 Short-term groups completed training in FY 88, as projected.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

None

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

- A. A total of 145,000 classics of democracy books printed 3/89
- B. Judicial school and basic legislative reference system in full operation and at planned operational levels 3/90
- C. Total membership of 8,000 in AIFLD-supported agrarian unions 3/91
- D. 225 community development projects supported by SDAF. Of these, 75 in 1989, 75 in 1990 and 75 in 1991 4/91
- E. 837 CAPS participants initiate training:

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 90 (CLASP II)</u>	<u>FY 91 (CLASP II)</u>	4/91
Short-term	219	80	60	60	
Long-term	267	186	19	100	
- F. 71 CAPS long-term trainees complete training; 31 in FY 89 and 40 in FY 90 4/89
- G. 270 CAPS high school students complete training; 135 in FY 1989 and 135 in FY 1990 4/90
- H. 16 Short-term groups complete training; 11 in FY 1989 and 5 in FY 1990 4/90

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New or Ongoing	Type of Funding	LOP (\$000)	L/G/LC	OBLIGATIONS			
						Cum. thru FY 88	FY 1989	FY 1990	FY 1991
Justice Sector Improvement	515-0244	O	ESF	2,900	G	1,500	1,400	-	-
Special Development Activities	515-0222	O	ESF	(2,614)	LC	(1,039)	(575)	(500)	(500)
Community Dev. (GOOCR Activity)	-	N/89	ESF	(2,210)	LC	-	(2,210)	-	-
Democracy Books	0192/34	O	ESF	(355)	LC	(355)	-	-	-
AIFLD-OPG	515-0226	O	DA	2,000	G	2,000	-	-	-
Central American Peace Scholarships	597-0001.01	O	DA	7,300	G	7,300	-	-	-
			ESF	3,000	G	3,000	-	-	-
			ESF	(1,285)	LC	(1,285)	-	-	-
	515-0242	O	DA	3,516	G	2,516	-	1,000	-
			ESF	(5,997)	LC	(1,200)	(2,797)	(2,000)	-
			ESF	17,846	G	15,746	2,100	-	-
CLASP II	515-0254	O	ESF	1,500	G	-	-	1,500	-
		O	DA	3,500	G	-	-	-	3,500

7. NARRATIVE

Costa Rica is a vibrant democracy. It is the only Latin American country which currently has an independent judiciary, serves as a model to other nations and as a regional base for regional activities in support of strengthening democratic institutions. Therefore, the USAID role in strengthening democratic institutions is limited to responding to targets of opportunity to strengthen existing institutions and providing support for the Regional Administration of Justice program.

The judiciary stands out as one of the most important democratic institutions. A new \$2.9 million bilateral administration of justice project to improve the professional capacity and administration of the justice sector was signed in September 1988 with the GOOCR. The project is focusing on (1) strengthening and systemizing the training of judicial professionals; (2) designing and implementing a maintainable computerized system of legislation in effect; and (3) consolidating the position of the National Commission for the Improvement of the Administration of Justice as the coordinator and planner of justice sector entity activities.

Another important institution is the labor union movement, which helps defend the rights of the individual in the workplace. USAID supports that movement under an OPG with AIFLD for a project that assists the development of rural farmers unions which produce and market NTAE products. The project, which generates approximately \$350,000 in farmer income each year, has been extended until 1991 to enable it to consolidate present gains and extend its geographic coverage. An evaluation in FY 88 concluded that the project was developing institutional capacity and economic self-sufficiency for the unions. Membership is 4,500 persons, up from 1,700 in 1985. Leadership in the unions is 35% female, significantly higher than other rural organizations.

At a totally different level, another democratic institution is the community organization. USAID supports such organizations through the Special Development Activities Fund. Very often the supported activity is the construction of a schoolroom or other facility which can be used as a community meeting center. In December 1988, the Mission agreed to the GOOCR's use of local currency for community development activities. Although this is not part of the Mission program and therefore does not contribute to specific Mission targets, it does contribute to the overall objective of strengthening democracy.

In Costa Rica one of the most impressive democratic institutions is the spirit of democracy itself. The Mission's primary support for this institution is the CAPS program, which permits Costa Ricans to "experience America" and, it is hoped, strengthen democratic ties.

The objectives of CAPS Costa Rica program are: 1) to build trained human resource base with improved skills essential for social, economic, and political development, 2) to strengthen the links of understanding between Costa Rica and the United States, and 3) to increase appreciation for shared U.S. and Costa Rican democratic traditions and values.

Since the spring of 1985, over 1,200 CAPS participants have initiated short and long-term training in the U.S. At this pace, the program is projected to reach almost 1,900 participants (versus the 1,822 projected in earlier planning documents). To date, 40 percent of the participants have been women, more than 90 percent economically disadvantaged, and over 85% are from rural areas. Reactions from returned participants are very positive, especially concerning the homestays and peer contact opportunities included in the Experience America component of the program. Even though most academic trainees entered the program with minimal or no English-language skills, their scholastic achievements in the U.S. have ranged from very good to excellent.

The Mission continues to implement the basic plan developed in the original Country Training Plan (CTP) and adjusted in the subsequent CTP updates. The new CLASP guidelines put out at the end of 1987 required some adjustments to our program, and the Mission is now sending a higher percentage of long-term participants. The high school component was postponed in 1988 due to the LAC restriction on making grants with CAPS funds. This problem was resolved and 135 high school students will be selected to begin pre-departure training 2nd quarter FY 89.

A smaller program aimed at strengthening democratic spirit is the local currency-financed democracy book program, under which 25 different book titles are being printed and distributed. The books are sold at a nominal price or, in the case of high-school students, provided free of charge.

the regional development objectives

market-oriented development

the national development

OBJECTIVE No. 13 A: Other (Regional Development)

1. COUNTRY DEVELOPMENT TRENDS INDICATORS	1986 Actual	1987 Actual	1988		1989 Proj.	1990 Proj.	1991 Proj.
			Proj.	Actual			
None							
2. A.I.D. PROGRAM PERFORMANCE INDICATORS (Northern Zone Consolidation only)	1986 Actual	1987 Actual	1988		1989 Proj.	1990 Proj.	1991 Proj.
			Proj.	Actual			
A. Community development/shelter							
1. Small infrastructure projects	-	-	-	-	-	36	36
2. Housing units generated	-	-	-	-	-	588	475
B. Agricultural Production							
1. Nontraditional crops promoted (cum.)	-	-	-	-	1	3	5
2. Hectares (incre.) planted with NTAE	-	-	-	-	200	1,000	1,760
C. Land titling (IDA)	-	-	-	-	-	300	300
D. Roads							
1. Maintenance (kms)	-	-	-	-	-	-	310
2. Construction/rehabilitation (kms)	-	-	-	-	50	200	100
E. Reforestation (hectares)	-	-	-	-	-	100	200

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

POLICY ACCOMPLISHMENTS

- A. Arrangements are underway but not yet fully in place for the national and commercial banking system to make credit available for production of non-traditional export crops.
- B. Decision-making authority in the NZCP is now held by the Project Coordinating Office, and thus decentralized from MIDEPLAN's Central Offices and MIDEPLAN serves as project coordinator.

PROGRAM ACCOMPLISHMENTS

Since the Northern Zone Consolidation Project was signed at the end of FY 88 and conditions precedent to disbursement have not yet been met, no progress can be reported on project activities and accomplishments.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED QTR/YEAR

None

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED QTR/YEAR

- A. Technical assistance system established for providing technological package for production post harvest handling and marketing of non-traditional agricultural products for farmers in the project area. 1/90
- B. Initiate community participation in road maintenance activities. 3/89
- C. Road maintenance system in place for roads within Northern Zone. 1/90
- D. As an impetus to widespread regional production of selected NTAE products 200 million colones in credit provided for Northern Zone farmers. Of this, one half disbursed by 4/91. 4/91

6. PROJECTS SUPPORTING OBJECTIVE

Title	New or Number	Type of Ongoing	LOP Funding	L/G/ (\$000)	Cum. thru LC	OBLIGATIONS			
						FY 88	FY 1989	FY 1990	FY 1991
Program Development and Support	515-0000.01	O	DA	CONT	G	297	-	-	-
Northern Zone Consolidation	515-0235	O	DA	5,150	G	5,150	-	-	-
	ESF	O	ESF	(13,666)	LC	-	(13,666)	-	-
	PL I	O	PL480	(18,178)	LC	(17,794)	(384)	-	-
Southern Zone Development	PL I	O	PL480	(3,040)	LC	(3,040)	-	-	-
Rural Development Activities	Section 416	O	416	(5,600)	LC	(5,600)	-	-	-

7. NARRATIVE

USAID is committed to helping Costa Rica improve the quality of life of poorer segments of the population, and to this end, is addressing the regional development objective. The Mission's strategy objective is to integrate more Costa Ricans into active participation in the market economy through economic development of one of the country's poorest regions. In an effort to provide the basis for development of the most underprivileged areas of Costa Rica, and in response to GOOCR priorities, the Northern Zone Infrastructure Development Project (NZIDP) was approved in July 1983.

By providing a trunk road connecting the project area with the rest of the country and encouraging new agricultural settlements in the zone, the basis was established to tap the high agricultural potential of the area. Through community development activities, the project also improved the living standards of the local residents. The last NZIDP evaluation concluded that the project had provided significant visible change in both the physical structure of the zone and in the aspirations of its people. Moreover, the evaluators concluded that it was desirable to consolidate the achievements of the NZIDP, so that this area could further contribute to the economic growth of the country.

To capitalize on the developmental momentum of the NZIDP, the Mission has moved to the follow-on Northern Zone Consolidation Project (NZCP), which is aimed at accelerating the socio-economic growth of the Northern Zone on a sustainable basis through the rational use of underutilized agricultural lands, a more efficient and diversified use of the region's agricultural resources, improved management of its natural resources, and improved access to markets and services. The NZCP is not aimed at dealing with all the problems of the region, agricultural or otherwise, but rather to focus on what are considered key factors that need priority attention now in order to make possible the region's sustained development over the long run.

While the NZIDP sought to establish the basis for the equitable socio-economic development of the project area, the NZCP seeks to spur the socio-economic development of the area by increasing areas of production of non-traditional, export-oriented crops, i.e. cocoa, heart of palm, passion fruit, macadamia and black pepper; rehabilitating roads and establishing a self-sustaining road maintenance system; supporting local entities in their effort to improve basic social infrastructure; supporting GOOCR's colonization/land settlement efforts; and providing a titling service to landholders.

Because of the project's complexity and the number of institutions involved, the Mission plans to conduct a formal outside evaluation in FY 91. The evaluation is expected to examine to what extent (a) incentives for land titling, extension of farm credit and housing construction are achieving desired impact; b) road maintenance has been institutionalized, and (c) how well roads are being maintained. In addition, two assessments of the titling activity will be conducted during the first 12 months of project implementation.

The Southern Zone is the second poorest region in the country. Although the Mission has no plans for dollar-funded regional development activities in that area (primarily for portfolio consolidation reasons), we have approved a PL 480 local currency-financed program for the Zone.

OBJECTIVE No. 13B: Employment

1. <u>COUNTRY DEVELOPMENT TRENDS INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Unemployment rate	6.2	5.6	5.3	5.6	5.4	5.2	5.0
B. Employed labor force growth rate ^{a/}	3.3	8.1	3.1	7.0	3.2	3.2	3.2

NOTE: Based on July employment surveys.

2. <u>A.I.D. PROGRAM PERFORMANCE INDICATORS</u>	1986	1987	1988		1989	1990	1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
A. Direct employment created under AID-supported projects and programs	9,800	9,081	10,315	17,349	13,640	15,325	13,640

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 1988 AND EARLY 1989

POLICY ACCOMPLISHMENTS

A. In general, the GOCR has maintained the level of public sector employment steady, which means that most of the new job creation has come from the private sector.

PROGRAM ACCOMPLISHMENTS

A. Mission credit and export promotion programs are estimated to have generated over 13,809 direct jobs in 1988, more than double the target of 6,800, due to greater than expected success in attracting more large companies and investments to Costa Rica.

B. Recent estimates indicate that approximately 1,740 direct jobs were generated under shelter and shelter service construction activities in 1988. This is on a par with 1987 numbers, but less than half of the targeted 3,915 jobs, due to delays in the utilization of BANHVI funds. (Construction jobs are measured in person-years and do not necessarily represent net new jobs.)

C. Under the PVO small enterprise program 1,800 jobs were created or saved, triple the number projected.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED

QTR/YEAR

A. The Mission will continue to pursue the question of public sector employment levels with the GOCR.

3/91

^{a/} In 1987 the survey methodology was changed, therefore, comparisons are not possible. Moreover, the increase in both 1987 and 1988 could be to some extent a result of the new methodology.

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED

QTR/YEAR

- A. 5,400 direct jobs created under AID credit projects
--1,800 in each of CYs 1989, 1990 and 1991 4/91
- B. 20,500 direct jobs created under export promotion programs 4/91
 - 1. CINDE/PIE program: 5,000 per annum
 - 2. NTAE projects: 1,500 in 1989, 2,000 in 1990, and 2,000 in 1991
- C. 6,900 direct jobs created or saved under PVO small enterprise programs 4/91
--2,000 in 1989, 2,400 in 1990, and 2,500 in 1991
- D. 9,805 direct jobs (person-years) generated as a result of housing programs 4/91
--3,340 in 1989
--4,125 in 1990
--2,340 in 1991

6. PROJECTS SUPPORTING OBJECTIVE

<u>Title</u>	<u>Number</u>	<u>New or Ongoing</u>	<u>Type of Funding</u>	<u>LOP (\$000)</u>	<u>L/G/LC</u>	<u>OBLIGATIONS</u>			
						<u>Cum. thru FY 88</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>

None. The projects supporting this objective are listed under other objectives which they support. Employment is not so much a secondary objective of a project as it is one among two or more prime objectives. However, it does not make sense to split funding between/among the objectives.

7. NARRATIVE

Employment is the most direct and immediate way for Costa Ricans to share in the benefits of economic growth; it is key to continued economic, social and political progress. For these reasons, it is a priority objective within the Mission program.

The Mission's deep and broad involvement in the Costa Rican economy provides numerous opportunities for us to help generate jobs, both directly and indirectly. As exhibited in accomplishments data presented in earlier pages of this section, we are: (1) generating direct employment through credit programs aimed at expanding exports; (2) generating employment through support for CINDE industrial and agricultural export/investment promotion activities; (3) generating employment through shelter and shelter services construction programs; and (4) generating employment through support to PVOs which lend to small enterprises. In all of these cases, we can measure direct impact and we can estimate indirect impact. We know, too, even though we cannot measure precise impact, that our portfolio as a whole is both generating employment and saving jobs and thereby improving the economic well-being of many Costa Rican citizens. In particular, our balance of payments assistance, which provides foreign exchange needed for the purchase of machinery and productive inputs, results in more jobs for Costa Rican workers.

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PART II B. - PROGRAM SUMMARY

SUMMARY PROGRAM FUNDING TABLE
Dollar Program by Functional Account
(\$000)

<u>Project Title and No.</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
ARDN			
Subtotal	7,300	5,850	6,500
(Loan)	(-)	(-)	(-)
(Grant)	(7,300)	(5,850)	(6,500)
Population			
Subtotal	900	1,350	(-)
(Loan)	(-)	(-)	(-)
(Grant)	(900)	(1,350)	(-)
Health			
Subtotal	-	-	-
Education			
Subtotal	-	500	3,500
(Loan)	-	(-)	(-)
(Grant)	-	(500)	(3,500)
PSEE			
Subtotal	300	4,300	3,000
(Loan)	(-)	(-)	(-)
(Grant)	(300)	(4,300)	(3,000)
Total DA	8,500	12,000	13,000
(Loan)	(-)	(-)	(-)
(Grant)	(8,500)	(12,000)	(13,000)
Economic Support Fund	90,000	57,000	36,000
(Loan)	(-)	(-)	(-)
(Grant)	(90,000)	(57,000)	(36,000)
PL 480 Title I	15,000	15,000	15,000
PROGRAM TOTAL	<u>113,500</u>	<u>84,000</u>	<u>64,000</u>

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PART II.C. - SPECIAL PROGRAM ANALYSIS

NEW PROJECT DESCRIPTION FOR FY 1989

Objectives: No. 2 Strengthen the Private Sector,
No. 3 Stabilize Financial Structures,
No. 5 Promote Exports
No. 10 Improve Housing

Project: Policy and Training Support (PATS)

Project No.: 515-0241

Project Funding: (\$000) FY 1989: \$250 ESF (G); FY 1990: \$3,000 PSEE (G); FY 1991:
\$1,750 PSEE (G); LOP: \$5,000 (G)

Functional Acct.: Economic Support Funds (ESF) and
Private Sector, Energy and Environment (PSEE)

Descriptors: 800 Infrastructure/Industry/Housing
Aa Inadequate Income Growth

- A. Relationship to A.I.D. Country Strategy/Objectives: The primary emphases of USAID assistance to Costa Rica over the next three to four years will be to help lay the basis for sustained economic expansion, particularly by supporting export-led growth. The secondary emphasis will be wider sharing of the benefits of growth. The project will be the major technical assistance vehicle in support of the Mission program strategy. The Project will meet needs for specialized long- and short-term technical assistance, private sector analyses, technical training, and management/administrative improvements to assist the GOOCR and private sector in support of the strategy's growth and equity objectives.
- B. Relationship to Host Country and Other Donors: The IBRD in 1988 convened a Consultative Group, which identified numerous major problems confronting Costa Rica, most of them already noted in the Mission's 1988 CDSS Update, e.g., public sector efficiency, the need to increase exports, transportation, etc. Moreover, numerous high-level GOOCR officials are interested in addressing these problems, but need assistance in doing so. The proposed project will be used to more specifically define problems and identify means for resolving them, and to assist, primarily from the technical assistance level, in dealing with them. The Mission anticipates that the findings will contribute to future discussions and to improving programs of the Consultative Group and its membership.
- C. Conformance with Agency and Bureau Policies: This Project is supportive of many of the Agency's policies, but mostly the policy dialogue emphasis. The project not only provides for studies to identify needed reforms, but also provides for technical assistance and training to promote their implementation. The project also supports the increasing role of the private sector and, through its emphasis on increased public sector efficiency, will promote increased program sustainability.
- D. Project Description: The project purpose is to improve policy formulation, planning and design and support reforms of public sector management/administrative systems in order to achieve sustained economic growth in Costa Rica.

