

PD-198-198

USAID/COSTA RICA

SEMI-ANNUAL REPORTS

OCTOBER 31, 1994 - MARCH 31, 1995

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A.I.D. MISSION TO COSTA RICA



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June 14, 1995

MEMORANDUM

TO: Christina Schoux, Director
LAC/SPM

FROM: 
Stephen C. Wingert, Mission Director

SUBJECT: USAID/Costa Rica Annual Report

In accordance with the guidance provided by the LAC Bureau in State 97319 of April 20, 1995, we are hereby submitting for review the Annual Report covering data as of the end of the second quarter of FY 95. As set forth in subject cable, this report consists of (A) a Mission Director's Summary conveying the results of the Spring portfolio review and, (B) an Exceptions Matrix. In addition, the Financial Summary and Pipeline Analysis Tables are included therewith as Attachments 1 and 2.

Attachment: a/s

TABLE OF CONTENTS

	<u>Page</u>
(A) MISSION DIRECTOR'S NARRATIVE SUMMARY	
1. DA Close-out Portfolio Overview	1
2. Local Currency Close-out Portfolio Overview	2
3. USAID Operations Close-out Overview	3
4. Reporting System	4
(B) EXCEPTIONS MATRIX	5

ATTACHMENT 1: Financial Summary of USAID/Costa Rica Portfolio

ATTACHMENT 2: USAID/Costa Rica Pipeline Analysis Table

2

(A) MISSION DIRECTOR'S NARRATIVE SUMMARY**1. DA Close-out Portfolio Overview**

The Mission is reporting on 13 active dollar projects, with a total authorization of \$93.4 million. This includes one large regional project for which this Mission maintains implementation responsibility but which is not included in our OYB; the EARTH Project (596-0129). Of the 13 projects, two are categorized as A projects (15%); ten as B projects (77%); and one as a C project (8%).

As documented in the FY 1996-1977 Action Plan Report, USAID/Costa Rica has made considerable progress in implementing the existing bilateral development assistance program and reaching the Agency's goal of a complete program close out by the end of FY 1996. The last eight bilateral sustainable development projects to end in FY 1996 are: a) Justice Sector Improvement Project (JSIP) No. 515-0244, b) Central American Peace Scholarship (CAPS II) No. 515-0254, c) Forest Management (FORESTA) No. 515-0243, d) Regulation for Forest Management (REFORMA) No. 515-0263, e) Forest Conservation and Management (BOSCOSA) No. 515-0255, f) Native Trees Reforestation (OTS) No. 515-0262, g) Arias Foundation No. 515-0277, and h) Policy and Training Support (PATS) No. 515-0241.

During this reporting period, the Mission reduced its project management units by 23% as it successfully ended the International Executive Service Corps (IESC) No. 515-0257, Regional Administration of Justice (RAJP) Nos. 597-0002/598-0642 and Northern Zone Consolidation No. 515-0235. Close-out actions, including final audits, close-out reports, and processing of final vouchers are well underway. The Mission Close-out Office is tracking project close out actions and is working directly with technical, administrative and financial staff to identify and resolve potential close out problems as projects move into the final year of implementation.

Focusing on the Mission's overall portfolio and considering the Financial Summary and the Pipeline Analysis Tables (Attachments 1 and 2) the following stand out:

- a. A 35% decrease in Authorized LOP Amount occurred during the first semester of FY 95. (Auth. LOP during the first semester of FY95 was 88.9 and for the same semester of FY94 Auth. LOP was \$135.8);
- b. The pipeline decreased 31% (last period 16 million, this period 11 million);
- c. 39% of the Mission's pipeline is older than three years. This Mission is continuously monitoring progress in terms of reducing the DA portfolio pipeline. We are taking all possible actions to protect on-going projects in case the Roth Amendment is passed. One project, FORESTA, could

- 2 -

encounter serious difficulties as all funds currently available are older than three years. Funds required to complete long-term training under PATS are also at risk.

d. Five projects account for 85% of the portfolio pipeline:

i.	PATS (515-0241)	31%
ii.	FORESTA (515-0243)	15%
iii.	FINANCIAL SERVICES (515-0247)	14%
iv.	JSIP (515-0244)	14%
v.	REFORMA (515-0263)	11%

The PATS project has a \$3.4 million pipeline, a large part of which is committed to long term training. Only \$800 thousand dollars remain unearmarked. The remaining \$2.7 million is fully committed to: long-term training through September 1998 (\$1.5 million); Legislative Assembly (\$0.7 million); Reform of State (Sigma One Contract \$0.4 million); and long and short term technical assistance (\$0.1 million).

