

UNCLASSIFIED

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 1977

COSTA RICA

**DEPARTMENT
OF
STATE**

JULY 1975



TABLE OF CONTENTS

	<u>Page</u>
I. Information Memorandum on the Validity of the Previous DAP for Costa Rica	1
II. Centrally Funded Research	8
III. Budget Summary Tables	10
IV. PL-480 Title II - Narrative	13
V. PL-480 Title II - Table	14
VI. On-Going Grants Narrative	15
A. Agriculture & Natural Resources-Technical Support	16
B. Demographic Education	19
C. Technical Support	24
1. Education & Human Resources Development	24
2. Selected Development Problems	25
VII. New Grants	27
A. Women's Health Care Specialist Training Program (PID)	28
VIII. New Loans	33
A. Program to Alleviate Urban & Semi-Urban Poverty-Narrative (PID)	34
IX. HIG	35
A. Rural Low-Cost Housing Finance System (PID)	36
X. AID Financial Support to Private Voluntary Organizations-Summary Table	39

	<u>Page</u>
A. PVO Grant to DELFI-Job Placement Service for Women (PID)	40
B. PVO Grant to CARE-Soybean and Coastal Bean Production (PID)	45
C. PVO Grant to AITEC Studies on Status of Women in Costa Rica (PID)	48
D. PVO Grant to AITEC Integral Rural Development (PID)	51

INFORMATION MEMORANDUM ON THE VALIDITY OF THE
PREVIOUS DAP FOR COSTA RICA.

1. Valid Concepts of the DAP.

The previous DAP for Costa Rica was written in 1972 and much of its descriptive and analytical content remain valid. It characterizes Costa Rica as a truly democratic country which has traditionally pursued policies to improve the well-being of its people and allocated resources generously for this purpose. It reveals that substantial economic and social progress has been achieved in some areas (especially education and social security) and suggests that there is still a broad, though not universal, consensus for a continuation of strong government intervention to improve the quality of life of Costa Ricans, but within the context of an essentially free enterprise economy. It notes the necessity for greatly improved developmental planning and management, and better coordination among the many government agencies and autonomous institutions which have proliferated over the years. It demonstrates a tendency for Costa Rica to be in almost chronic balance-of-payments difficulties and precarious budgetary situations. These general phenomena are still characteristic of Costa Rica and will remain valid through the time frame covered by this budget submission.

2. Obsolete Elements of the DAP and GOCR Response to Changing Circumstances.

The previous DAP was completed prior to the impact of major price increases in petroleum-based products and many other goods which Costa Rica must import. The writers of that DAP lacked the clairvoyance to envisage the advent of an Arab cartel and worldwide "stagflation." Thus, the DAP was excessively optimistic about Costa Rican prospects for economic growth and stabilization. It predicted an upturn in economic performance beginning in 1974 and stated "there should be no repetition in 1973 of 1972's balance-of-payments crisis. Inflationary pressures should abate somewhat toward the end of the year." These bullish predictions, of course, were not borne out, in large measure because of the effects of the worldwide economic crises on Costa Rica's small, relatively open economy. Inflation in 1974 approached 40% and probably will continue at a rate of 15-20% during 1975. Although GDP data for 1974 are not yet available, it appears that real growth was around 4% or less. Exports in 1974 were \$450 million and imports \$710 million, leaving a current account deficit of \$260 million. We are forecasting similar current account deficits for the period 75-77 and the Government has publicly announced that the balance-of-payments is its most critical problem at the present time.

In confronting its difficulties, the COCR has taken a number of unpopular but necessary measures. The Colon was devalued by almost 30% in 1974; import taxes have been increased on a wide range of consumer durables; down payments were raised and the terms of installment purchases were shortened for many "non-essential" goods.* Regulations were issued requiring that financial institutions must lend 75% of their loan portfolio to productive activities leaving only 25% for lending to merchants and consumers. The Central Bank has also decreed that it will be the sole guarantor for foreign loans and its guarantees will be granted for only credit destined for productive activities. Interest rates on loans for industrial production have been lowered to 16% and for agricultural enterprises, 14%. However, loans for other purposes carry an 18% interest rate. Exports will be stimulated by various means, e.g. preferential access to credit for exporting enterprises, removal of an export tax on non-traditional exports, and increases in the real value of "CAT's" (tax rebates on exports). The effects of such measures should become visible within the next few months but the balance-of-payments deficit, nevertheless, will remain a serious problem in the years ahead because much of Costa Rican imports are essential to keep the economy moving and cannot be substantially reduced without depressing economic growth.