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The USAID program strategy, with its strong emphasis on policy reform and administrative improvements, requires significant levels of technical assistance, both short- and long-term. There is also a need for specifically targetted technical training that does not fit the requirements of other Mission training projects. Neither the individual technical assistance, nor the training requirements, are sufficiently large to be divided into individual projects. The PATS Project will help meet non-PD&S technical assistance and training needs.

The three year project will encompass five components:

Private Sector Support - to assist private sector and GOCR initiatives in support of the Costa Rican private sector in promoting increased investment, trade and export promotion.

Public Policy and Administrative/Managerial Improvement - to assist in the identification, and implementation of public policies that lead to achievement of program strategy objectives; and to support the establishment of procedural, legal and administrative reform in the public sector that will serve to increase management efficiencies, increase revenues and promote private sector initiatives.

Technical Skills Improvement - to identify and address through applied programs of long and short-term training, specific areas of technical deficiency in both public and private sector operations that, once addressed, will promote increased productivity, employment and foreign exchange generation.

Special Provision/Technical Assistance - to support on-going A.I.D. initiatives in various technical and management roles, particularly private sector and export promotion areas, by providing funds for long-term technical assistance.

Spreading the Benefits of Growth - to assist the public or the private sector in helping spread the benefits of growth to the people of Costa Rica on an equitable basis through the support of studies, technical assistance, training and equipment.

Major outputs (All years):

Assessments	x
Pre-investment assistance	x
Technology transfer	x
Technical training	x

Implementing Agencies: The Ministry of the Presidency

Method of Obligation: Handbook 3 Grant Agreement

- E. **Mission Management:** A USDH employee in the Program Office will have responsibility for overall project monitoring. The technical offices will have responsibility for monitoring individual activities financed under the Project.
- F. **PID and PP Approval:** USAID/Costa Rica requests that the Bureau authorize the Mission Director to approve the PID and PP.
- G. **Potential Issues:** Funding of long-term personnel support.
- H. **A.I.D./W TDY Support for Project Development:** None needed.
- I. **Estimated PID Approval:** April 1989; PP Approval: July 1989

NEW PROJECT DESCRIPTION FOR FY 1990

Objective: No. 2 Strengthen the Private Sector

Project: Financial Services

Project No.: 515-0247

Project Funding: (\$000) FY 1990: \$2,500 ARDN (G), FY 1991: \$1,000 PSEE (G),
LOP: \$3,500 (G)

Functional Acct.: Agriculture, Rural Development and Nutrition (ARDN)
Private Sector, Energy and Environment (PSEE)

Descriptors: 100 Rural Non-Agriculture Activities
800 Infrastructure/Industry/Housing
Aa Inadequate Income Growth

- A. Relationship to AID Country Strategy/Objectives: Financial reform is a major element of the program's economic growth strategy. By making the services available to ordinary people who do not presently use formal savings and credit mechanisms, the program will also more adequately help spread the benefits of economic growth.
- B. Relationship to Host Country and Other Donors: The GOCR has strong interest in rural credit, and insisted in a recent ESF agreement on programming resources for non-traditional agriculture credit. One of the problems is getting this and other credit to rural areas. A significant amount of research on this topic has been conducted by the Ohio State University and other institutions. Correspondingly, GOCR interest is now increasingly being focussed on reforming the rural financial system, improving banking efficiency, and promoting rural savings with the goal of stimulating financial deepening in the economy.
- C. Conformance with Agency and Bureau Policies: This project will conform to Agency policy to enhance the development of more integrated and undistorted financial markets that rely increasingly on competition and on the effective mobilization of private savings.
- D. Project Description: The purpose of this project will be to facilitate financial deepening of the economy through formal and informal intermediaries, such as public and private banks, credit unions, cooperatives and informal lenders. The project will operate on two levels: policy reform for rural finance and financial intermediation practices.

Since 1948, the Costa Rican financial sector has endured administratively controlled interest rates and credit allocation without regard to domestic savings mobilization or profit concerns. The financial sector, especially in rural areas, became inefficient and, in some cases, a last resort for savers and borrowers alike.

With the policy changes of 1984-1988, the financial sector now faces lively competition among public and private banks, finance companies, credit unions, savings and loan associations, and cooperatives. However, this patina of financial development is fragile, with the newer organizations still gaining management experience and slowly accumulating capital reserves. Except for the four state-owned banks, demand deposits and emergency access to Central Bank liquidity are not available.

At the policy level, the project will press for reforms which permit branching of banks, facilitate deposit mobilization, and promote reduction in credit rationing. At the level of the individual institutions, the project will provide technical assistance to the national banking system, the credit union federation, and selected major cooperatives. Activities will include processes which promote savings (increased confidence in local financial outlets, increased convenience to individual depositors and borrowers), decrease costs of lending (reduction in loan and deposit paperwork, less time required to complete a transaction, improved risk management), broaden service areas (branching, local representation) and strengthen capital positions (reserves, appropriate diversification of reserve portfolios).

Policies and procedures introduced under the project are expected to generate financial benefits for the intermediary institutions and the savers themselves. The recurrent costs of implementation after the PACD should, therefore, be covered by the positive cash flows that result from the use of the new procedures.

Major outputs (All years):

Reduced financial intermediation costs	x
Increased savings from rural sources	x
Stronger capital positions in financial intermediaries	x

Implementing Agency: The project will work with the Central Bank. The Central Bank will coordinate the project's technical assistance and training with the national banking system.

Method of Obligation: Handbook 3 Grant Agreement

- E. Mission Management: A USDH employee in the Rural Development Division will have overall responsibility for project monitoring.
- F. PID and PP Approval: USAID/Costa Rica requests that the Bureau authorize the Mission Director to approve the PID and PP.
- G. Potential Issues: Decentralization, tendencies toward increased financial management control at branches, and emphasis on the profit motive tend to run counter to the policies guiding the nationalized banking system.
- H. A.I.D./W TDY Support for Project Development: None needed.
- I. Estimated PID Approval: June 1989; PP Approval: October 1989

NEW PROJECT DESCRIPTION FOR FY 1990

Objective: No. 2 Strengthen the Private Sector

Project: Support to Private Voluntary Organizations

Project No.: 515-0248

Project Funding: (\$000) FY 1990: \$2,000 (G); LOP: \$2,000 (G)

Functional Acct.: Agr., Rural Development and Nutrition (ARDN), \$1,000
Private Sector, Energy and Environment (PSEE) \$1,000

Descriptors: 000 Agriculture - Single Function
100 Rural Non-agriculture Activities
800 Infrastructure/Industry/Housing
Aa Inadequate Income Growth

- A. Relationship to A.I.D. Country Strategy/Objectives: The proposed project, by carrying out income-generating projects for low income individuals, is fully consistent with and supports both of the Mission's principal strategic goals, laying the basis for sustained, long-term growth and promoting wider sharing of the benefits of such growth. Further, it will help to advance Agency-wide objectives in the areas of micro-enterprise development and increased support for Private Voluntary Organization (PVO) participation in the achievement of development goals, as well as being responsive to Congressional mandates in both areas. Finally, it will make available resources for potential PVO "debt for development" conversions.
- B. Relationship to Host Country and Other Donors: The Project is envisioned as a follow-on to the Mission's current PVO support activity implemented by the Costa Rican Association for Development Organizations (ACORDE) in conjunction with the U.S. PVO consortium, Private Agencies Collaborating Together (PACT). The present program receives the equivalent of approximately U.S. \$1.5 million annually in GOCR owned local currency through an agreement signed by the Ministry of the Presidency, ACORDE and USAID, which extends through FY 1992. In addition, ACORDE will sign an agreement with the IDB in 1989 for a \$500,000 loan to provide credit to small and micro-entrepreneurs, plus \$60,000 in grant funds for technical assistance to local PVOs. The Swiss Foundation for Economic and Social Development (FUNDES), in a complementary program with A.I.D. participation, is providing \$300,000 for a small business loan guaranty program through private banks.
- C. Conformance with Agency and Bureau Policies: The project conforms to Agency policy to promote the private sector as the principal engine of growth in developing countries. The training and technical assistance components will contribute to transfer of appropriate technology and institutional strengthening objectives. The project constitutes the Mission's principal mechanism for support to the small and micro-business sector, and will provide an opportunity for increased and innovative A.I.D./Peace Corps field level collaboration.
- D. Project Description: There are a large number of local and U.S. PVOs carrying out productive, income-generating projects benefiting micro-entrepreneurs, artisans and small farmers in Costa Rica. These activities constitute an important component of the country's successful economic recovery/stabilization program, particularly as it relates to the low

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income, disadvantaged segments of the population. Since 1983, ACORDE, which for its first three years operated as the PVO unit of CINDE, has been the main source of funding for these PVO initiatives. Long-term technical assistance and dollar funding for U.S. PVOs has been provided under a \$4.9 million grant to PACT.

The intent of the proposed follow-on project is to provide ACORDE with necessary funding for dollar costs after the PACD of the current PACT grant in FY 1991. These funds will be used to finance continued support for U.S. PVO income-generating projects in Costa Rica, procurement of appropriate offshore technical assistance, training and consulting services, and as a source of matching funds for potential debt for development conversions. The dollar financing will also provide ACORDE with a modest amount of hard currency resources over the short term, while it strengthens its fund-raising capability with prospective non-A.I.D. donors.

Major outputs (All years):

Subproject Financing (U.S/ PVOs)	5
Training/TA (Local PVOs)	10
Debt Conversions	3

Implementing Agencies: ACORDE: PVOs (20)

Method of Obligation: Handbook 13 Grant Agreement

- E. Mission Management: The Mission's intent in developing a PVO umbrella support organization was to reduce the management burden on Mission staff required for support of PVO activities. ACORDE has begun to fulfill this role, and is expected to become more effective as it gains greater experience in the project review, approval and monitoring process. The General Development Office will continue to have project management responsibility for the ACORDE program. This currently involves approximately 30% of the time of one U.S. PSC Project Officer and 5% of the Office Director's time. A.I.D. management time should decrease over the life of the project as ACORDE becomes more self-sufficient.
- F. PID and PP Approval: USAID/Costa Rica requests that the Bureau authorize the Mission Director to approve the PID and PP.
- G. Potential Issues: The Mission will need to explore the legal and regulatory implications, both U.S. and Costa Rican, of providing dollar funding to U.S. PVOs through a legally established, Costa Rican non-profit entity. Currently, this funding is provided through the grant to PACT. Obviously, at this time, several issues remain unresolved relative to the feasibility, or perhaps even the possibility, of the use of appropriated funds to support debt for development initiatives. Also, despite encouraging and laudable initial efforts at fund raising, ACORDE's capability in this area will have to be strengthened.
- H. AID/W TDY Support for Project Development: None needed.
- I. Estimated PID Approval: December 1989; PP Approval: June 1990

NEW PROJECT DESCRIPTION FOR FY 1990

Objective: No. 11 Improve Educational Opportunities
Project: Substance Abuse Awareness/Education
Project No.: 515-0253
Project Funding: (\$000) FY 1990: \$500 (G) LOP: \$500 (G)
Functional Acct.: Education and Human Resources (EHR)
Descriptors: 500 Education
Dd Illiteracy and Lack of Education

- A. Relationship to A.I.D. Country and Strategy/Objectives: An important Mission education sector objective is to increase social awareness in areas which will contribute to increased productivity and improved quality of life. The negative impact on society of substance abuse, particularly drug abuse among youth, has been documented. It is also becoming more apparent that wide dissemination of information on the effects of drug abuse on health and performance can be an effective tool in the reduction of demand for illegal substances, and the consequent alleviation of many of the problems which stem from that demand.
- B. Relationship to Host Country and Other Donors: Several Ministries of the GOCR carry out activities related to drug awareness/education. The local and international PVO community have recently initiated some activities in this area in Costa Rica. The project will be developed in close coordination with both of these groups to assure complementarity and avoid duplication of effort.
- C. Conformance with Agency and Bureau Policies: The project is consistent with current USG and Agency policy to cooperate with other U.S. and host country agencies in the effort to stem the production, trafficking and use of narcotics. It will help to address a problem which is a growing threat to the development and democratization efforts of the developing countries in Latin America and the Caribbean.
- D. Project Description: The purpose of this project is to raise, in a preemptive fashion, the awareness of Costa Ricans to the dangers of illegal drugs and drug abuse. Major project activities will be the training of professionals and community level workers and the development of a drug awareness media campaign. Other activities may include specific assistance to the National Drug Council to enable it to implement the authority invested in it by the new drug law. Project activities will be coordinated through the Institute for Alcohol and Drug Dependency (IAFA), the entity responsible and authorized to deal with public and private entities carrying out activities in substance control.

USAID has coordinated closely with USIS in the formulation of the basic parameters and objectives of the project, and will continue to do so during implementation. Although the problem of demand for, and consumption of, illegal drugs in Costa Rica is a small one relative to that of some of the other countries in the hemisphere, several recent highly-publicized incidents linking prominent individuals with possible drug

trafficking and/or money laundering activities have raised the collective consciousness about the potential dangers to the country. Further, a number of community-based organizations have begun to focus on the problem. In a word, the time is opportune to mount a modest effort such as the one proposed here and the chances for success are high.

Major outputs (All years):

1 media campaign
15 training courses
100 professionals trained
200 community-level workers trained

Implementing Agency: LAFA, under the Ministry of Health. LAFA, in turn, may contract technical services from firms working for S&T/Education under the Communications Support Project.

Method of Obligation: Handbook 3 Grant Agreement

- E. Mission Management: The General Development Officer and the FSN responsible for Education Activities in the General Development Division will have overall responsibility for project monitoring. They will coordinate closely with LAFA.
- F. PID and PP Approval: USAID/Costa Rica requests that the Bureau authorize the Mission Director to approve the PID and PP.
- G. Potential Issues: There are possible issues of coordination of this project with activities of drug awareness/education being carried out by other public and private entities.
- H. A.I.D./W TDY Support for Project Development: LAC/DR/EST and S&T/Education Project Development Officers to assist in preparing the PID.
- I. Estimated PID Approval: October 1989; PP Approval: April 1990

NEW PROJECT DESCRIPTION FOR FY 1991

Objective: No. 6 Manage and Preserve Natural Resources
Project: Watershed Management
Project No.: 515-0246
Project Funding: (\$000) FY 1991: \$5,000 (G) LOP: \$5,000 (G)
Functional Acct.: Agriculture, Rural Development and Nutrition (ARDN)
Descriptors: 100 Rural Non-Agriculture Activities
800 Infrastructure/Industry/Housing
Ee Unmanageable Population Pressures

- A. Relationship to AID Country Strategy/Objectives: The project supports the rational use of land, forest, and water resources, which is a principal element of the Mission's strategy of laying the basis for long-term economic growth. The project will complement the Mission's planned Forestry Management Project by focusing on appropriate land use alternatives in selected watersheds.
- B. Conformance with Agency and Bureau Policies: The project conforms with A.I.D.'s and the Congress' policy favoring protection of tropical forest cover and the habitat for biologically diverse animal life.
- C. Project Description: Mismanaged or unmanaged watersheds have serious impacts on both municipalities and the operation of infrastructure which depend on water -- hydroelectric installations, irrigation schemes and aqueducts. These impacts can affect people directly in terms of potable water supply, agricultural and industrial use, and the like. Mismanagement of watersheds, particularly use of natural flood plains for human settlement and economic activities, have increased the problems of flooding, as have continued deforestation and watershed degradation. The purpose of the project is, therefore, to ensure continued water supply for selected municipalities and for hydroelectric power projects and irrigation schemes.

A fundamental water resource management problem in Costa Rica has been that construction and management of hydro infrastructures are traditionally divorced from the management of the watersheds above these structures. Recently the watersheds of 13 out of the 47 municipalities which manage their own water supplies have been evaluated by the GOCR which has made recommendations for their management. The project will support the municipalities in carrying out the required actions. Priority actions are, first, those that can be implemented by the municipalities directly or contracted by them, such as: the preparation of management plans for the watersheds; the construction of water control structures; land purchase; fencing for critical areas; construction of infrastructure for guards; fire control measures; and monitoring of water quality and quantity. Second are a group of land management activities to reduce water run-off which farmers should be encouraged to use more widely such as: management and expansion of forests, tree crops and agroforestry; and soil conservation and better cropping practices. The project is expected to draw heavily on the experience gained and methodologies developed by ROCAP's Regional Watershed Management Project which has been under implementation for several years. ROCAP staff are expected to contribute significantly to the project's design. A three year implementation period is planned.

