

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE A A = Add
C = Change
D = Delete
Amendment Number _____
DOCUMENT CODE 3

COUNTRY/ENTITY
Costa Rica

3. PROJECT NUMBER
515-0257

4. BUREAU/OFFICE
Latin America and the Caribbean 05 Technical Assistance to Non-Traditional Exporters

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
MM DD YY
1 | 2 | 3 | 1 | 9 | 2 |

7. ESTIMATED DATE OF OBLIGATION
(Under "B:" below, enter 1, 2, 3, or 4)
A. Initial FY 9 0 B. Quarter C. Final FY 9 1

8. COSTS (\$000 OR EQUIVALENT \$1 = 100)

A. FUNDING SOURCE	FIRST FY 90			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	650		650	1,300		1,300
(Grant)	(650)	()	(650)	(1,300)	()	(1,300)
(Loan)	()	()	()	()	()	()
Other U.S. 1.		433	433		867	867
U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	650	433	1,083	1,300	867	2,167

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) PSEE	730	920				650		1,300	
(2)									
(3)									
(4)									
TOTALS						650		1,300	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
140 110

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code INTR BF PVOU TECH TNG
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)
Assist local producers to expand or create new industries and to develop new export markets for both industrial and agroindustrial products.

14. SCHEDULED EVALUATIONS
Interim MM YY MM YY Final MM YY
0 | 4 | 9 | 1 | | | | | | | |
1 | 2 | 9 | 2 |

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

17. APPROVED BY
Signature: Carl Leonard *Carl Leonard*
Title: Mission Director
Date Signed: MM DD YY
1 | 1 | 2 | 9 | 4 | 8 | 9 |

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MM DD YY
| | | | | | |



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

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November 2, 1989

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/COSTA RICA

TO: Mr. Carl Leonard, MDIR

FROM: Lewis Lucke, PDO *PKR 1-3-89*

SUBJECT: Approval of the Non-Traditional Export Support Project
(No.515-0257) PP-Type Document and Project Authorization

Problem:

Your approval and authorization is required for the Non-Traditional Export Support Project Paper (No.515-0257) (PP-type document) for a proposed Operational Program Grant to the International Executive Service Corps (IESC).

Background:

In mid-1989, the IESC submitted an unsolicited proposal to USAID/Costa Rica in the amount of \$1,300,000 to partially finance the IESC's three year program in Costa Rica beginning January 1, 1990. This proposal was presented as a follow-on project to a six month local currency grant USAID provided to the IESC which terminates on December 31, 1989. The proposed project will continue the support that AID has provided to the IESC since September, 1986.

Following recent LAC bureau guidance, USAID/Costa Rica has evaluated IESC's unsolicited proposal as a "PID-like" document for an eventual dollar-funded Handbook 13 grant. This proposal was reviewed and preliminarily approved by the Mission on September 26, 1989, subject to a few minor modifications. The IESC agreed to these changes and incorporated them into its revised proposal. This document is hereby presented for approval as the "PP-like" document. (Annex A). AID/W has delegated the authority to the Mission to approve the "PID-like" and "PP-like" documents (Annex B).

Discussion:

In the PID review, USAID identified the following as issues that should be addressed by the IESC at the PP level: (1) clients's share and, (2) ABLE and Market/Joint Venture projects payback.

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In its revised proposal, the IESC addresses AID's proposition of increasing the client's share of the total cost of the IESC program. Specifically, IESC has agreed to ask the clients of ABLE studies (normally market studies), to refund AID's contribution to such studies if the clients are successful in establishing productive contracts within one year after the studies are completed. In addition, the IESC agreed to ask the clients of Market/Joint Venture projects to pay back 50% of AID's contribution if the projects' objectives are reached within two years after the completion of volunteer executive's assignments.

The Project Review Committee views these changes as initial steps by IESC to reduce IESC's dependence on AID financing. The review committee discussed this issue at length during the PID review and concluded that the IESC should increase the client's share in order to make its program more sustainable. IESC agreed with this proposition and, in addition to the steps described above, will review client contributions half-way through the project. At that point, based upon market conditions, IESC will attempt to increase client contributions beyond their current levels recognizing the limits imposed by local conditions. USAID has informed the IESC that the program will therefore be incrementally funded in two tranches. The second tranche for the second half of the project will be disbursed once the IESC submits evidence of having increased client contributions beyond minimal levels.

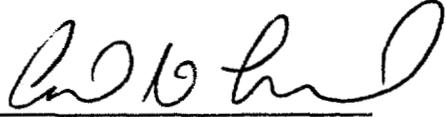
The PID review committee also discussed the fact that IESC would not offer assistance exclusively to local export companies. The members of the committee agreed that the IESC could also provide services to domestic market-oriented companies. The majority of the program's resources however, will assist export companies. USAID views on the client mix and focus of the program were also shared with IESC.

In conclusion, the IESC's revised proposal sufficiently addresses the topics raised in the PID review. It is consistent with LAC Bureau guidance of June 14, 1989 and can be approved and authorized as a completed "PP-like" document. This guidance permits project authorization and approval via Action Memorandum of the PP-type document if it is signed by the appropriate authority. Delegation of Authority No.752 to Field Posts applies to HB 13 grant projects and permits such approval authority by the Director, USAID/Costa Rica. Such approval will allow the negotiation and eventual execution of a HB 13 Operational Program Grant with IESC for three year life-of-project, pursuant to Delegation of Authority No.452.

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Action Requested:

That you approve the attached PP-like document for the Non-Traditional Export Support Project (No.515-0257) and authorize the three year project with IESC in the amount of \$1,300,000.

APPROVED: 

DISAPPROVED: _____

DATE: 12/5/89

ANNEXES

- A. PP-like document
- B. AID/W's Delegation of Authority
- C. Initial Environmental Examination
- D. Justification for a Non-Competitive Award
- E. AID/W's Cable on Pre-Award Audits
- F. IESC's Certification of Drug Free Work Place