Despite economic stringencies, the Oduber Government is emulating, and some say going beyond the traditional progressive policies that have characterized the National Liberation Party whenever it has been in power. A prime concern of the previous administration was to attempt to diminish the "urban-rural gap." The present Government also gives high priority to improving the well-being of rural people, but has expanded the goal to reduce what it calls "the social gap." This political objective is based on hard economic fact; i.e., evidence which has accumulated in recent years that, despite large government social programs, the poor in Costa Rica have been getting poorer. For example, in 1963 the poorest 20% of the population received 6% of the national income and by 1973 this percentage had declined to 5.4%. The situation was recently described by a Costa Rican Minister as follows: "Costa Rica has achieved important successes in its economic development, in its process of social change, in its institutional progress and its political stability. But much remains to be done. Income distribution is inadequate; malnutrition, especially among small children, is extremely grave; housing conditions are precarious; the school

* Under pressure from business interests, the Central Bank temporarily postponed its restrictions on time payment purchases to assist local merchants in selling existing stocks of goods. However, the restrictions are scheduled to be reinstated in August of 1975.

dropout rate is very high and technical education is only in its initial phase. Some of the services provided by the State, principally Social Security and labor laws, have discriminated against the poorest people. We have learned that the modernization of the economy and the structural changes which result from growing urbanization, nascent industry, and the extension of the benefits for education and health to an ever growing population have not attenuated social-economic inequality. Quite the contrary. Inequality is perhaps greater today than it was 20-50 years ago. We have learned that the increase in the indexes of per capita income have no meaning as long as development leaves behind considerable sectors of the population."

The concept of a growing "social gap" is supported by other indicators. For example: Many Costa Ricans have long believed that there is no real problem of land tenure in this country. It is now clear that the land tenure situation is roughly comparable to other countries where a very large proportion of arable lands is concentrated in the hands of a few landowners. The 1973 Census shows that 45.8% of all farms are of 5 hectares or less and constitute only 1.9% of total area in farms. By contrast, 1% of all farms are of 500 hectares or more and occupy 36% of all land in farms. Accordingly, and for the first time in its history, land reform laws are being debated in the National Assembly. (Previous laws concerning land tenure were oriented solely toward titling of squatters and colonization.)

The previous DAP optimistically noted a "lack of serious pressures from disruptive interest groups outside the democratic system." Unfortunately, that lack has been filled. Illegal strikes, demonstrations, land invasions, and threats of violence have emanated from various pressure groups, students, and even entire communities, e.g. Limón and Heredia. Further evidence of the existence of the "social gap" is contained in a special computerized study done by the USAID Mission which shows that at least 49% (and probably more) of the Costa Rican population received less than \$150 per capita annually (converted to 1969 prices). Moreover, there is substantial evidence, which will be verified in the USAID Nutrition Sector Assessment, that malnutrition among young children has been increasing.

The response to the Oduber Government to these phenomena has been to enact laws and initiate programs to achieve income redistribution, shift the burden of inflation from the lower income groups to the middle and upper classes,* and directly improve the well-being of the poor through expansion of services in health, nutrition, family planning, education, potable water supplies, low-cost housing, and cash payments to self-employed persons who were not covered under the Social Security System.

* For example, the GOCR periodically raises minimum wages to partly compensate for inflation, but the percentage of allowable salary increases is much higher for low-income workers than for the middle class.

Moreover, support prices on basic food crops, many of which are produced by small farmers, have been substantially increased. To reduce unemployment while also promoting economic development, it is expanding its program of public works especially the construction of highways and feeder roads. In order to carry out social programs without a maximum inflationary impact it has been necessary to enact new taxes. These include higher duties on consumer durables mentioned above, and two new sources of revenue established in the law for Social Development and Family Assistance; i.e., an increase in the sales tax on goods purchased mainly by middle and upper income groups and an increased payroll tax on enterprises whose payroll exceeds 3,000 Colones per month.