NEW PROJECT DESCRIPTION FOR FY 1991

Objective: No. 5 Promote Exports
Project: Export Sector Development
Project No.: 515-0250
Project Funding: (\$000) FY 1991: \$36,000 ESF (G)
LOP: \$36,000 (G)
Functional Acct.: Economic Support Funds (ESF)
Descriptors: 000 Agriculture-Single Function
800 Infrastructure/Industry/Housing
Aa Inadequate Income Growth

- A. Relationship to A.I.D. Country Strategy/Objectives: The proposed sector assistance addresses constraints to expansion of non-traditional exports to non-CACM countries while providing for balance of-payments impact. As such, the assistance will contribute directly to the USAID strategy which focuses on export-led growth and views economic stability as a minimum requirement for that growth.
- B. Conformance with Agency and Bureau Policies: The program will conform with AID policy by promoting policy and administrative reforms, increasing the private sector's role in Costa Rica's development, and by shifting from ESF balance-of-payments cash transfers to sector assistance.
- C. Project Description: The purpose of this sector program will be to assist the GOCR and Costa Rican private sector initiatives in fomenting increased investment, trade and export promotion.

The Project will provide ESF dollars to support an increase in non-traditional exports, through policy dialogue and conditionality oriented solely toward this sector. This project marks the departure of USAID/Costa Rica away from previous years' balance of payments/cash transfer programs, to a more sectoral approach—i.e., though the program will have balance of payments impact, releases of the ESF sectoral assistance will be triggered by satisfactory accomplishment of performance targets, policy changes and other conditionality within a sector — and in this case, the export sector.

While it is anticipated that all the project's U.S. dollars will be used for balance of payments purposes, all ESF local currency made available by the GOCR will be jointly programmed for export sector activities. Both the development of sector policy changes and targets, along with the evolution of local currency sectoral activities, will be based upon firm analyses of export sector constraints and proposals for their resolution given the resources available.

Within a range of export sector priorities to be further detailed in the period leading to project design, the establishment of a combined private and public export/investment promotion agency (combined CINDE/CENPRO) seems primordial. Other priorities affecting the export sector may include measures for improved export productivity and marketing, improving the financial investment climate, natural resource conservation, and reduction of public sector inefficiencies, among others.

FOOD AID

A. Relationship to the Mission Strategy and Program

The food aid program, principally PL 480 Title I, is combined with the ESF program to provide balance-of-payments support which is the central element of our stabilization program. It not only provides financial resources in support of stabilization, but also gives the Mission policy dialogue leverage in support of that goal. In addition, Title I local currency generations are contributing to basic reforms which support laying the basis for economic growth. Title I local currency is primarily used to support Action Plan Objective 2, Strengthen the Private Sector; Objective 3, Stabilize Financial Structures; Objective 5, Promote Exports; and Objective 6, Natural Resources. Objective 13A, Regional Development, and Objective 10, Housing, have received minor emphasis.

B. Country Food Situation

The GOCR's incentive program, particularly during 1984 and 1985, resulted in record crops of beans, yellow and white corn, and sorghum. A combination of high farm support prices that were significantly above world market prices, an expensive crop insurance, credit policy and technical assistance, were key factors that led to increased crop production. However, a drought in the Guanacaste area reduced feed grain production in 1988. This shortfall was covered by a donation of 32,000 mt yellow corn to Costa Rica under the FY 88 Section 416 Sugar Quota Offset. Costa Rica imported approximately 115,000 mt of wheat, which is not produced domestically, under FY 87 Title I and 16,000 mt under the FY 88 Section 416, Sugar Quota Offset. Annual demand for wheat, including manufacture of flour based exports, is 140,000 mt. Due to extended discussion in the Legislative Assembly, the planned FY 88 Title I program was not approved until early FY 89, resulting in omission of Title I deliveries for FY 88.

C. Proposed Levels and Justification

The Mission is proposing PL 480 Title I levels at approximately \$15 million for FY 90 and FY 91 to cover 75% of the national demand for wheat. Wheat is not produced domestically. Its closest substitute, white corn for tortillas, is balanced with wheat in the food consumption of the country. Costa Rica will continue importing wheat for this demand. Without PL 480 assistance, these purchases would add to the current balance-of-payments gap our ESF assistance is seeking to reduce. PL 480 does not provide wheat for the small (3% of total imports) amount of exported flour-based products.

D. Disincentives to Production

There are no issues related to disincentive to production since wheat, the principle commodity under Title I program, is not produced in Costa Rica. The substitute product, tortillas made of white corn, is not being replaced by wheat-flour bread.

E. Present Food Policies and Reform to Be Supported

Costa Rica has pursued pricing policies which provided subsidies to consumers of basic grains, as well as support to basic grains producers. The Title I program will continue to focus on the elimination of these subsidies in an attempt to reduce government deficits. For example, the GOCR no longer subsidizes production of rice and sorghum, and has pegged its flour prices to the world price of wheat. The Mission will not seek radical reduction of production price supports in corn or beans, however, because such would translate into an immediate decrease in domestic food production and an increase in food imports. In the medium term, we seek a policy climate balance

that will shift towards realistic market situations and opportunity costs. In addition, this program supports policies leading to diversification of Costa Rica's agriculturally based export earnings, with emphasis on exportation to markets outside the CACM. Secondly, policies will focus on the improvement of the basic infrastructure required to export these products. Assistance will not be provided to products that will compete with similar U.S. products in foreign markets.

The Mission and the GOCR are implementing reforms that: (1) expand export markets for non-traditional products; (2) improve rural transport infrastructure; (3) rationalize agricultural credit policies; and (4) increase the role of private sector marketing firms in all products. The Mission will also use Title I proceeds to encourage implementation of recent policies in favor of sustainable use of forests and watersheds.

F. Other Self-Help Measures

In addition to policy reform, self-help measures will address the initiation and completion of specific projects important to the socio-economic development of diverse Costa Rican rural areas. These will include road construction and maintenance activities, USDA quarantine activities, and improved internal controls in project administration.

G. Use of Proposed Commodities

Wheat will be sold by the GOCR to Costa Rica's two milling plants. The wheat flour will be distributed through normal marketing channels to bakeries and retail outlets.

H. Local Currency Uses

One third of the local currency generated under the FY 89 program will be used for Section 108 purposes, i.e. private enterprise development credit through private financial intermediaries (95%) and USDA market development (5%). A decision whether to continue Section 108 in FY 90 and FY 91 will depend upon an analysis of the results under prior year programs. Other uses of local currency include increasing efficiency of basic grains production, upgrading of rural infrastructure with emphasis on road maintenance, protection of natural resources, and training in NTAE and finance. Options under investigation include assistance to the fledging GOCR land bank and improved grain storage facilities at the port of Caldera.

In general, LC assistance will be provided in the form of counterpart to IDB and IBRD loans and as sector grants. Both mechanisms lighten the administrative burden on USAID and the Title I implementing office at the Ministry of Planning. The volume of active projects, together with a widening advisory role within the Ministry, have sharpened the need to decentralize the monitoring of Title I projects. The multilateral donor project offices and the line ministries which receive sector grants are playing a larger administrative role. The Mission is also working with MIDEPLAN to terminate or merge small management-intensive projects. The GOCR preference for large numbers of small projects prior to FY 87 resulted in an unwieldy portfolio. As these reach their PACDs, under Title I they are referred to other, more appropriate GOCR funding sources. The resulting portfolio consolidation reduces the demand on the Ministry's managerial capacity.

The portfolio consolidation also addresses Mission concerns about the large amount of committed but unexpended Title I LC during FY 87. The absence of new generations during FY 88, coupled with delegation of monitoring and oversight to the actual implementing agencies, has reduced the unexpended funds to acceptable levels (6 months LC generations). A routine evaluation of the MIDEPLAN implementing unit in February and March 1989 is expected to provide further recommendations for streamlining the oversight of Title I generations.

I. Storage Capability

The GOOCR's and private sector's storage and distribution facilities are adequate to handle both domestic production and import of basic grain commodities. The GOOCR's principal installations for handling its domestic and imported grains consist of two separate bulk-grain handling facilities and two warehouses for storing packaged grains near the port of Puntarenas on the Pacific Coast through which most grains are imported. The GOOCR has approximately 67,000 mt of grain silo capacity and 8,000 mt of flat warehouse space available, including 10,000 mt of silo space at La Rita, in the country's Atlantic region. The GOOCR is still seeking funding for the 20,000 mt of silo space at the Pacific coast ports and will utilize a portion of the FY 90 and 91 local currency generations to assist in this construction. The private sector has two milling plants, approximately 35,000 mt of silo storage capacity for wheat and 10,000 mt of warehouse storage capacity for flour. The private sector feed grain users also possess 15,000 mt of storage capacity.

J. Title II and Section 416 Assistance

No Title II program is planned, since Costa Rica is moving towards increased commercial rather than concessional terms. Section 416 programs presently are not envisioned.

K. Mission Management Arrangements

The Mission coordinates closely with the Country Team on all PL 480 matters. An Interagency Policy Group (IPG), chaired by the Deputy Chief of Mission, reviews all matters pertaining to the Section 108 program. Within USAID, the Mission's Rural Development Office is responsible for monitoring the utilization of local currency generations from food aid. The Controller's Office verifies local currency generation amounts and maintains memorandum accounts on the official GOOCR records.

ESF LOCAL CURRENCY

In the last 18 months, the Mission has made significant strides in programming and management of local currency with the GOCR.

Programming

1. The GOCR formally accepted ownership of ESF local currency resources under the Economic Stabilization and Recovery (ESR VII) program signed in FY 1988.
2. AID and the GOCR have achieved a level of complete bilateral programming, through negotiations of the AID/GOCR Bipartite Commission.
3. In December 1988, the Mission and the GOCR mutually programmed the equivalent of almost \$190 million in local currency from ESRs III through VII. Of that amount, approximately \$105 million was programmed for GOCR activities which will be completely managed by the GOCR. Local currencies under the FY 1989 and 1990 ESR agreements have not yet been negotiated. Therefore, some \$140.5 million of funding shown in the Objectives sections is illustrative.
4. Also in December 1988, AID and the GOCR signed an Implementation Agreement which the Attorney General of Costa Rica has determined sufficient to permit programming of "assistance" funds (i.e., grant assistance and grant assistance-generated local currency) for public sector and private sector activities, and for AID operating expenses without going to the Legislative Assembly for approval. (This Agreement fulfilled a provision under ESR VII, requiring the AID and the GOCR to arrive at a mechanism under which the GOCR could program ESR local currencies for private sector activities and AID operating expenses prior to programming of ESR VII local currency and prior to moving forward with an FY 1989 ESR program.)

Management

Structures currently exist for managing local currency programmed for the public and private sectors.

Under the public-sector system established during recent program negotiations, the GOCR has identified implementing institutions for each of the public-sector activities programmed. The GOCR is entering into individual agreements with each of the institutions (much as AID has done in the past), and has programmed funds that will become part of the institutions' budgets (which are subject to the approval of the Controller General.) Two GOCR units, the Office of Control and Follow-up, which reports to the Minister of the Presidency, and the PL 480 Implementing Unit will provide overall program monitoring. The former will essentially have the policy, facilitating, and program trouble-shooting role; while the latter will handle the routine activities of budget review and approval, and request for disbursements from the Central Bank into the individual accounts set up for the activities to be implemented by the institutions. Both GOCR monitoring units will cooperate in carrying out evaluations and in preparing reports for AID. Audits will be carried out by the Controller General or contracted firms.

Mechanisms are also in place for financing such major private sector programs as the ACORDE umbrella PVO and CINDE. (Of course, AID's interest in CINDE is especially high, because it is so vital to our export program strategy. Therefore, we continue closer involvement with that institution.) One area for which no structure exists is for programming local currency to support U.S. PVO programs, e.g., CHF, without going through the Trust Fund. We will be studying this question, but realize the Trust Fund may be our only solution.

LOCAL CURRENCY UTILIZATION - FY 1988
(\$000 based on disbursements)

A. <u>USES</u>	SOURCES						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
HG Budget Sector	28,303	-	-	-	-	-	28,303
HG Budget Attributed	-	-	-	-	-	-	-
HG Contribution to AID Projects	76,005	3,055	-	-	-	-	79,060
HG Contribution to Other Donor Proj.	-	4,569	-	-	-	-	4,569
HG Managed L/C Proj. (Govt. or Private)	8,714	3,831	-	-	-	-	12,545
AID Managed L/C Proj.	12,049 *	-	-	-	-	-	12,049
AID OE Trust Fund	15,610	-	-	-	-	-	15,610
AID Proj. Trust Fund	1,971	-	-	-	-	-	1,971
Section 108	-	961	-	-	-	-	961
Other (C.U.P)	-	569	-	-	-	-	569
TOTAL	142,652 =====	12,985 =====	-	-	-	-	155,637 =====
B. <u>CHANNEL FOR ASSISTANCE</u>							
Public Sector	32,146	11,324	-	-	-	-	43,470
Private Sector	110,506	1,661	-	-	-	-	112,167
TOTAL	142,652 =====	12,985 =====	-	-	-	-	155,637 =====

Estimated exchange rate of 070 to \$1.00

* Obligations incurred in prior years

LOCAL CURRENCY UTILIZATION - FY 1989
(\$000 based on disbursements)

A. <u>USES</u>	SOURCES						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
HG Budget Sector	110,799	-	-	-	-	-	110,799
HG Budget Attributed	-	-	-	-	-	-	-
HG Contribution to AID Projects	53,528	1,982	-	-	-	-	55,510
HG Contribution to Other Donor Proj.	-	4,310	-	-	-	-	4,310
HG Managed L/C Proj. (Govt. or Private)	23,053	9,569	-	-	-	-	32,622
AID Managed L/C Proj.	16,314*	-	-	-	-	-	16,314
AID OE Trust Fund	5,202	-	-	-	-	-	5,202
AID Proj. Trust Fund	5,257	-	-	-	-	-	5,257
Section 108	-	2,564	-	-	-	-	2,564
Other (C.U.P)	-	226	-	-	-	-	226
TOTAL	214,153 =====	18,651 =====	-	-	-	-	232,804 =====
B. <u>CHANNEL FOR ASSISTANCE</u>							
Public Sector	150,172	13,483	-	-	-	-	163,655
Private Sector	63,981	5,168	-	-	-	-	69,149
TOTAL	214,153 =====	18,651 =====	-	-	-	-	232,804 =====

Estimated exchange rate of 077 to \$1.00.

* Obligations incurred in prior years.

LOCAL CURRENCY UTILIZATION - FY 1990
(\$000 based on disbursements)

A. <u>USES</u>	SOURCES						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
HG Budget Sector	47,081	-	-	-	-	-	47,081
HG Budget Attributed	-	-	-	-	-	-	-
HG Contribution to AID Projects	20,188	538	-	-	-	-	20,726
HG Contribution to Other Donor Proj.	-	5,795	-	-	-	-	5,795
HG Managed L/C Proj. (Govt. or Private)	5,500	3,267	-	-	-	-	8,767
AID Managed L/C Proj.	22,835 *	-	-	-	-	-	22,835
AID OE Trust Fund	5,000	-	-	-	-	-	5,000
AID Proj. Trust Fund	4,942	-	-	-	-	-	4,942
Section 108	-	4,283	-	-	-	-	4,283
Other (C.U.P)	-	394	-	-	-	-	394
TOTAL	105,546 =====	14,277 =====	-	-	-	-	119,823 =====
B. <u>CHANNEL FOR ASSISTANCE</u>							
Public Sector	67,615	8,620	-	-	-	-	76,235
Private Sector	37,931	5,657	-	-	-	-	43,588
TOTAL	105,546 =====	14,277 =====	-	-	-	-	119,823 =====

Average rate of 083 to \$1.00

* Obligations incurred in prior years.

LOCAL CURRENCY UTILIZATION - FY 1991
(\$000 based on disbursements)

A. <u>USES</u>	SOURCES						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
HG Budget Sector	32,000	-	-	-	-	-	32,000
HG Budget Attributed	-	-	-	-	-	-	-
HG Contribution to AID Projects	16,944	721	-	-	-	-	17,665
HG Contribution to Other Donor Proj.	-	5,767	-	-	-	-	5,767
HG Managed L/C Proj. (Govt. or Private)	-	3,172	-	-	-	-	3,172
AID Managed L/C Proj.	9,242 *	-	-	-	-	-	9,242
AID OE Trust Fund	4,000	-	-	-	-	-	4,000
AID Proj. Trust Fund	2,000	-	-	-	-	-	2,000
Section 108	-	4,325	-	-	-	-	4,325
Other (C.U.P)	-	433	-	-	-	-	433
TOTAL	64,186 =====	14,418 =====	-	-	-	-	78,604 =====

B. CHANNEL FOR ASSISTANCE

Public Sector	41,242	8,708	-	-	-	-	49,950
Private Sector	22,944	5,710	-	-	-	-	28,654
TOTAL	64,186 =====	14,418 =====	-	-	-	-	78,604 =====

Estimate exchange rate of 090 to \$1.00

* Obligations incurred in prior years.