The project implementation under the FORESTA, Financial Services, JSIP and REFORMA are on schedule. These projects are continuously being monitored to accelerate the project's expenditure rate. The PACD under Financial Services was extended to December 31, 1995 and the LOP cut by \$540 thousand dollars.

2. Local Currency Close-out Portfolio Overview

The Mission's local currency portfolio which consisted of 30 activities totalling \$194 million in 1994, has been reduced by half during this reporting period. Of the remaining 15 activities, actions are well advanced which will lead to closure of the Mission's involvement with 9 of them in the near future (this includes Mission oversight of the Economic Support Fund (ESF) GOCR Sectoral Local Currency portfolio and the PL-480 Title I program -- both of these programs are programmed and will be fully expended by the end CY 1995). One of the remaining six activities is USAID/Costa Rica's oversight of the EARTH Trust, where the Mission has no active responsibility or authority and our involvement will automatically cease in September 1995.

The remaining 5 ESF local currency programs require Mission and GOCR agreement on resource allocation and/or transfer of USAID/Costa Rica responsibilities. We have reached tentative agreement with the GOCR on disposition of USAID responsibility for four of these five activities (CODESA/FII-TRA trust, COOPECALIFORNIA, and OE and program trust accounts) through the creation of a

4

- 3 -

Costa Rican/USA foundation. The establishment of a Costa Rica/USA foundation as a potential mechanism to manage remaining host country owned local currency has been proposed to AID/W and it has been agreed that Mission should proceed with the design of the local currency endowment. The GOCR, U.S. Embassy and USAID have agreed on the objectives and structure of the foundation, and will proceed to create it once we receive USAID/W concurrence.

Disposition of USAID's responsibility for the final local currency program, FUNDEX, is the subject of on-going discussions with the GOCR and the private sector. We anticipate resolution in the near future.

3. USAID Operations Close-out Overview

Controller's Overview: The Controller's Office has prepared a detailed schedule of their actions necessary for a smooth Mission closeout. The Controller's Office has taken the initial steps required to close Mission operations by September 1996. In conformance with the schedule established last year, Costa Rica will transfer formal accounting responsibilities to another Mission, presumably Guatemala, as of June 1996. During the remaining three months, the Controller's Office will account for the disposition/transfer of NXP, complete transfer of files and process remaining vouchers. Accounting responsibility for Panama was transferred to USAID/Panama as of March 31, as scheduled. In addition, emphasis is being put on obtaining Recipient Contracted Audits on a more current basis and resolving findings expeditiously.

EXO's Overview: Staff departure is well underway and proceeding at a slightly accelerated rate over the departure schedule presented in last year's Action Plan. Departures are proceeding in an orderly fashion, the Executive Office has worked with the Foreign Service National Association and the outplacement contractor to insure that FSN staff receive adequate support in obtaining new employment. We also created an innovative, local-currency program trust funded training activity for our FSN staff during this reporting period. USAID/Costa Rica's plans for disposing of or transferring its assets include the following: i) sell, transfer or donate any remaining USAID non-expendable property (NXP) and real property which consists of 3 housing units owned by the Mission, ii) effect an orderly transfer of the office building complex, and iii) coordinate the transfer of the Embassy's warehouse and commissary from former USAID premises and negotiate with the Embassy any FAAS services. As for the residential units, the Mission has proposed to sell the units and return the proceeds to the UE trust fund. This appears the likely means for disposing of the units. USAID/Costa Rica proposed that the office building complex be deeded to the GOCR, and the GOCR responded that they were interested and would send a

5

- 4 -

delegation to visit the facilities and discuss arrangements for the transfer and use of the building. Once a final decision is made on how to dispose of or transfer the residential units and the office complex, the plan will be vetted with the Regional Legal Advisor prior to its implementation. The GOCR representatives who must respond to these plans have been absorbed in addressing the GOCR's fiscal crisis, but we anticipate decisions in the near future.

4. Reporting System

Mission used as in the previous SAR, the spreadsheet which incorporates all project financial information directly from MACS. The information was then linked to each individual report. The result continues to be a good quality report issued through World Perfect and containing reliable and accurate financial information from our Mission Accounting System (MACS/UNIX).