The prospects for the resumption of rapid economic growth are not good in the near term. The prices of Costa Rica's essential imports have increased enormously and are still rising while prices of Costa Rica's principal exports in general will probably remain approximately stable (any moderate increases which may occur for some commodities will be offset by price declines in others). The previous DAP held out hopes for a major new source of foreign exchange: mining and refining of aluminum for export. It is now certain that this project will not be realized in the foreseeable future. The quality of Costa Rican bauxite is too low for profitable mining. Although a smelting operation utilizing imported alumina would be economically feasible if the Borruca hydro-electric dam were constructed, the cost of such a project would exceed \$1 billion and such financing on adequate terms appears to be unavailable from any source. Costa Rica has copper deposits which could be exploited profitably. However, the GOCR apparently has not yet determined what its policy will be on granting mining concessions and, therefore, foreign enterprises have received no response to their applications for a concession to mine this copper. When, and if policy is determined and concessions are granted, the project probably would face considerable opposition from environmentalists because it would involve strip mining and leave tremendous scars in an area which is currently wilderness. The only large natural resources development project now being initiated is the hydro-electric dam in Arenal. In addition to generating substantial amounts of electricity this dam will permit the creation of a large irrigation district. The project is being financed by the IDB but benefits from both power generation and irrigation will not begin to flow until near the end of the decade.

Considering these factors, it seems clear that, for the present, Costa Rica must continue to depend for its economic growth on exports of traditional agricultural products, increased production of food for domestic consumption and moderate expansion of manufacturing of consumer goods. Prospects in these areas of production are good enough to maintain moderate

growth and avert a disastrous balance-of-payments deficit. Coffee output will continue to rise, (though prices may be somewhat lower) and foreign exchange earnings probably will stay in the range of \$90 to \$100 million. The volume of banana production probably will decline slowly within the next few years but prices should increase, enabling earnings to remain at a high level. Sugar production is growing about 10% per year and, because of good prices, foreign exchange receipts from the sale of sugar will exceed those of meat for the first time. Sugar prices may decline in the future but production and exports will continue to rise. Exports of beef will probably remain stable in the years immediately ahead at about \$30 million annually. There are excellent opportunities for the production and processing of frozen vegetables for export to the U.S. and the Caribbean region. For internal consumption the Government has placed highest priority on increased production of basic grains, i.e. rice, corn, beans, and sorghum. A record rice crop will be harvested in 1975 and Costa Rica should be able to export rice in increasing quantities. However, better seed management practices will be necessary to achieve this because the best rice seed variety now in use is threatened by disease. Corn production should increase because of higher government support price, the availability of a high yielding new hybrid variety, and the development of large areas near the Atlantic Coast for corn planting. These favorable new conditions should enable Costa Rica to produce a larger share of its domestic consumption but it is doubtful that Costa Rica can or should become self-sufficient in this grain. Bean production will increase substantially this year primarily because of higher support prices and if these prices are maintained self-sufficiency in beans is possible. Sorghum production is also likely to increase and Costa Rica has comparative advantages in soybeans although plantings of soy are still in the experimental and demonstration phase. As concerns manufacturing we do not foresee the establishment of many new industries in the next few years but the managers of an AID-financed development bank (COFISA) have reported increasing demands for loans to expand existing light industries. If the six-year old conflict between El Salvador and Honduras can be resolved and a new common market treaty negotiated, Costa Rica's opportunities for more rapid growth in manufacturing will be considerably improved. The previous DAP stated that "Costa Rica cannot yet be regarded as enthusiastically integrationist." This is no longer true. Given the adverse world economic situation, Costa Rica now fully recognizes that its developmental future is dependent in large measure on renewed progress in integrating the Central American market.

In view of its balance-of-payments problems Costa Rica must borrow substantially to sustain development progress and carry out the social programs summarized herein. Because its debt service ratio is approaching 20% of foreign exchange inflows it must also obtain such loans on concessional terms wherever possible. In this respect, Costa Rica has virtually ceased its

past practices (for which it has been criticized by international authorities) of borrowing on short term and at high commercial rates for development projects with a long term payoff. During the decade of the 1960's Costa Rica relied heavily upon AID for its concessional foreign assistance and borrowed relative modest amounts from the IDB and the World Bank. Beginning in the 1970's it has changed this pattern and is now seeking and receiving large scale loans from both multilateral banks. The World Bank is currently leading for telecommunication and highways and is studying the prospect for large-scale loans for agriculture. New loans from the IDB are for the development of artisan fisheries, the Arenal hydroelectric and irrigation projects, technical education, electric roads, and rural health facilities. Recently a joint AID Mission composed of representatives from the World Bank, the IDB, and AID completed a thorough study of the agricultural sector in Costa Rica. The principal deficiencies identified by this Mission were inefficient and excessively centralized management in the agricultural sector, and inadequate research and extension services. However, it also identified substantial opportunities and we expect that future lending by both banks will be concentrated on further refinement and development of programs which have been initiated and proved sound in the Agricultural Development Program financed by AID Loans O22 and O25.