WOMEN IN DEVELOPMENT

The economic crisis of the last decade in Costa Rica has forced an ever-increasing number of women to seek employment or engage in income-generating activities in order to supplement household income. Also, high rates of rural to urban migration, marital abandonment, and the high number of single mothers have contributed to the formation of increased numbers of women-headed households and to women's need to work for wages.

Therefore, the Mission is determined to pay particular attention to women in its development strategies for Costa Rica. However, since women's access to resources and their participation in economic activity is relevant across all sectors, the Mission, as a general rule, does not carry out or support "women-in-development" activities per se, but it is rather focusing its attention on sectors where women's current or potential contribution is significant and where interventions are appropriate.

A Mission funded assessment of the economic situation of women in Costa Rica identified three main sectors where the economic and institutional needs of Costa Rican women and AID's current programs intersect: agricultural development and agribusiness, training and housing. The first two sectors respond to USAID/CR program priorities and the need to expand and upgrade women's employment opportunities. Shelter, also a priority for the Mission, can not only meet the housing needs of the growing number of women heads of households, but also provide new employment options for women.

What follows, therefore, is illustrative of the projects and activities that the Mission is carrying out in each of these three areas and the percentage of women that participated in or benefited from such projects or activities.

1. Agricultural Development and Agribusiness

Under the Agricultural Services and Union Development Project, over the past year, 500 women (13% of the total number of beneficiaries) were able to increase their income through off-farm employment and/or through more secure marketing of agricultural produce.

The Coffee Technification and Diversification Project has made resources available to cooperatives, which in turn are offering equal credit opportunities to both men and women. Approximately 860 women have already taken advantage of this credit line.

The Northern Zone Consolidation Project will open up employment and income producing opportunities for rural women, who will also actively participate in the community development component of this project.

Financed by AID/Washington, the Overseas Education Fund (OEF), a U.S. PVO, carried out in Costa Rica the recently completed Women in Business Project, aimed at establishing, improving and expanding rural women-owned, productive, self-sustaining enterprises. Under this centrally funded project, 161 women received training and technical assistance and 47 women obtained loans for a total amount of \$33,900.

2. Training

During the past year, 714 women (38% of the total number of beneficiaries) attended training courses under the Training for Private Sector Development Project. Of these, 712 received short-term training in country and two in the U.S. The courses were designed to train participants on how to improve quality and commercialization of export products manufactured in Costa Rica.

Under the Central American Peace Scholarship Program, 133 women (53% of the total number of beneficiaries) received short or long-term training in the United States during 1988. This figure exceeds the "40% women" target established by the Mission for this Program.

3. Housing

The Private Sector Low Cost Shelter Program provides training and technical assistance to the board of directors, managers and staff of the National Savings and Loan System plus the Central Regulatory Control Agency (BANHVI), which are financing the construction of thousands of houses for lower income people. Of the 270 recipients of the training and T.A., 80 were women, which represents 29.6%.

Also given AID's emphasis on expanding the availability of housing to lower income families, and taking into consideration that 17 percent of all households and 20.6 percent of the households in the lowest 20 percent of the income distribution in San José are headed by women, housing programs have great potential for benefiting women.

4. Family Planning

Another important intervention of the Mission is the Family Planning Self-Reliance Project, which in 1988 made available family planning services, training, and commodities to 150,000 beneficiaries, of which 140,000 (93%) were women.

Programs such as these will continue through the Action Plan period, and the Mission will remain mindful of maximizing their impact on women.

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PART III - MANAGEMENT

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MANAGEMENT STRATEGY

1. Summary

The Mission management strategy looks to management improvements (including local currency program management intensity reduction and portfolio consolidation, among others) and to cost savings to increase operations efficiency and effectiveness. Among the most important of the cost savings measures is reduction in personnel levels. The Mission proposed and is currently implementing staff reductions under the plan presented in a special staffing analysis submitted to the Bureau in May 1988. Accordingly, the staffing ceilings for both program and OE-funded workforce will decrease from 180 at the end of FY 88 to 120 at the end of FY 92 (see the graphs immediately following the management strategy narrative). The Mission will hold to the plan and undertake other management improving and cost-saving measures during the Action Plan period.

During Program Week, the Mission will seek approval for special staff requirements to support the continuing Humanitarian Assistance program.

2. Management Implications of the Mission's Action Plan

Through the Action Plan period, the Mission will experience a decrease in the dollar level of its program, primarily as it relates to ESF, while DA and PL 480 stay constant. Although the program has now peaked, it will still be \$90 million to \$100 million per year in 1989 and 1990 when ESF, PL 480 and DA resources are considered. In addition, ESF and PL 480 programs generate local currencies, which add to the Mission's workload. Moreover, the Mission has a pipeline of previously funded activities under the aforementioned programs. Still another factor to be considered is that the Mission includes within its ceiling some regional functions and provides support to others. Finally, and perhaps most importantly, program progress, as noted in the Progress Summary and discussions within each of the program objective sections, has been very good overall, and in a few cases, excellent.

The program represented by the Action Plan is reasonably ambitious and promising regarding future performance. It is also achievable, even with the declining staffing levels projected in the May 1988 plan and declining overall operating expense levels, if the following measures are undertaken.

A. Staffing. In addition to the Mission's own staffing plan, AID/W needs to consider the staffing requirements of the Humanitarian Assistance (HA) program. Last year, the USAID Mission responded positively and on very short notice to the human resource requirements of the HA program. We provided TDY assistance to the Task Force in Honduras and, more significantly, detailed one of our USDH from the General Development Office, Ray Baum, to the HA program in Costa Rica. (GDO has borne the sacrifice with grace, but they have indeed missed the contribution of this highly productive employee.) It now appears that the HA program will continue to require a direct-hire presence for perhaps another year. Meanwhile, Ray's tour in Costa Rica is scheduled to end this summer and his replacement (for GDO responsibilities) is scheduled to arrive at about that time. The Mission therefore recommends either that Ray's position be double-encumbered or that an HA Task Force position be assigned to the Mission for one year so that Ray can continue his HA program activities and GDO can return to full staffing, in accordance with the May 1988 plan. In addition, depending upon the future of the HA program in Costa Rica, the Mission may require some TDY or contract assistance for the program.

B. Operating Expenses. OE levels must continue at significant, although decidedly declining levels (see the Operating Expenses graph immediately following this management strategy narrative). There is need for additional dollars beyond the level requested in FY 1989. However, the increase is not excessive. We will also require a \$10,000 increase in our travel ceiling to adequately meet our needs.

In addition to financing the costs of supporting the bilateral Mission, resources from the OE Trust Fund have also been used to help defray local costs of regional activities which directly or indirectly provide services for the Mission. These have included certain costs associated with the RLA, OFDA, RIG/Tegucigalpa, RHUDO, the IRM computer center, and limited support to ROCAP in FY 89 and FY 90. These costs (except ROCAP and the IRM Computer Center) are included in the Mission's annual OE budget. To ensure adequate bilateral support for the Mission program, these costs in the out years are receiving careful scrutiny.

Since negotiating an OE Trust Fund with the GOOCR in 1984, the availability of local currency has come to be a two-edged sword for the Mission. Clearly, the trust fund has enabled the Mission to maintain adequate staff levels and project implementation progress without the need for increased OE dollars. However, with almost 90% of the Mission's OE budget financed with trust-fund resources, the Mission (and, to a lesser degree, the Bureau) is in a vulnerable position once the ESF program ends, since locating OE dollars necessary to fund all operating costs will be extremely difficult. To reduce our vulnerability and provide more time for the trust-fund phasedown and dollar support for operating expenses to begin, the Mission negotiated a \$10 million dollar equivalent colon infusion into the trust account at the end of calendar year 1988. These funds, as well as the previous balance are now invested in an interest-bearing account that we estimate will cover all local costs needs of this Mission for FY 89, 90, and well into '91. We will continue to negotiate more trust-fund resources under new ESF agreements that should enable the Mission to operate through and perhaps beyond FY 1992 before a return to full reliance on dollar funding is required.

C. Management Improvements

-- Decreasing involvement in local currency management. The Mission has, in recent years, endeavored to reduce the management workload associated with ESF local currency through the reduction in the number of funded activities and by pressing the GOOCR to take a larger role in the management of those currencies. We have had significant success in both areas. The most recent of these has been the programming of the local currency equivalent of nearly \$100 million for GOOCR sector support. But, as predicted in last year's management strategy, this is part of a transition that is involving considerable effort in working with the GOOCR as they take on and fulfill their responsibilities.

Although the transition has been a high priority, there remain cases (especially private sector programs critical to strategy implementation) where the Mission needs to maintain a high degree of monitoring/oversight responsibility for local currency projects. In other cases, the Mission has and will continue to reach agreement with the GOOCR in programming relatively large sums of local currency to complement DA funds for discrete projects (e.g., Northern Zone Consolidation and the Forest Resources projects) in which the Mission will also maintain a significant monitoring role.

Thus, we expect that toward the end of the Action Plan period the degree of Mission involvement in local currency management will have diminished (which will result in a less staff-intensive mode of operation). However, there will continue to be a significant demand for staff to manage the Mission's portfolio and support for the transition to an increased role of the GOOCR in local currency management. Nonetheless, we have begun a process of staff reductions that will continue through FY 1992.

-- Portfolio consolidation. The Mission began to reduce the size of its portfolio in 1986 by limiting the number of new local currency funded projects starts. As the transition to a more active GOOCR involvement on local currency is taking hold, this reduction in the size of the portfolio under the Mission's direct control will be maintained. In addition, it has been agreed in discussions with the GOOCR that a guiding principle in programming local currency will be to

establish a minimum size for a project so that the portfolio does not proliferate. As noted above, the Mission is making progress on this front by designing DA projects that require relatively large amounts of local currency counterpart to achieve their goals.

On the DA side, the Mission has virtually no mortgage. Thus, even though our DA level is quite modest, the resources that are available can be devoted to new project starts. Keeping in mind staffing limitations, the Mission is limiting new starts to one or two per year (excluding OPGs). This will be done without creating a mortgage of any consequence because dollar requirements will be minimized while local currency costs will be maximized.

Finally, the Mission will also need to consider carefully requests for running regional and centrally-funded programs in Costa Rica, since these too add to Mission workload.

-- Alleviating management weaknesses. Through much of 1988, the Mission has spent significant amounts of time closing outstanding audit recommendations. As we near completion of the major of these efforts, we will continue to conduct vulnerability assessments and implement recommendations. Most of the weaknesses in the 1988 assessment were perceived as a lack of written procedures. A concerted effort to develop written policies for better management of the Mission had begun in August 1988.) Although none of the items was identified as critical, we are nevertheless proceeding to implement corrective action during the coming year.

-- Training. In the belief that a well-qualified and trained staff will contribute to a better-managed program, the Mission has been a strong supporter of training and workshops. We have completed a skills roster and two-year training plan, based on which we will provide practical training to all employees. For computer training, we intend to provide training to the employees who are most enthusiastic about computer use and let them share knowledge with other staff.

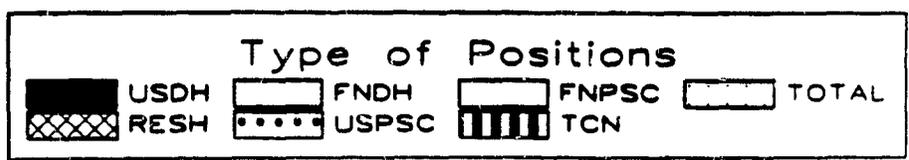
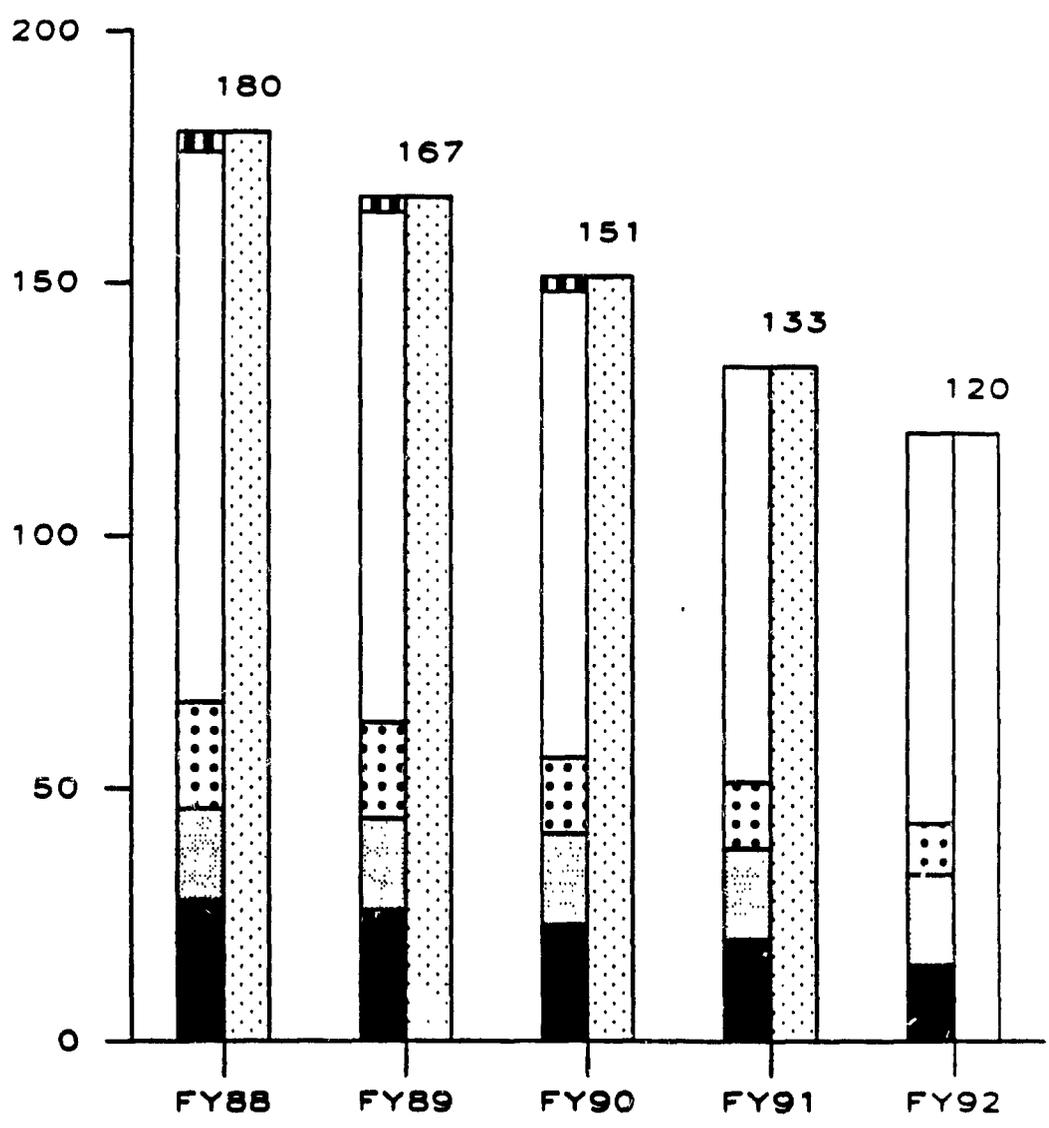
D. Administrative Actions to Conserve on OE

-- New office building. The Mission finally occupied its new office space in November 1988, somewhat ahead of the full completion set for the end of February. Mission staff are now consolidated into one location, which is at once efficient and pleasant. Positive impact on morale is already noticeable. Improved morale, while difficult to quantify, will quickly translate into improved productivity and efficiency. The building includes conference/training facilities that will permit a significant reduction in the logistical costs of those activities, and an upgraded ADP system. In addition, coincident with the move to the new warehouse, we have been able to implement better property controls. (Completion of the NOB is the final Mission real estate activity. We have decided not to buy any more residential property.)