6

(B) EXCEPTIONS MATRIX

Country: Costa Rica
 Data as of: March 31, 1995
 Date completed: May 16, 1995

Mission Dollar Assistance Activities

(Category A-C Projects only)

1 Proj. Name & Number	2 Date of Initial Obligation	3 Proj. Desig.	4 Status of CP's	5 Size of Pipeline	6 Age of Pipeline	7 Accrued Expend.	8 Uncomm. Balance	9 EOPS-A	10 EOPS-B	11 Audit-A	12 Audit-B	13 Eval.-A	14 Eval.-B
Justice Sector Improvement 5150244.00G	9/14/88	A	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Forest Conserv. and Management 5150255.00G	3/31/90	C	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Reprod. Health Consolidation 5150261.00G	6/25/92	A	NA	NA	NA	NA	NA	NA	NA	NA	NA	X	NA
Reprod. Health Consolidation 5150261.01G	6/25/92	A	NA	NA	NA	NA	NA	NA	NA	NA	NA	X	NA

ATTACHMENT 1

FINANCIAL SUMMARY OF USAID/CR PORTFOLIO
(OCTOBER 1, 1994 THROUGH MARCH 31, 1995)

(0000)

PROJECT NO.	PROGRAM/PROJECT TITLE	CATE GORY	NO. OF SUPP. BY PROJECT	DATE OF INIT. OBLIG.	LAST REVISED FACT	% OF LOP ELAPSED	% OBLIG. EXPEND.	AUTH. AMOUNT	CURR. FY OBLIG. TO DATE	CUMUL. AMOUNT OBLIG.	MORT. GAGE	BEGINNING SEMESTER PIPELINE	PLANNED SEMESTER EXPEND.	ACCRUED SEMES. AS % OF PLANNED	ACCRUED EXPEND. PLANNED	CUMUL. ACCRUED EXPEND.	ENDING PIPELINE (NEXT SEM.)	PLANNED EXPEND. (NEXT SEM.)	PROJECT'S CONTRIBUT. TO TOT PIPEL.
ACTIVE PROJECTS																			
515-0247	Financial Services (G)	B	1	31-May-91	31-Dec-93	84%	71%	5,440	110	5,440	0	2,344	680	944	137%	3,860	1,600	1,000	14%
515-0244	Judicial Sector Improvement (G)	A	2	14-Sep-88	31-Mar-96	87%	69%	5,100	1,100	5,100	0	932	210	(641)	305%	3,527	1,373	900	14%
515-0277	Artisan Foundation Studies (G)	B	2	30-Sep-93	31-Mar-96	60%	100%	900	0	900	0	0	0	0	100%	900	0	0	0%
396-0177	Partnership Dev & Develop (G)	B	2	17-Aug-92	30-Sep-95	84%	72%	920	0	849	31	432	185	218	216%	432	237	0	2%
515-0243	FORESTA (G)	B	3	28-Apr-89	31-Mar-96	86%	78%	7,500	0	7,500	0	2,332	1,307	672	81%	5,828	1,680	862	25%
515-0255	POBOSABA (G)	C	3	31-Mar-90	31-Mar-96	83%	82%	1,900	284	1,900	0	140	151	92	61%	1,539	341	134	3%
515-0242	Native Tree Referral Proj (G)	B	3	30-Sep-93	31-Mar-96	71%	63%	800	190	800	0	400	110	239	235%	500	300	150	3%
515-0243	Regulation for Forest Mgmt (G)	B	3	30-Aug-93	30-Jan-96	96%	21%	2,000	576	1,576	424	990	418	324	80%	330	1,346	327	11%
396-0129.01	EARTH (G)	B	3	30-Sep-85	30-Sep-95	93%	100%	4,706	0	4,706	0	0	0	0	N/A	4,706	0	0	0%
396-0129.02	EARTH (G)	B	3	29-Aug-89	30-Sep-95	93%	99%	18,132	62	16,292	2,439	34	0	(53)	N/A	16,145	147	0	1%
396-0129.03	EARTH (G)	B	3	30-Sep-84	30-Sep-95	95%	100%	235	0	235	0	0	0	0	N/A	236	0	0	0%
396-0129.04	EARTH (AID Adm) (G)	B	3	30-Sep-85	28-Aug-94	107%	92%	648	0	411	47	90	0	48	N/A	371	80	0	0%
515-0241	CAPE (G)	B	4	8-Apr-87	30-Sep-95	80%	100%	20,227	0	20,227	0	90	120	90	70%	20,227	0	55	0%
515-0234	CAPE II (G)	B	4	4-May-90	31-Aug-96	78%	53%	6,360	0	6,360	0	1,404	321	1,027	320%	5,893	467	326	4%
515-0243	Reprod Health Cont Proj (G)	A	4	25-Jun-92	30-Sep-95	83%	70%	720	0	720	0	484	242	249	111%	503	317	217	2%
515-0241	Policy and Trng Support (G)	B	1,2,3	31-Aug-89	30-Sep-90	61%	69%	11,017	245	11,017	0	4,254	1,400	1,057	74%	2,556	1,462	1,400	31%
SUBTOTAL ACTIVE PROJEC.				11-Dec-89	21-Feb-96	86%	87%	88,904	2,547	85,942	2,965	14,274	7,482	4,315	34%	74,822	11,320	4,953	
TERMINATED PROJECTS																			
515-0231	IEBC OFG (G)	B	1	1-Jan-90	31-Dec-94	100%	100%	1,300	0	1,300	0	21	135	21	14%	1,300	0	0	0
397-0002	Regional Adm. of Just. (G)	B	2	25-Mar-85	31-Dec-94	100%	100%	25,872	0	13,284	12,286	1	0	(0)	0%	12,284	1	0	0
396-0642	Regional Adm. of Just. (G)	B	2	14-Aug-86	31-Dec-94	100%	100%	25,872	0	6,872	19,000	297	130	294	226%	4,260	3	0	0
515-0235	Northern Zone Council (G)	B	0	24-Aug-88	31-Mar-95	100%	95%	5,180	0	5,180	0	723	723	54	64%	4,801	299	0	0
SUBTOTAL TERMINATED PROJECTS				15-Aug-87	23-Jan-95	102%	99%	38,194	0	24,908	31,286	1,042	982	779	79%	24,644	243	0	
Strategic Objectives																			
1. Increased economic competitiveness					4. Other Objectives (No relation with E.O.)														
2. A more streamlined, responsive and efficient government					(G) Grant														
3. Maintenance of natural forest habitat																			