3. AID Strategy.

Given our expectation that the multilateral banks will move into rural development activities previously initiated under AID loans, we consider that future AID strategy can be reoriented to support other GOCR policies and programs for reducing the "social gap." Such programs are highly consistent with the Congressional Mandate to directly improve the well-being of the poorest strata of the population. The proposed loan for fiscal year '76 to support the GOCR's national nutrition program will assist the Government to achieve its goal of eliminating malnutrition among children from 0 to 12 years of age and of pregnant and lactating mothers and to accomplish this on a self-sufficient basis without recourse to foreign grants of food supplies. Assistance to Costa Rica's dynamic family planning program will continue but be concentrated on the delivery of contraceptive services in rural areas. A new grant for FY '77 is proposed to rapidly expand the training of paramedical personnel for services in rural areas. Two grants to private voluntary organizations will be initiated in FY '77 to promote the integration of women into the development process. Another PVO grant would demonstrate the feasibility of soybean production which will be urgently needed in the Government's nutrition program. A final PVO grant is proposed for the purpose of testing and demonstrating alternative models of integral rural development among small farmers.

A \$15 million housing guarantee project will be initiated in FY '77 to finance some 5,000 houses costing approximately \$3,000. The houses will be sold on long-term mortgages in rural areas and small towns to persons who own their lots. In addition the GOCR, in late June, 1975, made a formal request that AID consider a loan in FY '77 to deter the slum creation process in urban areas and bring essential services and employment opportunities to the poorest strata in cities.* Slum creation is a new phenomenon in Costa Rica and the Government desires to abort the process before it becomes unmanageable as it is in many South American cities. GOCR planning for such a program is in the earliest conceptual stages. For this reason the Mission was unable to prepare a satisfactory project identification document before the deadline for this budget submission. Much additional consultation with the Government will be required to determine whether a feasible program, which meets the criteria of our Congressional Mandate, can be developed. If such consultations prove to be fruitful the Mission will request AID/W assistance in preparation of a PID.

4. Presentation of Revised Elements of the DAP.

The Mission does not consider that the DAP document per se needs to be revised. Updated economic and financial tables will be provided when final 1974 data and partial 1975 statistics are available to permit reporting on actual 1974 performance and projections of future performance. The analysis being prepared by the tripartite IBRD/IDB/AID agricultural sector mission will obviate the need for rewriting the agricultural section of the DAP. The research and evaluation project for development of a "rural profile" and "information package" will substantially increase knowledge of problems and opportunities in rural development. The nutrition assessment to be completed in September, 1975 will replace the nutrition section in the DAP and also provide many new economic and social indicators. Presumably, revision of the DAP is not a prerequisite to preparation of a PID for the FY '77 loan discussed above, nor for submission of PRP's and PP's for the HIG project, and new grant and PVO projects proposed in the attached budget submission. However, a complete revision of the 1972 DAP would be useful, though not essential, as a companion piece to the 1978 budget submission.

* 1973 Census data show that at least 41% (and probably more) of the urban population in Costa Rica receive an annual per capita income of \$150 or less (in 1969 prices).

II. CENTRALLY FUNDED RESEARCH

During a recent TAB-financed mission for identification of special studies to be undertaken in the agricultural sector, the Mission was able to establish a total package of requirements for information relative to the rural target group through research, analysis and evaluation using USAID grant funds, centrally funded resources, loan, and other national and international resources.

The information package, described in detail in an annex to the PROP for project 515-11-199-122 (Agricultural and Natural Resources-Technical Support), lends itself ideally to the use of TAB resources and ROCAP/USDA/PASA support.

The area frame sample which constitutes Part III of the information package will be designed: (a) to monitor the progress being made by the target group, (b) to determine the target group responsiveness to specific government programs, and (c) to assess how the various government programs are affecting the target group decisions or welfare.

The area frame sample and questionnaire will be designed in such a way as to obtain reliable information on the rural poor each year in order to assess the impact being made by rural development programs in general. This component of the package is not intended to provide information for complete evaluations of specific programs or to measure the impact of AID supported activities specifically. It should, however, provide extremely useful information concerning the rural poor's level of awareness of and response to various types of programs and policies in order of greatest impact and how these programs are affecting their well-being.

Funding for this activity (a ROCAP/USDA/PASA proposal) is contemplated from the GOCR, TAB central funding and ROCAP resources. It is estimated that this package could be institutionalized within 18 to 24 months. The initial work of designing the area frame sample and associated questionnaires should take about a year at a cost of \$10,000 from these sources. The Mission urges that TAB study the PROP annex and make explicit resource allocations for the life of the project.