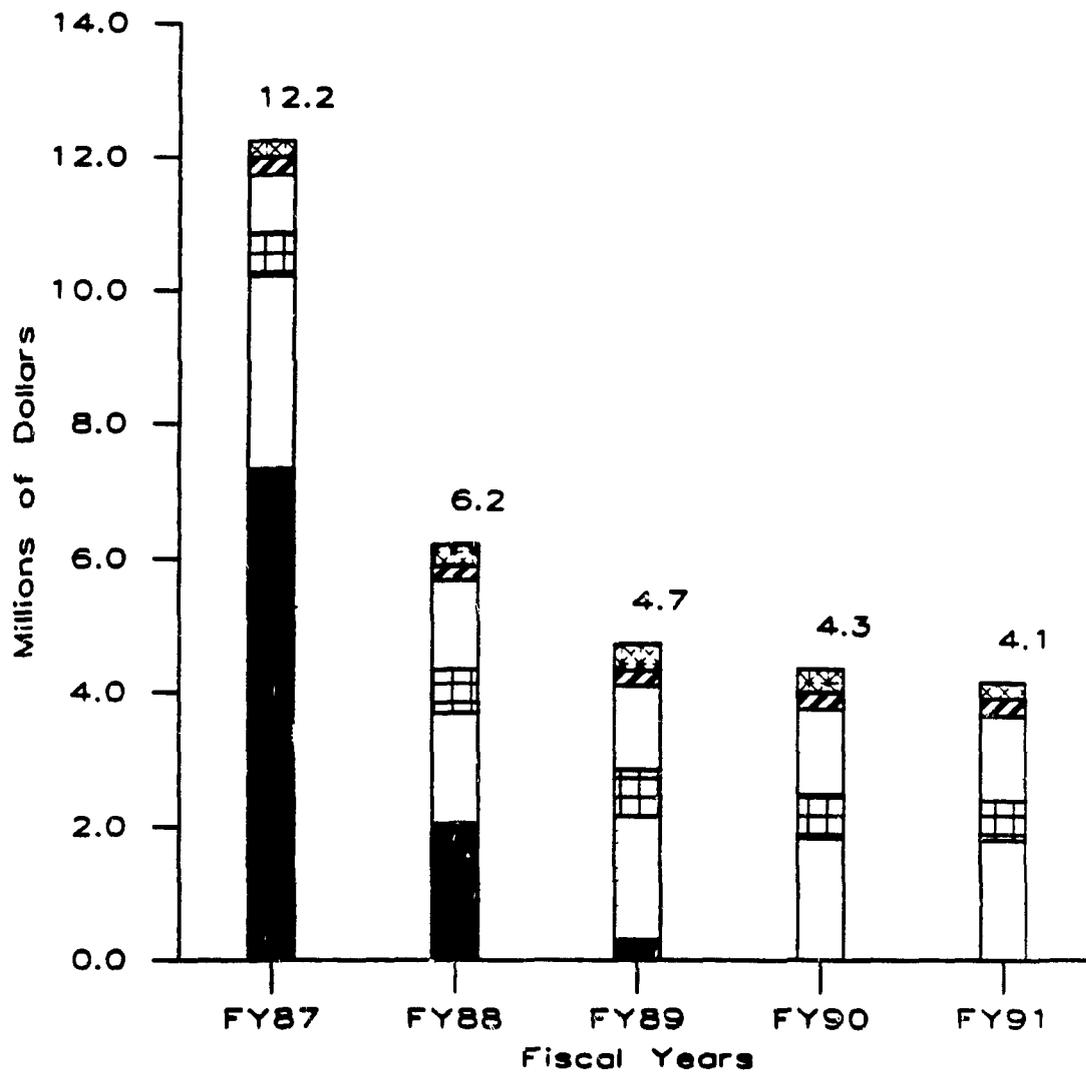
-- Other. The Mission will continue to seek cost savings. Among the most recent plans for cutting costs are:

- 1) using taxi cabs instead of official cars for transportation from the airport;
- 2) obtaining duty-free gasoline through the GOCR;
- 3) reducing the number of periodical subscriptions and establishing a Mission library where available copies will be available to all Mission employees;
- 4) developing a new travel budget system; and
- 5) controlling Mission telephone, telex, and FAX uses.

USAID Costa Rica Staffing Levels (Program and Operating Expense Funded)



USAID COSTA RICA Total Operating Expense Requirement (\$ & TF) Fiscal Years 1987-1991



(Figures in Thousand of Dollar)

600-Construction	200-FN Direct Hire
500-Office Operat.	100-US Direct Hire
400-Housing	TOTAL
300-Contract Per.	

HUMAN RESOURCE TABLES

Introductory Notes

The Human Resource Tables required as part of the Action Plan presentation are included as the following pages.

The FTE workyears shown on the tables are arrayed against only dollar projects instead of management units. Management units as defined by the Mission may include activities that may not be ordinarily defined as projects, such as the assistance we are providing to the Controller General of Costa Rica under the existing Policy, Planning and Administrative Improvement Project.

In our view, the rigidity of the categories and the lack of precision in the definitions in the guidance lead to a distorted picture of our real situation. For example, we show all of our Project Development staff in the Mission Management category, even though they backstop project implementation for the entire portfolio. Also, the Program Office has project management responsibilities for PD and S, and for the Policy, Planning and Administrative Improvement Project. Nevertheless, considering the management units that we have to manage and/or oversee, we believe that the staffing ceilings and the FTE workyears as our requirements are realistic and essential to meeting Action Plan targets and objectives.

OFFICE NAME: AID Costa Rica
FISCAL YEAR: FY 88

MISSION HUMAN RESOURCE TABLE
ALLOCATION OF WORKYEARS TO ACTIVITIES

ACTIVITY	USDH	FNDH	US/PSC	FN/PSC	IPA/JCC/DET	RASA/PASA	MAN PWR	CONT	TOTALS	GRAND	NO OF
	DE	DE/TF	DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG TOTAL	PROJ.
MISSION MANAGEMENT											
Exec. Direction	2.0								2.0	0.0	2.0
Prog. Planning	5.0	2.0	1.0	2.0					10.0	0.0	10.0 2.0
Participant Training	0.5	0.4		0.4	0.2				1.1	0.4	1.5
Financial Mgt.	2.2	5.8	2.0	10.2					20.2	0.0	20.2
Administrative Mgt.	1.3	0.2							1.5	0.0	1.5
Contract Mgt.	0.4	1.0							1.4	0.0	1.4
Clerical Support	1.0	2.0	1.0	26.3	3.0				30.3	3.0	33.3
Office Operations Support	0.1	3.0	0.9	32.2					36.1	0.0	36.1
Residential OPS Support	0.1		0.7	9.9					10.6	0.0	10.6
Legal Analysis	1.0			1.0					2.0	0.0	2.0
Economic Analysis	0.7	0.5	0.3						1.5	0.0	1.5
Audit									0.0	0.0	0.0
Investigations									0.0	0.0	0.0
Sub-Total	14.2	14.9	5.8	0.4	81.7	3.0	0.0	0.0	0.0	0.0	0.0 116.6 3.4 120.0 2.0
PROGRAM/PROJECT MANAGEMENT											
ESF - Projects	3.5	0.2		2.9	2.4	1.0			6.1	3.9	10.0
ESF - Non Project	1.0	0.5	0.2						1.7	0.0	1.7 4.0
AG/RD/Nutrition	1.2			0.3	0.4				1.6	0.3	1.9 4.0
Population	0.1			0.5					0.1	0.5	0.6 2.0
AIDS									0.0	0.0	0.0
Health	0.1			0.7					0.1	0.7	0.8 2.0
Child Survival									0.0	0.0	0.0
Education & Human Resources	0.6	2.1	0.8	2.1	0.7				4.2	2.1	6.3 6.0
PVT SCTR/Energy/Environment	0.1			0.2					0.1	0.2	0.3 1.0
PVT SCTR Dev. Loan Fund	0.5				1.0				1.5	0.0	1.5 2.0
Housing - Guarantee	0.3					0.5			0.3	0.5	0.8 3.0
Housing - Non Guarantee	0.8				1.0	0.5			1.8	0.5	2.3
PL - 480 Title II									0.0	0.0	0.0
PL - 480 All Other	0.3				1.0				1.3	0.0	1.3
Disaster Assistance	0.1			1.0	2.0				0.1	3.0	3.1 1.0
Centrally - Funded Projects	0.2	0.3		0.3					0.8	0.0	0.8 2.0
Regionally - Funded Projects	0.2			2.2	1.0				0.2	3.2	3.4 2.0
Other	0.5			0.2					0.5	0.2	0.7
Sub - Total	9.5	3.1	1.0	10.1	6.8	5.0	0.0	0.0	0.0	0.0	0.0 20.4 15.1 35.5 29.0
TOTAL	23.7	18.0	6.8	10.5	88.5	8.0	0.0	0.0	0.0	0.0	0.0 137.0 18.5 155.5 31.0

OFFICE NAME: AID Costa Rica
FISCAL YEAR: FY 89

MISSION HUMAN RESOURCE TABLE
ALLOCATION OF WORKYEARS TO ACTIVITIES

ACTIVITY	USDH	FNDH	US/PSC	FN/PSC	IPA/JCC/DET	RASA/PASA	MAN	PMR	CONT	TOTALS	NO OF						
	DE	DE/TF	DE/TF	PROG	DE/TF	PROG	DE/TF	PROG	DE/TF	PROG	DE/TF	PROG	GRAND ACTIV. TOTAL PROJ.				
MISSION MANAGEMENT																	
Exec. Direction	2.0									2.0	0.0	2.0					
Prog. Planning	5.0	2.0	1.0	2.0						10.0	0.0	10.0	2.0				
Participant Training	0.5	0.4		0.2						1.1	0.0	1.1					
Financial Mgt.	2.6	5.8	2.0	16.6						27.0	0.0	27.0					
Administrative Mgt.	1.4	0.2								1.6	0.0	1.6					
Contract Mgt.	0.4	1.0		0.5						1.9	0.0	1.9					
Clerical Support	1.0	2.0	1.0	28.3	3.0					32.3	3.0	35.3					
Office Operations Support	0.1	3.0	1.1	37.8			2.0			44.8	0.0	44.8					
Residential OPS Support	0.1		0.9	6.3			0.5			7.8	0.0	7.8					
Legal Analysis	1.0			1.0						2.0	0.0	2.0					
Economic Analysis	0.7	0.5	0.3							1.5	0.0	1.5					
Audit										0.0	0.0	0.0					
Investigations										0.0	0.0	0.0					
Sub-Total	14.7	14.9	4.3	0.0	92.7	3.0	0.0	0.0	0.0	0.0	0.0	3.3	0.0	131.9	3.0	134.9	2.0
PROGRAM/PROJECT MANAGEMENT																	
ESF - Projects	3.3	0.1		3.7	2.2	1.0				5.6	4.7	10.3					
ESF - Non Project	1.0	0.5	0.2							1.7	0.0	1.7	4.0				
AG/RD/Nutrition	1.2			0.3	0.9					2.1	0.3	2.4	5.0				
Population	0.1			0.4						0.1	0.4	0.5	1.0				
AIDS										0.0	0.0	0.0					
Health				0.5						0.0	0.5	0.5	2.0				
Child Survival										0.0	0.0	0.0					
Education & Human Resources	0.5	2.1	0.8	1.8	0.9					4.3	1.6	6.1	6.0				
PVT SCTR/Energy/Environment	0.2			0.3						0.2	0.3	0.5	1.0				
PVT SCTR Dev. Loan Fund	0.5				1.0					1.5	0.0	1.5	2.0				
Housing - Guarantee	0.1									0.1	0.0	0.1	2.0				
Housing - Non Guarantee	0.9			0.5	1.0	0.5				1.9	1.0	2.9					
PL - 480 Title II										0.0	0.0	0.0					
PL - 480 All Other	0.3				1.0					1.3	0.0	1.3					
Disaster Assistance				1.0	2.0					0.0	2.0	3.0					
Centrally - Funded Projects	0.2	0.2			0.3					0.7	0.0	0.7	1.0				
Regionally - Funded Projects	0.6	0.2		1.3	1.0					0.8	2.3	3.1	4.0				
Other	1.1			0.2						1.1	0.2	1.3	1.0				
Sub - Total	10.0	3.1	1.0	10.0	7.3	4.5	0.0	21.4	14.5	35.9	29.0						
TOTAL	24.7	18.0	7.3	10.0	100.0	7.5	0.0	0.0	0.0	0.0	0.0	3.3	0.0	153.3	17.5	170.8	31.0

OFFICE NAME: AID Costa Rica
FISCAL YEAR: FY 90

MISSION HUMAN RESOURCE TABLE
ALLOCATION OF WORKYEARS TO ACTIVITIES

ACTIVITY	USDH	FNDH	US/PSC	FN/PSC	IPA/JCC/DET	RASA/PASA	MAN	PWR	CONT	TOTALS	GRAND TOTAL	NO OF PROJ.				
	DE	DE/TF	DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF	PROG DE/TF						
MISSION MANAGEMENT																
Exec. Direction	2.0									2.0	0.0	2.0				
Prog. Planning	4.0	2.0	1.0	2.0						9.0	0.0	9.0				
Participant Training	0.5	0.4		0.2						1.1	0.3	1.1				
Financial Mgt.	3.2	3.8	2.0	15.5						26.5	0.0	26.5				
Administrative Mgt.	1.3	0.2								1.5	0.0	1.5				
Contract Mgt.	0.4	1.0		1.0						2.4	0.0	2.4				
Clerical Support	1.0	2.0		28.8	3.0					31.8	3.0	34.8				
Office Operations Support	0.1	3.0	1.1	30.7				8.0		42.9	0.0	42.9				
Residential OPS Support	0.1		0.9	3.5				8.0		12.5	0.0	12.5				
Legal Analysis	1.0			1.0						2.0	0.0	2.0				
Economic Analysis	1.0	0.5	0.3							1.8	0.0	1.8				
Audit										0.0	0.0	0.0				
Investigations										0.0	0.0	0.0				
Sub-Total	14.5	14.9	5.3	0.0	82.7	3.0	0.0	0.0	0.0	0.0	16.0	0.0	133.4	3.0	136.4	2.0
PROGRAM/PROJECT MANAGEMENT																
ESF - Projects	3.2			3.7	2.4	1.0				5.6	4.7	10.3				
ESF - Non Project	1.0	0.5	0.2							1.7	0.0	1.7				
AG/RD/Nutrition	1.2			0.3	1.0					2.2	0.3	2.5				
Population	0.1			0.4						0.1	0.4	0.5				
AIDS										0.0	0.0	0.0				
Health				0.1		0.1				0.0	0.2	0.2				
Child Survival										0.0	0.0	0.0				
Education & Human Resources	0.7	2.2		2.1	1.1	0.5				4.0	2.6	6.6				
PVT SCTR/Energy/Environment	0.3			0.5		0.4				0.3	0.9	1.2				
PVT SCTR Dev. Loan Fund	0.5				1.0					1.5	0.0	1.5				
Housing - Guarantee										0.0	0.0	0.0				
Housing - Non Guarantee	0.5			1.0	1.0					1.5	1.0	2.5				
PL - 480 Title II										0.0	0.0	0.0				
PL - 480 All Other	0.3				1.0					1.3	0.0	1.3				
Disaster Assistance				1.0		2.0				0.0	3.0	3.0				
Centrally - Funded Projects	0.2	0.2			0.3					0.7	0.0	0.7				
Regionally - Funded Projects	1.2	0.2		1.2		1.0				1.4	2.2	3.6				
Other	0.3									0.3	0.0	0.3				
Sub - Total	9.5	3.1	0.2	10.3	7.8	5.0	0.0	0.0	0.0	0.0	0.0	0.0	29.6	15.3	35.9	28.0
TOTAL	24.0	18.0	5.5	10.3	90.5	8.0	0.0	0.0	0.0	0.0	16.0	0.0	154.0	18.3	172.3	30.0

OPERATING EXPENSES TABLES

Introductory Notes

The Operating Expenses tables required as part of the Action Plan presentation are presented as the following pages.

The reader should note that the Mission is underwriting only reasonable local currency expenses for the IRM/Computer Center; IRM/W provides any dollar funds needed. We are budgeting the Center separately from the Mission because to do otherwise would tend to distort the cost of managing our portfolio. Resources required for this worldwide operation are significant, yet they do not contribute directly to management of the USAID program.