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ATTACHMENT 2

PIPELINE ANALYSIS
USAID/COSTA RICA
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As of March 31, 1995

PROJECT NO.	PROGRAM PROJECT TITLE	CUMUL AMOUNT ORLIG.	FY OBLIGATIONS								PIPELINE		PIPELINE ANALYSIS					
			1988	1989	1990	1991	1992	1993	1994	1995	1988-89	1990	1991	1992	1993	1994	1995	
ACTIVE PROJECTS																		
515-0241	Policy and Tech Support (G)	11,017	0	1,029	5,311	1,140	3,079	1,200	905	243	3,462	218	45	83	1,174	856	850	265
515-0241	CAPS (O)	20,227	3,500	2,100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
515-0243	FORESTA	7,500	0	5,500	2,000	0	0	0	0	0	1,400	68	1,618	0	0	0	0	0
515-0244	Justice Sector Improvement	5,100	1,500	1,400	0	0	0	300	600	1,100	1,273	5	0	0	14	454	1,100	0
515-0247	Financial Services (O)	5,400	0	0	0	3,250	700	750	650	110	1,400	0	0	414	300	378	310	110
515-0254	CAPS II (G)	4,340	0	0	4,000	1,000	1,000	960	0	0	467	0	61	0	172	234	0	0
515-0255	BOSCOBA (O)	1,900	0	0	1,000	0	0	300	316	284	341	0	0	0	0	57	284	0
515-0261	Reprod Health Coun Proj (G)	720	0	0	0	0	552	244	0	0	217	0	0	0	170	39	0	0
515-0262	Native Tree Replant Proj (O)	800	0	0	0	0	500	0	150	150	300	0	0	0	0	0	120	150
515-0263	Regulation for Forest Mgmt (O)	1,876	0	0	0	0	0	400	600	576	1,246	0	0	0	0	142	528	576
515-0277	Arias Foundation Endow. (O)	500	0	0	0	0	0	500	0	0	0	0	0	0	0	0	0	0
596-0128.02/04	EARTH (G)	14,334	0	12,403	0	700	2,900	1,500	0	42	197	0	0	0	50	0	147	0
596-0177.00	Partnership Dev & Develop (G)	849	0	0	0	0	0	715	0	0	237	0	0	0	0	237	0	0
TOTAL		78,383	5,000	22,401	10,361	6,118	8,731	7,091	3,231	2,547	11,320	191	1,718	467	1,964	1,899	2,404	2,485
											PIPELINE	3%	13%	6%	17%	17%	22%	22%
											CUMULAT.	3%	18%	22%	39%	56%	78%	100%

slip/w/hammer.stc:ole

9