The tripartite (IBRD-IDB-AID) agricultural sector study team informed USAID that the information package is a highly essential requisite for programming future IDB/IBRD lending for rural development. The UN Resident Representative in Costa Rica has circulated copies of the informa-

tion package proposal throughout the UNDP mission here and requested the cooperation of all qualified experts. USAID will strive to incorporate all possible multilateral and international collaboration into this endeavor.

III. Summary Table
 Fiscal Year 1976
 (\$ 000)

COUNTRY: COSTA RICA

	F&N	PP&H	E&HR	SDP	SCO	Dev. Assist. Subtotal	TOTAL
ONGOING GRANTS:							
1) Agric. & Natural Res. Technical Support	190					190	190
2) Demographic Education		285 1/				285	285
3) Technical Support			15	110 2/		125	125
Subtotal	190	285	15	110		600	600
NEW GRANTS:							
None							
LOANS:							
1) National Nutrition Program	7,000					7,000	7,000
Subtotal	7,000					7,000	7,000
Total	7,190	285	15	110		7,600	7,600
HIGs (non-add)							
PL 450:							
Title II (non-add)	562						562

1/ Includes \$10,000 for purchase of RTAC publications per AIDTO Circular A-315.
 2/ Includes \$50,000 for Special Development Authority.

Summary Table
Interim Quarter
(\$ 000)

COUNTRY: COSTA RICA

	F&N	PP&H	E&HR	SDP	SCO	Dev. Assist. Subtotal	TOTAL
ONGOING GRANTS:							
1) Agric. & Natural Res. - Technical Support	30					30	30
2) Demographic Education		69				69	69
3) Technical Support				20 1/2		20	20
Subtotal	30	69		20			119
NEW GRANTS:							
None							
LOANS:							
None							
Subtotal							
Total	30	69		20		119	119
HIGs (non-add)							None
PL-480:							
Title II (non-add)							None

1/ Includes \$10,000 for Special Development Authority.

Summary Table

(\$ 000)

COUNTRY: COSTA RICA

	F&N	PP&H	E&HR	SDP	SCO	Dev. Assist. Subtotal	TOTAL
ONGOING GRANTS:							
1) Agric. & Natural Res. - Technical Support	170					170	170
2) Demographic Education		260 1/				260	260
3) Technical Support			20 2/	105 3/		125	125
Subtotal	170	260	20	105		555	555
NEW GRANTS:							
1) Paramedic Training Auxiliary Nurses		145				145	145
Subtotal		145				145	145
LOANS:							
2) Program to alleviate urban & semi-urban poverty				8,000		8,000	8,000
Subtotal				8,000		8,000	8,000
Total	170	405	20	8,105		8,700	8,700
HIGs (non-add)				15,000		15,000	15,000
PL 480:							
Title II (non-add)	255					255	255

1/ Includes \$10,000 for purchase of RTAC publications, per AIDTO Circular A-315.

2/ Includes \$5,000 for purchase of books after termination of RTAC.

3/ Includes \$50,000 for Special Development Authority.

IV.

PL 480 Title II

By AID/W decision, FY77 will be the final year of this program in Costa Rica. Based on that decision, the Title II program administered by CARE will be supporting 33,000 MCH recipients and 75,000 SLP recipients in FY76 and will make a final input in the MCH category in FY77 at the level of 15,000 recipients.

The GOOCR is in the process of expanding its food and nutrition programs with resources to be generated by two new taxes passed last December. Part of these resources will be available to purchase commodities for the feeding programs. However, the question remains whether the GOOCR will be able to purchase blended foods similar to the PL-480 commodities at adequate prices. No such foods are produced in Costa Rica, and the prospect for developing economically feasible production of such commodities in country remains to be demonstrated. The nutrition sector assessment presently being carried out by the USAID will explore the feasibility of establishing such production.

As indicated above, the PL-480 program at this stage is merely covering the final transitional stage until the GOOCR can assume full responsibility for these programs.

V. PL 480 Title II FY 77

COSTA RICA
(Country)

I. Sponsor's Name CARE

A. Maternal and Child Health Total Recipients 15
(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Pounds</u>	<u>Dollars</u>
15	WSB	540	59
15	WSD	324	146
15	Oil	144	50
<u>Total MCH</u>		<u>1,008</u>	<u>255</u>

B. School Feeding Total Recipients None
(Thousands)

VI. On-Going Grants

AGRICULTURE & NATURAL RESOURCES - TECHNICAL SUPPORT
515-11-199-122

I. GENERAL

This project was initiated in FY75 in order to organize in a more cohesive and coordinated manner a series of new activities being undertaken for information acquisition and analysis to improve GOCR policy and USAID programming in the fields of agriculture, food and nutrition. The new project was also designed to continue provision of certain key technical assistance components formerly included under project 515-11-140-038.