FY 1989-1991 ACTION PLAN
COSTA RICA (25515)

FY 1988 ACT.
(\$ 000)

EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST

U.S. DIRECT HIRE	U100		197.8	120.6	318.4		

OTHER MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	25.4	86.3	111.7	29.0	3.9
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	13.1	0.0	13.1		
POST ASSIGNMENT - TRAVEL	U111	212	20.3	7.8	28.1	11.0	2.6
POST ASSIGNMENT - FREIGHT	U112	220	107.9	5.8	113.7	11.0	10.3
HOME LEAVE - TRAVEL	U113	212	6.1	19.1	25.2	7.0	3.6
HOME LEAVE - FREIGHT	U114	220	5.0	0.0	5.0	7.0	0.7
EDUCATION TRAVEL	U115	215	8.7	0.3	9.0	7.0	1.3
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	11.3	1.3	12.6	4.0	3.2

F. N. DIRECT HIRE	U200		5.2	210.4	215.6		

BASIC PAY	U201	114	2.6	141.1	143.7	16.7	8.6
OVERTIME, HOLIDAY PAY	U202	115	0.0	19.6	19.6	2.1	9.3
ALL OTHER CODE 11 - FN	U203	119	0.0	0.7	0.7		
ALL OTHER CODE 12 - FN	U204	129	2.6	28.6	31.2		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	20.4	20.4		

CONTRACT PERSONNEL	U300		266.6	1,076.0	1,342.6		

PASA TECHNICIANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	254.9	359.2	614.1	8.2	74.9
ALL OTHER U.S. PSC COSTS	U303	255	11.7	22.2	33.9		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	694.6	694.6	90.9	7.6
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	0.0	0.0	0.0	0.0
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		

HOUSING	U400		47.2	595.9	643.1		

RESIDENTIAL RENT	U401	235	2.1	284.0	286.1	20.2	14.2
RESIDENTIAL UTILITIES	U402	235	5.7	40.0	45.7		
MAINTENANCE AND RENOVATION	U403	259	1.8	39.2	41.0		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	0.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	32.8	79.6	112.4		
TRANS./FREIGHT - CODE 311	U406	220	1.3	0.0	1.3		
SECURITY GUARD SERVICES	U407	259	0.0	153.1	153.1	9.6	15.9
OFFICIAL RESIDENCE ALLOWANCE	U408	254	1.7	0.0	1.7		
REPRESENTATION ALLOWANCES	U409	252	1.8	0.0	1.8		

FY 1989-1991 ACTION PLAN COSTA RICA (25515)			FY 1988 ACT. (\$ 000)				
EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST
OFFICE OPERATIONS	U500		247.6	1,391.0	1,638.6		
OFFICE RENT	U501	234	0.0	45.2	45.2		
OFFICE UTILITIES	U502	234	0.0	45.4	45.4		
BUILDING MAINT./RENOVATION	U503	259	1.1	22.6	23.7		
OFFICE FURNITURE/EQUIPMENT	U504	310	29.7	197.1	226.8		
VEHICLES	U505	312	0.0	0.0	0.0	0.0	0.0
OTHER EQUIPMENT	U506	319	11.5	9.2	20.7		
TRANSPORTATION / FREIGHT	U507	220	2.1	2.5	4.6		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.0	147.4	147.4		
COMMUNICATIONS	U509	230	0.0	94.6	94.6		
SECURITY GUARD SERVICES	U510	259	0.0	175.2	175.2	8.8	19.9
PRINTING	U511	240	0.0	2.0	2.0		
SITE VISIT-MISSION PERSONNEL	U513	210	17.2	17.1	34.3	41.0	0.8
SITE VISIT-AID/ PERSONNEL	U514	210	16.0	9.5	25.5	18.0	1.4
INFORMATION MEETINGS	U515	210	2.9	5.2	8.1	13.0	0.6
TRAINING ATTENDANCE	U516	210	33.6	31.8	65.4	24.0	2.7
CONFERENCE ATTENDANCE	U517	210	5.9	3.6	9.5	13.0	0.7
OTHER OPERATIONAL TRAVEL	U518	210	1.7	2.2	3.9	5.0	0.8
SUPPLIES AND MATERIALS	U519	260	105.3	233.6	338.9		
FAAS	U520*	257	0.0	103.4	103.4		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	63.3	63.3	3.0	21.1
MGT./PROF. SVCS. - CONTRACTS	U522	259	14.3	4.9	19.1	0.3	63.7
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	24.1	24.1	0.6	40.2
ALL OTHER CODE 25	U524	259	6.3	151.2	157.5		
TOTAL O.E. EXPENSE BUDGET			764.4	3,393.9	4,158.3		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c)	U600	320	0.0	2,049.9	2,049.9		
OPERATING EXPENSE REQUIREMENTS	U000		764.4	5,443.8	6,208.2		
EXCHANGE RATE			77.4				
OBJECT CLASS 210 TRAVEL			77.3	69.4	146.7		

FY 1989-1991 ACTION PLAN COSTA RICA (25515)		FY 1989 EST. (REV.) (\$ 000)					
EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST

U.S. DIRECT HIRE	U100		192.9	205.1	398.0		

OTHER MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	52.8	119.7	172.5	41.0	4.2
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	32.1	18.5	50.6		
POST ASSIGNMENT - TRAVEL	U111	212	15.0	5.5	20.5	9.0	2.3
POST ASSIGNMENT - FREIGHT	U112	220	71.1	28.0	99.1	9.0	11.0
HOME LEAVE - TRAVEL	U113	212	7.5	21.5	29.0	7.0	4.1
HOME LEAVE - FREIGHT	U114	220	4.4	5.5	9.9	7.0	1.4
EDUCATION TRAVEL	U115	215	3.5	2.9	6.4	3.0	2.1
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	6.5	3.5	10.0	5.0	2.0

F. N. DIRECT HIRE	U200		6.2	221.0	227.2		

BASIC PAY	U201	114	3.1	168.7	171.8	17.5	9.8
OVERTIME, HOLIDAY PAY	U202	115	0.0	17.2	17.2	1.2	14.3
ALL OTHER CODE 11 - FN	U203	119	0.0	4.4	4.4		
ALL OTHER CODE 12 - FN	U204	129	3.1	30.7	33.8		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0		

CONTRACT PERSONNEL	U300		244.0	997.8	1,241.8		

PASA TECHNICANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	239.0	116.8	355.8	8.0	44.5
ALL OTHER U.S. PSC COSTS	U303	255	5.0	5.7	10.7		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	851.2	851.2	100.0	8.5
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	24.1	24.1	3.2	7.5
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		

HOUSING	U400		80.7	605.6	686.3		

RESIDENTIAL RENT	U401	235	0.0	311.0	311.0	19.7	15.8
RESIDENTIAL UTILITIES	U402	235	0.0	53.5	53.5		
MAINTENANCE AND RENOVATION	U403	259	0.0	48.1	48.1		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	0.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	66.6	25.0	91.6		
TRANS./FREIGHT - CODE 311	U406	220	10.9	0.0	10.9		
SECURITY GUARD SERVICES	U407	259	0.0	168.0	168.0	7.9	21.3
OFFICIAL RESIDENCE ALLOWANCE	U408	254	1.7	0.0	1.7		
REPRESENTATION ALLOWANCES	U409	252	1.5	0.0	1.5		

FY 1989-1991 ACTION PLAN COSTA RICA (25515)		FY 1989 EST. (REV.) (\$ 000)					
EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST
OFFICE OPERATIONS	U500		186.2	1,666.8	1,853.0		
OFFICE RENT	U501	234	0.0	7.1	7.1		
OFFICE UTILITIES	U502	234	0.0	121.0	121.0		
BUILDING MAINT./RENOVATION	U503	259	0.0	19.5	19.5		
OFFICE FURNITURE/EQUIPMENT	U504	310	25.7	145.2	170.9		
VEHICLES	U505	312	0.0	80.0	80.0	4.0	20.0
OTHER EQUIPMENT	U506	319	35.5	111.0	146.5		
TRANSPORTATION / FREIGHT	U507	220	12.0	6.0	18.0		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.0	202.0	202.0		
COMMUNICATIONS	U509	230	0.0	114.1	114.1		
SECURITY GUARD SERVICES	U510	259	0.0	256.1	256.1	10.1	25.3
PRINTING	U511	240	0.0	6.9	6.9		
SITE VISIT-MISSION PERSONNEL	U513	210	22.9	17.3	40.2	35.0	1.1
SITE VISIT-AID/ PERSONNEL	U514	210	13.5	8.0	21.5	15.0	1.4
INFORMATION MEETINGS	U515	210	2.4	4.4	6.8	11.0	0.6
TRAINING ATTENDANCE	U516	210	28.4	26.8	55.2	20.0	2.8
CONFERENCE ATTENDANCE	U517	210	5.0	3.0	8.0	11.0	0.7
OTHER OPERATIONAL TRAVEL	U518	210	1.4	1.9	3.3	4.0	0.8
SUPPLIES AND MATERIALS	U519	260	35.0	255.9	290.9		
FAAS	U520*	257	0.0	93.4	93.4		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	0.0	0.0		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	4.4	187.2	191.6		
TOTAL O.E. EXPENSE BUDGET			710.0	3,696.3	4,406.3		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c)	U600	320	0.0	310.0	310.0		
OPERATING EXPENSE REQUIREMENTS	U000		710.0	4,006.3	4,716.3		
EXCHANGE RATE		82.1					
OBJECT CLASS 210 TRAVEL			73.6	61.4	135.0		

FY 1989-1991 ACTION PLAN COSTA RICA (25515)		FY 1990 REQUEST (REV.) (\$ 000)					
EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST

U.S. DIRECT HIRE	U100		139.8	208.4	348.2		

OTHER MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	70.4	104.0	174.4	37.0	4.7
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	30.5	3.2	33.7		
POST ASSIGNMENT - TRAVEL	U111	212	4.9	10.0	14.9	7.0	2.1
POST ASSIGNMENT - FREIGHT	U112	220	11.9	55.6	67.5	7.0	9.6
HOME LEAVE - TRAVEL	U113	212	8.8	25.0	33.8	7.0	4.8
HOME LEAVE - FREIGHT	U114	220	5.8	5.8	11.6	7.0	1.7
EDUCATION TRAVEL	U115	215	2.3	1.9	4.2	2.0	2.1
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	5.2	2.9	8.1	4.0	2.0

F. N. DIRECT HIRE	U200		8.0	241.9	249.9		

BASIC PAY	U201	114	4.0	182.9	186.9	18.0	10.4
OVERTIME, HOLIDAY PAY	U202	115	0.0	18.7	18.7	1.2	15.6
ALL OTHER CODE 11 - FN	U203	119	0.0	4.9	4.9		
ALL OTHER CODE 12 - FN	U204	129	4.0	35.4	39.4		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0		

CONTRACT PERSONNEL	U300		271.8	989.9	1,261.7		

PASA TECHNICANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	266.3	0.0	266.3	7.0	38.0
ALL OTHER U.S. PSC COSTS	U303	255	5.5	8.3	13.8		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	873.6	873.6	6.5	9.7
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	108.0	108.0	6.0	6.8
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		

HOUSING	U400		50.0	598.6	648.6		

RESIDENTIAL RENT	U401	235	0.0	284.4	284.4	15.5	18.3
RESIDENTIAL UTILITIES	U402	235	0.0	52.3	52.3		
MAINTENANCE AND RENOVATION	U403	259	0.0	47.1	47.1		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	1.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	38.4	30.0	68.4		
TRANS./FREIGHT - CODE 311	U406	220	8.4	0.0	8.4		
SECURITY GUARD SERVICES	U407	259	0.0	184.8	184.8	9.9	18.7
OFFICIAL RESIDENCE ALLOWANCE	U408	254	1.7	0.0	1.7		
REPRESENTATION ALLOWANCES	U409	252	1.5	0.0	1.5		

FY 1989-1991 ACTION PLAN
COSTA RICA (25515)

FY 1990 REQUEST (REV.)
(\$ 000)

EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST
OFFICE OPERATIONS	U500		469.0	1,361.1	1,830.1		
OFFICE RENT	U501	234	0.0	0.0	0.0		
OFFICE UTILITIES	U502	234	0.0	152.0	152.0		
BUILDING MAINT./RENOVATION	U503	259	0.0	20.1	20.1		
OFFICE FURNITURE/EQUIPMENT	U504	310	47.5	34.2	81.7		
VEHICLES	U505	312	60.0	0.0	60.0	3.0	20.0
OTHER EQUIPMENT	U506	319	6.5	93.0	99.5		
TRANSPORTATION / FREIGHT	U507	220	8.8	5.0	13.8		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.0	201.3	201.3		
COMMUNICATIONS	U509	230	0.0	117.8	117.8		
SECURITY GUARD SERVICES	U510	259	0.0	264.3	264.3	11.6	22.7
PRINTING	U511	240	0.0	7.2	7.2		
SITE VISIT-MISSION PERSONNEL	U513	210	22.9	17.3	40.2	35.0	1.1
SITE VISIT-AID/ PERSONNEL	U514	210	13.5	8.0	21.5	15.0	1.4
INFORMATION MEETINGS	U515	210	2.4	4.4	6.8	11.0	0.6
TRAINING ATTENDANCE	U516	210	28.4	26.8	55.2	20.0	2.8
CONFERENCE ATTENDANCE	U517	210	5.0	3.0	8.0	11.0	0.7
OTHER OPERATIONAL TRAVEL	U518	210	1.4	1.9	3.3	4.0	0.8
SUPPLIES AND MATERIALS	U519	260	264.0	59.8	323.8		
FAAS	U520*	257	0.0	85.0	85.0		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	66.9	66.9		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	8.6	193.1	201.7		
TOTAL O.E. EXPENSE BUDGET			938.6	3,399.9	4,338.5		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c)	U600	320	0.0	0.0	0.0		
OPERATING EXPENSE REQUIREMENTS	U000		938.6	3,399.9	4,338.5		
EXCHANGE RATE			91.5				
OBJECT CLASS 210 TRAVEL			73.6	61.4	135.0		

FY 1989-1991 ACTION PLAN
COSTA RICA (25515)

FY 1991 REQUEST (PEV.)
(\$ 000)

EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST
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U.S. DIRECT HIRE	U100		89.0	149.5	238.5		
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OTHER MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	52.8	85.1	137.9	30.0	4.6
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	4.9	0.0	4.9		
POST ASSIGNMENT - TRAVEL	U111	212	0.4	1.5	1.9	1.0	1.9
POST ASSIGNMENT - FREIGHT	U112	220	0.0	9.2	9.2	1.0	9.2
HOME LEAVE - TRAVEL	U113	212	13.7	39.0	52.7	9.0	5.9
HOME LEAVE - FREIGHT	U114	220	9.0	9.0	18.0	9.0	2.0
EDUCATION TRAVEL	U115	215	4.6	3.8	8.4	4.0	2.1
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	3.6	1.9	5.5	3.0	1.8
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F. N. DIRECT HIRE	U200		8.2	249.9	258.1		
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BASIC PAY	U201	114	4.1	188.9	193.0	18.0	10.7
OVERTIME, HOLIDAY PAY	U202	115	0.0	19.3	19.3	1.2	16.1
ALL OTHER CODE 11 - FN	U203	119	0.0	5.2	5.2		
ALL OTHER CODE 12 - FN	U204	129	4.1	36.5	40.6		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0		
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CONTRACT PERSONNEL	U300		265.0	986.0	1,251.0		
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PASA TECHNICANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	258.9	0.0	258.9	6.0	43.2
ALL OTHER U.S. PSC COSTS	U303	255	6.1	6.1	12.2		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	861.3	861.3	82.5	10.4
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	118.6	118.6	18.0	6.6
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		
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HOUSING	U400		37.0	553.8	590.8		
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RESIDENTIAL RENT	U401	235	0.0	236.5	236.5	11.9	19.9
RESIDENTIAL UTILITIES	U402	235	0.0	51.3	51.3		
MAINTENANCE AND RENOVATION	U403	259	0.0	46.2	46.2		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	0.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	27.2	35.0	62.2		
TRANS./FREIGHT - CODE 311	U406	220	6.6	0.0	6.6		
SECURITY GUARD SERVICES	U407	259	0.0	184.8	184.8	11.5	16.1
OFFICIAL RESIDENCE ALLOWANCE	U408	254	1.7	0.0	1.7		
REPRESENTATION ALLOWANCES	U409	252	1.5	0.0	1.5		
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FY 1989-1991 ACTION PLAN COSTA RICA (25515)			FY 1991 REQUEST (REV.) (\$ 000)				
EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST
OFFICE OPERATIONS			580.1	1,218.3	1,798.4		
OFFICE RENT	U501	234	0.0	0.0	0.0		
OFFICE UTILITIES	U502	234	0.0	161.1	161.1		
BUILDING MAINT./RENOVATION	U503	259	0.0	23.1	23.1		
OFFICE FURNITURE/EQUIPMENT	U504	310	8.4	27.1	35.5		
VEHICLES	U505	312	60.0	0.0	60.0	3.0	20.0
OTHER EQUIPMENT	U506	319	6.5	74.0	80.5		
TRANSPORTATION / FREIGHT	U507	220	8.5	5.0	13.5		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	145.0	72.2	217.2		
COMMUNICATIONS	U509	230	0.0	119.6	119.6		
SECURITY GUARD SERVICES	U510	259	0.0	268.4	268.4	13.4	20.1
PRINTING	U511	240	0.0	7.3	7.3		
SITE VISIT-MISSION PERSONNEL	U513	210	22.9	17.3	40.2	35.0	1.1
SITE VISIT-AID/ PERSONNEL	U514	210	13.5	8.0	21.5	15.0	1.4
INFORMATION MEETINGS	U515	210	2.4	4.4	6.8	11.0	0.6
TRAINING ATTENDANCE	U516	210	28.4	26.8	55.2	20.0	2.8
CONFERENCE ATTENDANCE	U517	210	5.0	3.0	8.0	11.0	0.7
OTHER OPERATIONAL TRAVEL	U518	210	1.4	1.9	3.3	4.0	0.8
SUPPLIES AND MATERIALS	U519	260	268.2	68.8	337.0		
FAAS	U520*	257	0.0	75.0	75.0		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	59.1	59.1		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	9.9	196.2	206.1		
TOTAL O.E. EXPENSE BUDGET			979.3	3,157.5	4,136.8		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c)	U600	320	0.0	0.0	0.0		
OPERATING EXPENSE REQUIREMENTS			979.3	3,157.5	4,136.8		
EXCHANGE RATE			103.6				
OBJECT CLASS 210 TRAVEL			73.6	61.4	135.0		

IRM SYSTEM CENTER
 FY 1989-1991 ACTION PLAN
 COSTA RICA (25515)

FY 1988 ACT.
 (\$ 000)

EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST

U.S. DIRECT HIRE	U100		0.0	3.1	3.1		

OTELR MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	0.0	3.1	3.1	1.0	3.1
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	0.0	0.0	0.0		
POST ASSIGNMENT - TRAVEL	U111	212	0.0	0.0	0.0	0.0	0.0
POST ASSIGNMENT - FREIGHT	U112	220	0.0	0.0	0.0	0.0	0.0
HOME LEAVE - TRAVEL	U113	212	0.0	0.0	0.0	0.0	0.0
HOME LEAVE - FREIGHT	U114	220	0.0	0.0	0.0	0.0	0.0
EDUCATION TRAVEL	U115	215	0.0	0.0	0.0	0.0	0.0
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	0.0	0.0	0.0	0.0	0.0

F. N. DIRECT HIRE	U200		0.0	0.0	0.0		

BASIC PAY	U201	114	0.0	0.0	0.0	0.0	0.0
OVERTIME, HOLIDAY PAY	U202	115	0.0	0.0	0.0	0.0	0.0
ALL OTHER CODE 11 - FN	U203	119	0.0	0.0	0.0		
ALL OTHER CODE 12 - FN	U204	129	0.0	0.0	0.0		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0		

CONTRACT PERSONNEL	U300		0.0	132.2	132.2		

PASA TECHNICANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	0.0	0.0	0.0	0.0	0.0
ALL OTHER U.S. PSC COSTS	U303	255	0.0	0.0	0.0		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	3.0	3.0	0.4	7.5
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	129.2	129.2	4.0	32.3
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		

HOUSING	U400		0.0	13.6	13.6		

RESIDENTIAL RENT	U401	235	0.0	13.6	13.6	1.0	13.6
RESIDENTIAL UTILITIES	U402	235	0.0	0.0	0.0		
MAINTENANCE AND RENOVATION	U403	259	0.0	0.0	0.0		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	0.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	0.0	0.0	0.0		
TRANS./FREIGHT - CODE 311	U406	220	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U407	259	0.0	0.0	0.0	0.0	0.0
OFFICIAL RESIDENCE ALLOWANCE	U408	254	0.0	0.0	0.0		
REPRESENTATION ALLOWANCES	U409	252	0.0	0.0	0.0		

IRM SYSTEM CENTER
 FY 1989-1991 ACTION PLAN
 COSTA RICA (25515)

FY 1988 ACT.
 (\$ 000)

EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST
OFFICE OPERATIONS	U500		10.0	168.5	178.5		
OFFICE RENT	U501	234	0.0	0.0	0.0		
OFFICE UTILITIES	U502	234	0.0	0.0	0.0		
BUILDING MAINT./RENOVATION	U503	259	0.0	0.1	0.1		
OFFICE FURNITURE/EQUIPMENT	U504	310	0.0	0.0	0.0		
VEHICLES	U505	312	0.0	0.0	0.0	0.0	0.0
OTHER EQUIPMENT	U506	319	0.0	142.7	142.7		
TRANSPORTATION / FREIGHT	U507	220	0.0	0.0	0.0		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.0	19.9	19.9		
COMMUNICATIONS	U509	230	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U510	259	0.0	0.0	0.0	0.0	0.0
PRINTING	U511	240	0.0	0.0	0.0		
SITE VISIT-MISSION PERSONNEL	U513	210	10.0	3.4	13.4	14.0	1.0
SITE VISIT-AID/ PERSONNEL	U514	210	0.0	0.0	0.0	0.0	0.0
INFORMATION MEETINGS	U515	210	0.0	0.0	0.0	0.0	0.0
TRAINING ATTENDANCE	U516	210	0.0	0.0	0.0	0.0	0.0
CONFERENCE ATTENDANCE	U517	210	0.0	0.0	0.0	0.0	0.0
OTHER OPERATIONAL TRAVEL	U518	210	0.0	0.0	0.0	0.0	0.0
SUPPLIES AND MATERIALS	U519	260	0.0	2.4	2.4		
FAAS	U520*	257	0.0	0.0	0.0		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	0.0	0.0		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	0.0	0.0	0.0		
TOTAL O.E. EXPENSE BUDGET			10.0	317.4	327.4		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c) (Non-add)	U600	320	0.0	0.0	0.0		
OPERATING EXPENSE REQUIREMENTS	U000		10.0	317.4	327.4		

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 (\$ 000)

EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST
U.S. DIRECT HIRE	U100		1.5	7.0	8.5		
OTHER MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	0.0	3.2	3.2	0.0	0.0
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	0.0	0.0	0.0		
POST ASSIGNMENT - TRAVEL	U111	212	0.0	0.0	0.0	0.0	0.0
POST ASSIGNMENT - FREIGHT	U112	220	0.0	0.0	0.0	0.0	0.0
HOME LEAVE - TRAVEL	U113	212	0.8	1.9	2.7	0.0	0.0
HOME LEAVE - FREIGHT	U114	220	0.7	1.6	2.3	0.0	0.0
EDUCATION TRAVEL	U115	215	0.0	0.0	0.0	0.0	0.0
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	0.0	0.3	0.3	0.0	0.0
F. N. DIRECT HIRE	U200		0.0	0.0	0.0		
BASIC PAY	U201	114	0.0	0.0	0.0	0.0	0.0
OVERTIME, HOLIDAY PAY	U202	115	0.0	0.0	0.0	0.0	0.0
ALL OTHER CODE 11 - FN	U203	119	0.0	0.0	0.0		
ALL OTHER CODE 12 - FN	U204	129	0.0	0.0	0.0		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0		
CONTRACT PERSONNEL	U300		0.0	232.1	232.1		
PASA TECHNICANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	0.0	0.0	0.0	0.0	0.0
ALL OTHER U.S. PSC COSTS	U303	255	0.0	0.0	0.0		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	14.1	14.1	1.5	9.4
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	218.0	218.0	5.0	43.6
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		
HOUSING	U400		0.0	20.6	20.6		
RESIDENTIAL RENT	U401	235	0.0	16.8	16.8	1.0	16.8
RESIDENTIAL UTILITIES	U402	235	0.0	2.0	2.0		
MAINTENANCE AND RENOVATION	U403	259	0.0	1.8	1.8		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	0.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	0.0	0.0	0.0		
TRANS./FREIGHT - CODE 311	U406	220	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U407	259	0.0	0.0	0.0	0.0	0.0
OFFICIAL RESIDENCE ALLOWANCE	U408	254	0.0	0.0	0.0		
REPRESENTATION ALLOWANCES	U409	252	0.0	0.0	0.0		

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EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	UNIT COST
OFFICE OPERATIONS	U500		8.5	52.9	61.4		
OFFICE RENT	U501	234	0.0	0.0	0.0		
OFFICE UTILITIES	U502	234	0.0	0.0	0.0		
BUILDING MAINT./RENOVATION	U503	259	0.0	0.0	0.0		
OFFICE FURNITURE/EQUIPMENT	U504	310	0.0	0.0	0.0		
VEHICLES	U505	312	0.0	0.0	0.0	0.0	0.0
OTHER EQUIPMENT	U506	319	0.0	23.9	23.9		
TRANSPORTATION / FREIGHT	U507	220	0.0	0.0	0.0		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.0	24.0	24.0		
COMMUNICATIONS	U509	230	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U510	259	0.0	0.0	0.0	0.0	0.0
PRINTING	U511	240	0.0	0.0	0.0		
SITE VISIT-MISSION PERSONNEL	U513	210	0.0	0.0	0.0	0.0	0.0
SITE VISIT-AID/ PERSONNEL	U514	210	0.0	0.0	0.0	0.0	0.0
INFORMATION MEETINGS	U515	210	0.0	0.0	0.0	0.0	0.0
TRAINING ATTENDANCE	U516	210	0.0	0.0	0.0	0.0	0.0
CONFERENCE ATTENDENCE	U517	210	0.0	0.0	0.0	0.0	0.0
OTHER OPERATIONAL TRAVEL	U518	210	8.5	0.0	8.5	5.0	1.7
SUPPLIES AND MATERIALS	U519	260	0.0	5.0	5.0		
FAAS	U520*	257	0.0	0.0	0.0		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	0.0	0.0		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	0.0	0.0	0.0		
TOTAL O.E. EXPENSE BUDGET			10.0	312.6	322.6		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c) (Non-add)	U600	320	0.0	0.0	0.0		
OPERATING EXPENSE REQUIREMENTS	U000		10.0	312.6	322.6		

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EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST

U.S. DIRECT HIRE	U100		0.2	3.3	3.5		

OTHER MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	0.0	3.2	3.2	0.0	0.0
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	0.0	0.0	0.0		
POST ASSIGNMENT - TRAVEL	U111	212	0.0	0.0	0.0	0.0	0.0
POST ASSIGNMENT - FREIGHT	U112	220	0.0	0.0	0.0	0.0	0.0
HOME LEAVE - TRAVEL	U113	212	0.0	0.0	0.0	0.0	0.0
HOME LEAVE - FREIGHT	U114	220	0.0	0.0	0.0	0.0	0.0
EDUCATION TRAVEL	U115	215	0.0	0.0	0.0	0.0	0.0
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	0.2	0.1	0.3	0.0	0.0

F. N. DIRECT HIRE	U200		0.0	0.0	0.0		

BASIC PAY	U201	114	0.0	0.0	0.0	0.0	0.0
OVERTIME, HOLIDAY PAY	U202	115	0.0	0.0	0.0	0.0	0.0
ALL OTHER CODE 11 - FN	U203	119	0.0	0.0	0.0		
ALL OTHER CODE 12 - FN	U204	129	0.0	0.0	0.0		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0		

CONTRACT PERSONNEL	U300		0.0	211.3	211.3		

PASA TECHNICANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	0.0	0.0	0.0	0.0	0.0
ALL OTHER U.S. PSC COSTS	U303	255	0.0	0.0	0.0		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	21.3	21.3	2.0	10.7
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	190.0	190.0	4.3	44.2
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		

HOUSING	U400		0.0	21.0	21.0		

RESIDENTIAL RENT	U401	235	0.0	16.8	16.8	1.0	16.8
RESIDENTIAL UTILITIES	U402	235	0.0	2.2	2.2		
MAINTENANCE AND RENOVATION	U403	259	0.0	2.0	2.0		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	0.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	0.0	0.0	0.0		
TRANS./FREIGHT - CODE 311	U406	220	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U407	259	0.0	0.0	0.0	0.0	0.0
OFFICIAL RESIDENCE ALLOWANCE	U408	254	0.0	0.0	0.0		
REPRESENTATION ALLOWANCES	U409	252	0.0	0.0	0.0		

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EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST
OFFICE OPERATIONS	U500		10.0	41.7	51.7		
OFFICE RENT	U501	234	0.0	0.0	0.0		
OFFICE UTILITIES	U502	234	0.0	0.0	0.0		
BUILDING MAINT./RENOVATION	U503	259	0.0	0.0	0.0		
OFFICE FURNITURE/EQUIPMENT	U504	310	0.0	0.0	0.0		
VEHICLES	U505	312	0.0	0.0	0.0	0.0	0.0
OTHER EQUIPMENT	U506	319	0.0	9.7	9.7		
TRANSPORTATION / FREIGHT	U507	220	0.0	0.0	0.0		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.0	24.0	24.0		
COMMUNICATIONS	U509	230	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U510	259	0.0	0.0	0.0	0.0	0.0
PRINTING	U511	240	0.0	0.0	0.0		
SITE VISIT-MISSION PERSONNEL	U513	210	0.0	0.0	0.0	0.0	0.0
SITE VISIT-AID/ PERSONNEL	U514	210	0.0	0.0	0.0	0.0	0.0
INFORMATION MEETINGS	U515	210	0.0	0.0	0.0	0.0	0.0
TRAINING ATTENDANCE	U516	210	0.0	0.0	0.0	0.0	0.0
CONFERENCE ATTENDANCE	U517	210	0.0	0.0	0.0	0.0	0.0
OTHER OPERATIONAL TRAVEL	U518	210	10.0	0.0	10.0	8.0	1.3
SUPPLIES AND MATERIALS	U519	260	0.0	5.0	5.0		
FAAS	U520*	257	0.0	0.0	0.0		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	0.0	0.0		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	0.0	0.0	0.0		
TOTAL O.E. EXPENSE BUDGET			10.2	277.3	287.5		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c) (Non-add)	U600	320	0.0	0.0	0.0		
OPERATING EXPENSE REQUIREMENTS	U000		10.2	277.3	287.5		

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EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UN TS	UNIT COST
OFFICE OPERATIONS	U500		10.0	32.5	42.5		
OFFICE RENT	U501	234	0.0	0.0	0.0		
OFFICE UTILITIES	U502	234	0.0	0.0	0.0		
BUILDING MAINT./RENOVATION	U503	259	0.0	0.0	0.0		
OFFICE FURNITURE/EQUIPMENT	U504	310	0.0	0.0	0.0		
VEHICLES	U505	312	0.0	0.0	0.0	0.0	0.0
OTHER EQUIPMENT	U506	319	0.0	11.5	11.5		
TRANSPORTATION / FREIGHT	U507	220	0.0	0.0	0.0		
FURN/EQUIP/VEH REPAIR/MAINT.	U508	259	0.0	16.0	16.0		
COMMUNICATIONS	U509	230	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U510	259	0.0	0.0	0.0	0.0	0.0
PRINTING	U511	240	0.0	0.0	0.0		
SITE VISIT-MISSION PERSONNEL	U513	210	0.0	0.0	0.0	0.0	0.0
SITE VISIT-AID/ PERSONNEL	U514	210	0.0	0.0	0.0	0.0	0.0
INFORMATION MEETINGS	U515	210	0.0	0.0	0.0	0.0	0.0
TRAINING ATTENDANCE	U516	210	0.0	0.0	0.0	0.0	0.0
CONFERENCE ATTENDANCE	U517	210	0.0	0.0	0.0	0.0	0.0
OTHER OPERATIONAL TRAVEL	U518	210	10.0	0.0	10.0	0.0	1.3
SUPPLIES AND MATERIALS	U519	260	0.0	5.0	5.0		
FAAS	U520*	257	0.0	0.0	0.0		
CONSULTING SVCS. - CONTRACTS	U521	259	0.0	0.0	0.0		
MGT./PROF. SVCS. - CONTRACTS	U522	259	0.0	0.0	0.0		
SPEC STUDIES/ANALYSES - CONT.	U523	259	0.0	0.0	0.0		
ALL OTHER CODE 25	U524	259	0.0	0.0	0.0		
TOTAL O.E. EXPENSE BUDGET			17.4	237.2	254.6		
RECONCILIATION			0.0	0.0	0.0		
SECTION 636(c) (Non-add)	U600	320	0.0	0.0	0.0		
OPERATING EXPENSE REQUIREMENTS	U000		17.4	237.2	254.6		

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EXPENSE CATEGORY	FUNC TION	OBJ CLASS	DOLLARS	TRUST FUNDS	TOTAL BUD	UNITS	UNIT COST

U.S. DIRECT HIRE	U100		7.4	10.8	18.2		

OTHER MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0		
EDUCATION ALLOWANCES	U106	126	0.0	0.0	0.0	0.0	0.0
LIVING ALLOWANCES	U108	428	0.0	0.0	0.0		
OTHER MISSION FUNDED CODE 12	U110	129	4.9	0.0	4.9		
POST ASSIGNMENT - TRAVEL	U111	212	1.3	0.3	1.6	0.0	0.0
POST ASSIGNMENT - FREIGHT	U112	220	0.1	9.7	9.8	0.0	0.0
HOME LEAVE - TRAVEL	U113	212	0.0	0.0	0.0	0.0	0.0
HOME LEAVE - FREIGHT	U114	220	0.0	0.0	0.0	0.0	0.0
EDUCATION TRAVEL	U115	215	0.9	0.7	1.6	0.0	0.0
R AND R TRAVEL	U116	215	0.0	0.0	0.0	0.0	0.0
OTHER CODE 215 TRAVEL	U117	215	0.2	0.1	0.3	0.0	0.0

F. N. DIRECT HIRE	U200		0.0	0.0	0.0		

BASIC PAY	U201	114	0.0	0.0	0.0	0.0	0.0
OVERTIME, HOLIDAY PAY	U202	115	0.0	0.0	0.0	0.0	0.0
ALL OTHER CODE 11 - FN	U203	119	0.0	0.0	0.0		
ALL OTHER CODE 12 - FN	U204	129	0.0	0.0	0.0		
BENEFITS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0		

CONTRACT PERSONNEL	U300		0.0	172.5	172.5		

PASA TECHNICIANS	U301	258	0.0	0.0	0.0		
U.S. PSC - SALARY/BENEFITS	U302	113	0.0	0.0	0.0	0.0	0.0
ALL OTHER U.S. PSC COSTS	U303	255	0.0	0.0	0.0		
F.N. PSC - SALARY/BENEFITS	U304	113	0.0	22.5	22.5	2.0	11.3
ALL OTHER F.N. PSC COSTS	U305	255	0.0	0.0	0.0		
MANPOWER CONTRACTS	U306	259	0.0	150.0	150.0	3.4	44.1
JCC COSTS PAID BY AID/W	U307*	113	0.0	0.0	0.0		

HOUSING	U400		0.0	21.4	21.4		

RESIDENTIAL RENT	U401	235	0.0	16.8	16.8	1.0	16.8
RESIDENTIAL UTILITIES	U402	235	0.0	2.4	2.4		
MAINTENANCE AND RENOVATION	U403	259	0.0	2.2	2.2		
QUARTERS ALLOWANCE	U404	127	0.0	0.0	0.0	0.0	0.0
RESIDENTIAL FURNITURE/EQUIP	U405	311	0.0	0.0	0.0		
TRANS./FREIGHT - CODE 311	U406	220	0.0	0.0	0.0		
SECURITY GUARD SERVICES	U407	259	0.0	0.0	0.0	0.0	0.0
OFFICIAL RESIDENCE ALLOWANCE	U408	254	0.0	0.0	0.0		
REPRESENTATION ALLOWANCES	U409	252	0.0	0.0	0.0		

EVALUATION PLAN

PROJECT NO. & TITLE	DATE LAST EVALUATION COMPLETED	FY 90		FY 91		REASONS/ISSUES
		START TO AID/W (QTR.)	START TO AID/W (QTR.)	START TO AID/W (QTR.)	START TO AID/W (QTR.)	
515-0238 Project HOPE Emergency Services	N/A	2	3			The evaluation will measure the success in establishing and maintaining the emergency medical services system.
515-0244 Justice Sector Improvement	N/A	3	4			This is a new program area for the Mission. Its components involve various institutions and the overall implementing institution is gaining experience under the project. The mid-term evaluation will consider changes that may be necessary to guarantee the project's success. It will focus on progress to date in fulfilling the goal of consolidation and modernization of the national justice program.
515-0234 Northern Zone Consolidation	N/A			1	2	Although this project has a sound monitoring mechanism, the Mission anticipates the need for an outside management-oriented evaluation at approximately mid-term because of the project's complexity and the number of institutions involved. The evaluation will assess the extent to which road maintenance has been institutionalized and to what extent incentives for land tilling, extension of farmer credit, and housing construction are achieving desired impact.
515-0243 Forestry Resources for a Stable Environment	N/A			3	4	Because monitoring is so important under this project, this evaluation will examine the utility and success of the monitoring program and make recommendations concerning monitoring techniques and outputs.