Because of the new orientation of this program, the USAID submitted a PROP to AID/W which covers the program only until the end of FY75. In August 1975 the USAID will submit a Project Paper containing major revisions of project activities for the period FY76-78.

II. OUTPUTS

- A. Through a contract with Servicios Técnicos del Caribe, improve national agricultural sector planning for the purpose of better resource allocation, and strengthening of systems design, program evaluation and analysis.
- B. With technical assistance from University of Florida develop research for new sources of carbohydrates and proteins.
- C. Completion of a nutrition sector assessment and preparation of capital assistance paper for FY76 loan in support of the GOCR's National Nutrition Program. Technical assistance will be contracted from INCAP and possibly other sources.
- D. Complete construction of seed processing plant, and initiate operations.
- E. Through a contract with Michigan State University assist PIMA and the National Marketing Commission in the planning, design and implementation of the central wholesale produce market whose construction will be financed by CABEL.

F. Develop an information package on the rural target population consisting of:

1. A profile of the target man.
2. Rural Development Program evaluation.
3. Progress Measurement Data for the Agricultural Sector.
4. Special studies such as:

Women in rural development

Effect of land titles on small farmer welfare

Impact of credit on small farmer production decisions

Effect of government price policies on small farmer income

Factors influencing small farmer decisions to use modern inputs and technology

Income and purchasing power of the target group.

III. PROGRESS MADE AGAINST OUTPUTS

- A. Agricultural Sector Planning Office has been established in the MAG. The next phase currently being initiated includes establishment of a permanent evaluation/information unit in the MAG and the National Agricultural Council.
- B. AID-financed Food Technology Research Center is functioning and carrying out several important projects, e. g. substitution of yucca flour for wheat flour to ease the burden on Costa Rica's balance of payments. (All wheat is imported).
- C. The Nutrition Sector assessment was initiated in June, and will be completed in September 1975.
- D. Construction of the seed plant began in May 1975 and is scheduled for completion in November 1976.
- E. The Marketing Commission and PIMA have initiated the feasibility study for a central wholesale market. PIMA and MSU consultants are developing a marketing extension program for Costa Rican cooperatives, the Municipal Development Institute and the private sector.
- F. Funding for this activity has not yet been approved by AID/W. Accordingly progress to date consists of review of raw data to determine the feasibility of the research, and the formulation of a scope of work.

VI. PARTICIPANT TRAINING

In FY'76 and 77 a total of 9 short-term participants will be trained in the fields of: capital project financing; project evaluation; management; food distribution; food processing and research and food marketing.

V. Limited Commodities and Other Costs financing are requested to support overall implementation of technical assistance and participant training program.

DEMOGRAPHIC EDUCATION

515-11-580-105

For FY'77 the USAID population program in Costa Rica will place major emphasis on the development and implementation of an integrated Health/Family Planning program in the rural areas for marginal poor families. The PROP for USAID support of the family planning program will expire in FY'76. A PP revision will be submitted in February 1976 to extend the project through FY'78.

USAID assistance will be utilized to assist the GOOCR and private family planning organizations to expand sex education and FP services to the rural areas. Costa Rica has already demonstrated outstanding success in lowering the national birth rate from 47.8/1,000 in 1960 to 29.2/1,000 in 1974. An integrated health/family planning program in the rural areas together with the successful on-going program in urban and semi-urban areas will further contribute to an even lower birth rate and lower morbidity rates in the future. USAID will provide funds to the following organizations in FY'77 to assist the GOOCR in meeting program goals: Costa Rican Demographic Association, Ministry of Health, Social Security Institute, Center of Family Integration and Center of Family Orientation.

Assistance to the Costa Rican Demographic Association, will allow this agency to function as innovator and the focal institution for the entire population/family planning program in Costa Rica. Part of the funds USAID will provide to the CRDA in FY'77 will be channeled into the development of direct family planning services to rural areas instead of administrative support as in the past. Assistance will also be provided to continue family planning services offered at the CRDA-sponsored Limón Information Center to the black population of the Atlantic coast. USAID plans to continue its assistance to the Center because of the high acceptance rates among the people living in this area.