A. Mission Training Objectives

1. Participant Training in General

- a. to broaden the human resource base of Costa Rica;
- b. to enlarge and strengthen democratic linkages between Costa Rica and the U.S.;
- c. to expand the scope of training activities, thereby giving more groups and individuals access to training;
- d. to expose Costa Rican private sector leaders and officials to U.S. trade and business practices.

2. Central America Peace Scholarship (CAPS) Program

- a. to broaden democratic linkages with the U.S. by including the leaders and potential leaders from a wide spectrum of Costa Rican society;
- b. to expand the scope of Mission training activities from traditional areas to new fields;
- c. to provide for more equitable participation of individuals who otherwise would be unable to study in the U.S., with special attention to those of limited economic resources, women, the rural population, and minorities;
- d. to respond to the human resource needs generated from Costa Rica's reorientation toward an export-led economy, while improving the productive and marketing capabilities of the agricultural and other traditional sectors;
- e. to contribute to the strengthening of the private sector.
- f. to counter Soviet bloc training strategy by reaching leaders and potential leaders in a broad spectrum of social, economic, and political areas; to provide access to training opportunities to the socially/economically disadvantaged and to other target groups.

B. Summary of the Central America Peace Scholarship (CAPS) Training Program

The USAID/Costa Rica CAPS program, encompassing the period FY 85-89, identifies for training those groups and individuals who have traditionally lacked access to training in the United States. Participants are selected on the basis of leadership, economic and social need, scholastic achievement record (for high school and academic trainees), and the developmental needs of Costa Rica. Special efforts are made to reach youth, women, rural and urban poor, and minorities. The CAPS program has three components: Short-term (technical), High School, and Long-term (academic).

Short-term training is provided to groups of approximately 20 participants who share a common professional/vocational interest. For example, rural municipal leaders, Red Cross workers, and rural firemen were trained during CY 1988. Each group undergoes two weeks of predeparture training ("survival English" and cultural orientation). Additionally, a three-day cultural/administrative orientation is conducted by the Training Division. A typical short-term program of 8-weeks in the U.S. includes one week at Washington International Center, one week at an HBCU, and 6 weeks of technical training at a site designated by the appropriate sub-contractor. Since the initiation of CAPS in mid-1985, a total of 599 persons have participated in 37 short-term groups. For the duration of the project, the Mission projects training a total of 15 short-term groups.

The High School Component targets Costa Rican high school students, ages 15-19. Under this component, some of Costa Rica's most outstanding youth live with American families, attend U.S. high schools, and learn about the customs and values of America through first-hand exposure to American daily life. Initially, this component included an 8-week intensive English course in

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Costa Rica and 6 months in the U.S. Beginning in Spring 1989, participants will receive 8 weeks of intensive English instruction, followed by a 9-10 month sojourn in the U.S. To date, two hundred eighty-nine (289) young persons have participated in this cost effective component of CAPS, which is implemented through PVOs such as 4-H. The Mission will continue to send about 135 high school students per year under this component.

Long-term (academic) training encompasses either the final two years of undergraduate studies (culminating in a BA/BS) or two years at the Masters level. Prior to departure, participants receive 20-25 weeks of intensive English and cultural orientation. To date, 222 individuals have studied in the U.S. under this component. Approximately 50-60 long-term participants per year will be selected for the duration of the CAPS program. (Although the PACD is 1993, FY 90 will be the final year for new starts under CAPS).

"Experience America," which exposes all CAPS participants to American life and values through homestays and other face-to-face activities, is given major emphasis by USAID/Costa Rica and its States-side contractors.

C. Groups to be Targeted in FY 1990 under CAPS

- 135 rural youth will spend 9-10 months living with American families and attending local high schools. Sponsored and supervised by a Costa Rican PVO (FUNAC) and by 4-H in the U.S., participants will be placed in various cities and towns in the United States.
- 70 long-term trainees will commence 30 months of academic training at the undergraduate and graduate levels. Fields of study will include computer science, engineering, economics and business, social sciences, and education. USAID will endeavor to place at least 10% of this group in HBCUs.
- 7 short-term groups of 20 participants each will spend one week at the Washington International Center, one week at an HBCU for technical and cultural/historical instruction, and 6 weeks of technical training at sites to be determined by the appropriate sub-contractors. Rural Municipal leaders, Red Cross and public health workers, teachers, counselors and school administrators, and woman cooperative leaders will be among the target groups.

D. Compliance with CLASP Policy Guidance

1. 40 Percent Target for Women

The Aguirre evaluation of the Costa Rica CAPS program (Sept.-Oct. 1987) determined that this Mission awarded a total of 42% of its scholarships to women. Through November, 1988, 45% of total awards have gone to women.

2. 10% Placement in HBCUs

As indicated in CTP tables, CAPS/Costa Rica has exceeded this target. All short- and some long-term participants receive training at HBCUs.

3. Long-Term Training Target of 30%

Prior to November, 1987, approved Mission CAPS strategy placed a priority on short-term training. As of the date on which guidance on long-term training was issued, the percentage of long-term trainees was less than 20%. In FY 1988 24% of participants were long-term. Projections for FYs 89 and 90 indicate that the long-term training target for life of project will be met and exceeded.

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4. Short-Term Training Minimum of 28 Days

All short-term groups spend at least 2 months in the U.S.

5. 70 Percent Minimum for Disadvantaged

As of November, 1987, this Mission awarded approximately 95% of its scholarships to the socially/economically disadvantaged. To date, the project total remains over 90%.

6. Experience America

The Costa Rica CAPS program has an active and successful Experience America component in which all trainees participate. Homestays, pairing of participants with U.S. professional colleagues, participation in local organizations and activities (such as PTA), and attendance at cultural, athletic, and social activities are vehicles by which our participants learn directly about the values and customs of American life. All contractors and subcontractors are instructed to give as much priority to the Experience America component as to the training component of the program.

7. Follow-On

The Mission conducts a formal evaluation of each training group, involving the returned participants, 2-3 months after their return to Costa Rica. Plans for future follow-on activities include organizing an association of returned participants (in collaboration with USIS), establishing a professional lending library with at least one professional journal for each interest group, and sponsoring professional seminars or workshops which the returnees themselves will organize and conduct.

8. Containing Training Costs

Mission has contacted over 150 colleges and universities to determine their willingness to enroll long-term participants at reduced tuition/fees levels. We have lengthened the period of predeparture English language instruction and established a minimum TOEFL score as prerequisite to departure to the U.S. to reduce the amount of more expensive topping-off ELT received in the U.S. Group air fares have been negotiated with Eastern Airlines. All proposals must be written in TCA format; Mission carefully scrutinizes program and administrative costs to determine the most cost-effective bid. A critical review of the budget of the proposed high school program recently enabled us to include 17 additional participants at no extra cost.

9. Minimum Lead Time for Short- and Long-term Training

Together with contractors PIET and USDA, Mission has undertaken planning to identify short- and long-term groups for FY 89. This will ensure that minimum lead time guidance is followed.

10. Avoiding Training for the "Elite"

Formally, the Mission reviews indicators such as total family income, educational level attained by applicant and parents, profession or work history of applicant (and parents for the high school program), place of residence, foreign travel, and schools attended. Informally, the Mission relies on its FSNs to scan the list of applicants and note those families which are known in Costa Rica to be "privileged."

E. Major Changes in Training Plan from Approved CTP

No major deviations from the original approved CTP are planned.

**TABLE I
CLASP TRAINING**

**FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS**

**PROGRAM: Central American Peace
Scholarship**

COUNTRY OF ORIGIN: Costa Rica

TYPE OF TRAINING	FY 1985	FY 1986	FY 1987	FY 1988	Estimated FY 1989	Estimated* FY 1990	Estimated FY 1991 AND BEYOND	TOTAL
TECHNICAL - 27 days or less	(8)	(5)	-	-	-	-	CLASP II	(13)
Female	3	-	-	-	-	-	Project	3
Male	5	5	-	-	-	-		10
TECHNICAL - 28-180 days	(24)	(183)	(204)	(188)	(219)	(140)		(958)
Female	4	88	68	104	87	56		407
Male	20	95	136	84	132	84		551
TECHNICAL - 180-269 days	-	(165)	(109)	-	-	-		(274)
Female	-	79	54	-	-	-		133
Male	-	86	55	-	-	-		141
TECHNICAL - 270 days or more	-	(2)	-	-	(142)	(135)		(279)
Female	-	-	-	-	72	67		139
Male	-	2	-	-	70	68		140
TOTAL TECHNICAL	32	355	313	188	361	275		1,524

* includes current CAPS only.

TABLE 1
(page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

TYPE OF TRAINING	FY 1985	FY 1986	FY 1987	FY 1988	Estimated FY 1989	Estimated FY 1990*	Estimated FY 1991 AND BEYOND	TOTAL
ACADEMIC Undergraduate - 1 year	-	-	(4)	(2)	(2)	(2)	CLASP II	(10)
Female	-	-	3	1	1	1	Project	6
Male	-	-	1	1	1	1		4
ACADEMIC Undergraduate - 2 years	-	(1)	(32)	(38)	(61)	(33)		(165)
Female	-	-	15	18	27	18		78
Male	-	1	17	20	34	15		87
ACADEMIC Undergraduate - 3 years	(11)	-	-	-	-	-		(11)
Female	5	-	-	-	-	-		5
Male	6	-	-	-	-	-		6
ACADEMIC Undergraduate - 4 years or more	-	-	-	-	-	-		-
Female	-	-	-	-	-	-		-
Male	-	-	-	-	-	-		-
Academic - Graduate level - 1 year	-	(1)	(1)	-	-	-		(2)
Female	-	-	-	-	-	-		-
Male	-	1	1	-	-	-		2
Academic - Graduate level - 2 years	-	(31)	(16)	(21)	(62)	(35)		(165)
Female	-	14	7	10	24	17		72
Male	-	17	9	11	38	18		93
TOTAL ACADEMIC	11	33	53	61	125	70		353

* includes current CAPS only.

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TABLE 1
(page 3 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990*</u>	<u>FY 1991 AND BEYOND</u>	<u>TOTAL</u>
SUMMARY								
TOTAL TRAINEES	43	388	366	249	486	345	CLASP II Project	1,877
ACADEMIC	(11)	(33)	(53)	(61)	(125)	(70)		(353)
Female	5	14	25	29	62	35		170
Male	6	19	28	32	63	35		183
TECHNICAL	(32)	(355)	(313)	(188)	(361)	(275)		(1,524)
Female	7	167	122	104	157	123		680
Male	25	188	191	84	204	152		844
LONG-TERM	(11)	(33)	(53)	(61)	(267)	(205)		(630)
Female	5	14	25	29	132	102		307
Male	6	19	28	32	135	103		323
SHORT-TERM	(32)	(355)	(313)	(188)	(219)	(140)		(1,247)
Female	7	167	122	104	87	56		543
Male	25	188	191	84	132	84		704
HBCU PLACEMENTS **	-	20	102	159	225	145		(651)

* includes current CAPS only.

** Short-Term participants spend one week at HBCU.

Total includes these plus Long-Term trainees studying on HBCU campus.

**TABLE 2
NON CLASP TRAINING**

**FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS**

PROGRAM: Project Related Training - U.S.

COUNTRY OF ORIGIN: Costa Rica

Training For Private Sector

TYPE OF TRAINING FY 1991	FY 1985	FY 1986	FY 1987	FY 1988	Estimated FY 1989		FY 1990
TECHNICAL - 27 days or less							
Female	-	-	-	-	35	11	-
Male	-	-	-	-	129	59	-
TECHNICAL - 28-179 days							
Female	-	-	-	3	-	-	-
Male	-	-	-	10	-	-	-
TECHNICAL - 180-269 days							
Female	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
TECHNICAL - 270 days or more							
Female	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
TOTAL TECHNICAL	-	-	-	13	164	70	-

TABLE 2
(page 2 - continued)

FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS

Training For Private Sector Development

<u>TYPE OF TRAINING</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
ACADEMIC Undergraduate - 1 year							
Female	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
ACADEMIC Undergraduate - 2 years							
Female	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
ACADEMIC Undergraduate - 3 years							
Female	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
ACADEMIC Undergraduate - 4 years							
Female	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
Academic - Graduate level - 1 year							
Female	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-
Academic - Graduate level - 2 years or more							
Female	-	1	2	-	-	-	-
Male	-	5	11	6	1	-	-
TOTAL ACADEMIC	-	6	13	6	1	-	-

TABLE 2
(page 3 - continued)

**FY 1990 COUNTRY TRAINING PLAN UPDATE
NUMBER OF NEW STARTS**

TYPE OF TRAINING	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
SUMMARY							
TOTAL TRAINERS	-	6	13	19	165	70	-
ACADEMIC							
Female	-	1	2	-	-	-	-
Male	-	5	11	6	1	-	-
TECHNICAL							
Female	-	-	-	3	35	11	-
Male	-	-	-	10	129	59	-
LONG-TERM							
Female	-	1	2	-	-	-	-
Male	-	5	11	6	1	-	-
SHORT-TERM							
Female	-	-	-	3	35	11	-
Male	-	-	-	10	129	59	-
HBCU PLACEMENTS	-	-	-	-	-	-	-

GRAY AMENDMENT

	<u>Total DA</u> (\$000)	<u>DA Available</u> <u>for U.S.</u> <u>Procurement</u> (\$000)	<u>Awards to</u> <u>Gray Amendment</u> <u>Firms</u> (\$000)	<u>% of Funds</u> <u>to Gray Amendment</u> <u>Firms</u>
<u>FY 1988</u>				
Bilateral	11,750	5,650	272	5
<u>FY 1989</u>				
Estimated	8,500	2,750	500	18

FY 1988 CONTRACTS

<u>Name of Contractor</u>	<u>Project Title/Number</u>	<u>Amount of</u> <u>Contract</u>	<u>Date of</u> <u>Contract</u>
R.W. Camacho Associates	PD&S 515-0000.02	\$9,151	Nov. 87
Management Sciences for Dev.	PD&S 515-0000.04	24,266	Feb. 88
Management Sciences for Dev.	PD&S 515-0000.04	17,408	April 88
Management Sciences for Dev.	PD&S 597-0003.01	55,635	May 88
Management Sciences for Dev.	PD&S 515-0000.04	2,287	June 88
PADCO, Inc.	Sheltor Sector 515-0188	12,943	June 88
CARANA Corporation	PPAI 515-0190A	40,953	June 88
PADCO, Inc.	PD&S 515-0000.04	15,198	Aug. 88
Pamela Avila, PSC	CAPS 515-0242	14,489	Oct. 87
Marilyn Graham, PSC	Operating Expenses	2,288	Feb. 88
Judy Becelia, PSC	Operating Expenses	1,204	Jan. 88
Catherine Helwig, PSC	Operating Expenses	194	Dec. 87
Geraldine Clark, PSC	Operating Expenses	16,726	Jan. 88
Geraldine Clark, PSC	Operating Expenses	1,603	Mar. 88
Judith Becelia, PSC	Operating Expenses	4,184	Mar. 88
Judith Becelia, PSC	Operating Expenses	3,793	Sept. 88
Joy Lucke, PSC	Operating Expenses	15,000	Aug. 88
Virginia Waddell, PSC	Operating Expenses	<u>34,597</u>	Aug. 88
TOTAL		\$271,919	

In addition, training under the CAPS project (597-0001) in FY 1988 was contracted by ST/TT at Historically Black Colleges and Universities (HBCU's) in the amount of \$141,448.

ACTION PLAN, FISCAL YEAR 1990 - FISCAL

PD-ABA-324

YEAR 1991 : USAID / COSTA RICA

1 OF 2 (24X)

COSTA RICA

1989

ACTION PLAN

ACTION PLAN, FISCAL YEAR 1990 - FISCAL

PD-ABA-324

YEAR 1991 : USAID / COSTA RICA

2 OF 2 (24X)

COSTA RICA

1989

ACTION PLAN