At the present time the Ministry of Health (MOH) is operating 110 rural health posts which are providing health/family planning services to the rural population. By the end of 1976, the MOH expects to have a total of 220 rural health posts in operation. These rural health posts are providing rural families with basic preventive health and FP services. Nutrition and maternal child health programs will be integrated with the family planning program

to give the rural family the opportunity to improve general maternal child health, to reduce high levels of child malnutrition prevalent in rural areas, and to practice responsible parenthood.

In October 1974, Costa Rica became the first and only country in Latin America to develop and to establish, with USAID support, a Women's Health Care Specialist (WHCS) Paramedic Training Course for registered and auxiliary nurses. The training course is patterned after the course developed at UCLA's Harbor General Hospital, Torrance, California and has been adapted to meet Costa Rica's needs to provide registered and auxiliary nurses with the capability of providing female health care and family planning counselling as well as services to women in rural areas.

Two courses were recently completed graduating 19 registered nurses as WHCS and two additional courses have been scheduled to train additional 36 nurses in 1975. In 1976 it is expected that the first course will begin exclusively for auxiliary nurses. USAID plans to grant funds to the Social Security Institute in FY'77 to continue this important training program at Hospital Mexico. Other countries in Latin America are demonstrating interest in this new paramedical training and it is foreseen that Costa Rica could become a Regional Center for the training of Women's Health Care Specialists. (A separate new grant project is proposed to decentralize such training to 5 locations in Costa Rica and to train auxiliary rather than graduate nurses.)

USAID will provide support in FY'76 to evaluate the WHCS paramedic training and to measure the effectiveness and acceptance of the paramedic into the C. R. medical system.

The Center for Family Integration (CIF) is conducting courses for premarital couples in responsible parenthood and methods of family planning. USAID provided assistance in FY'75 to permit CIF to expand its sex education courses from 1,500 couples in 1974 to 2,500 couples in 1975 throughout the country. Approximately 80% of the couples participating in these courses practice some method of family planning after marriage. In 4 of the 7 provinces in Costa Rica, the Catholic Church requires as a condition for marriage that Catholic premarital couples attend the courses conducted by the CIF. Another area in which CIF is becoming more prominently involved is the implementation of sex education courses to high school students in the metropolitan San José area. Eventually CIF hopes to provide these youth courses in areas outside San José.

The Center for Family Orientation is conducting sex education courses for teachers and leaders in communities, a daily radio education program, family counselling and correspondence courses all aimed at strengthening family life in Costa Rica. In FY'75 with USAID assistance COF has expanded its family life and sex education programs utilizing an integrated health approach. In close coordination with the Ministry of Health's Rural Health Program the COF is providing sex education and health courses in 1975 to youth groups, premarital couples, parents, and leaders in 12 rural areas in addition to marginal urban groups in Alajuela, Heredia, Cartago, and San José. USAID plans to continue support to the COF in FY'76 and FY'77 to permit the expansion of this integrated health/family planning education program to more rural areas.

During the Interim Quarter, USAID will obligate \$69,000 through project agreements for the continuation of the Women's Health Care Specialist Course and the expansion of the health/family planning education program of the COF.

In order to assure the continued availability of family planning publications and books in Spanish USAID is including \$10,000.00 for FY'76 and FY'77 to provide sufficient funds to purchase available publications and local production/publication of proto-type materials now being developed by RTAC.

USAID will continue to provide moderate funds to cover invitational travel costs of prominent leaders in various fields of population/family planning in Costa Rica to participate in seminars, workshops and short training courses abroad.

PROJECT OUTPUTS

1. Integrated Rural Health/Family Planning Program
 - a. 110 rural health posts of the MOH are operating family planning services. Condoms have been distributed to 90 of the rural health posts and other non conventional contraceptives are now becoming available in rural areas.
 - b. 19 registered nurses have been trained as WHCS and have been assigned to health clinics to deliver female health care and family planning services. Many of these nurses are working in areas where a doctor is not available on a full-time basis. 36 additional nurses are scheduled to be trained by the end of 1975.

- c. CIF is providing courses to 2,500 premarital couples in 1975 versus 1,500 in 1974, conducting sex education courses for 4,000 high school youths in San José, and CCF is working with the MOH in conducting integrated health/family planning education program in 12 rural areas and 20 marginal urban districts.
- d. Afternoon family planning clinics have been started on a pilot basis in San José for the convenience of working women.

2. Family Planning Services

	<u>1973</u>	<u>1975</u>
a. Ministry of Health		
Rural Health Posts	0	110
Mobile Units	5	9
Sanitary Units (health stations)	85	85
Hospitals	6	6
b. Social Security		
Clinics	6	15
Hospitals	2	12

3. Information, Education, and Communication per year:

Demographic Association

60,000 radio programs broadcast

100,000 booklets published

77 series of slides produced

300 flip charts

2,000 family planning posters

71 articles on population/family planning published by national and international press. (On schedule).

Center for Family Integration

297 Family Planning Meetings

23 Sex Education Courses

144 Lectures on Responsible Parenthood (on schedule)

Center for Family Orientation
123 family planning courses and seminars
512 radio broadcasts
97,000 booklets distributed

EVALUATION

The last Mission evaluation of this program was held in May 1974; Mission is presently conducting an evaluation of this program and results will be submitted to AID/W in July 1975.

TECHNICAL SUPPORT
515-11-999-000

	<u>FY76</u>	<u>I.Q.</u>	<u>FY77</u>
<u>Education and Human Resources Development</u>	15	-	20

This category of Technical Support will provide limited funding in FY77 for selected participant training or consultants in applications of science and technology development planning, especially the utilization of remote sensing for natural resource identification and land use programming. Funds will also be used in FY77 to purchase books and pamphlets which the USAID will have to obtain directly due to the termination of RTAC in FY76. Limited invitational travel support will also be provided mainly in the fields of management and evaluation for GOCR officials in the National Planning Office.

TECHNICAL SUPPORT
515-11-999-000

	<u>FY76</u>	<u>I. Q.</u>	<u>FY77</u>
<u>Selected Development Problems</u>	<u>110</u>	<u>20</u>	<u>105</u>
1. <u>Special Development Authority</u>	50	10	50

The Special Development Authority (SDA) was terminated with the advent of the Agricultural Development Program (Loan 515-L-022) which included an allocation for DINADECO (National Office of Community Development). The rationale for termination at that time was that the loan would provide adequate resources for DINADECO to carry out small community development projects similar to those previously financed by the SDA. This rationale is no longer valid, since loan 022 is terminating December 31, 1975. The U. S. Ambassador in his visits to many parts of Costa Rica has noted the high potential for self-help among poor Costa Rican rural communities and the need for a quick response resource such as the SDA to encourage this self-help potential and, by supplementation from the SDA, to create small self-help projects with important demonstration effects in the rural areas. Many requests for such assistance have been received by the Ambassador during his extensive visits, and the Mission strongly recommends the reestablishment of the Special Development Authority starting in FY76.

2. <u>Technical Assistance to OFIPLAN</u>	15	-	15
---	----	---	----

TA to study urban poverty problems and strategies for deterring slum proliferation process. (See loan proposal submitted in this ABS).

	<u>FY76</u>	<u>I. Q.</u>	<u>FY77</u>
3. <u>Technical Assistance to UNADECO (Dirección Nacional de Desarrollo de la Comunidad)</u>	10	-	10
Short-term TA and participant training to assist UNADECO, strengthen coordination with municipalities for the formation of regional development councils.			
4. <u>OCC (Organización de Ciudadanas Costarricenses)</u>	10	-	10
Limited budgetary support to this women's PVO to expand their training courses for civic groups and establish a permanent evaluation and information mechanism on the participation of women in civic and volunteer work.			
5. <u>Invitational Travel</u>	10	6	10
6. <u>Contingencies</u>	10	4	10

VII. New Grants

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Interest in Costa Rica in the use of trained paramedical personnel in the delivery of female health maintenance services has grown significantly in recent years. (Such services include maternal child care, cancer detection, pre-natal care, post-natal care, and family planning). However, a major problem in the delivery of these services has been the lack of medical personnel particularly in the rural areas.

Costa Rica has serious shortage of medical personnel with only 1,382 physicians and 1,200 nurses in the country to serve a population that exceeds 1,800,000 inhabitants; 56% of the population is living in the rural areas. This lack of health personnel is especially evident by their maldistribution in relation to population densities. Studies conducted in Costa Rica reveal that there are 5.4 doctors per 10,000 inhabitants nationwide. More specifically there are 16 doctors per 10,000 inhabitants in San José and the Meseta Central and only 2.2 doctors per 10,000 inhabitants in the rural areas. People living in rural areas clearly are receiving inadequate health care.

Despite wide acceptance and utilization of family planning services, the poorest families, those with the highest fertility, remain beyond the reach of the existing family planning delivery system because of (1) shortage of physicians and other medical personnel in rural areas, (2) insufficient numbers of well-trained auxiliary personnel and (3) budgetary limitations.

Costa Rica, however, has demonstrated an active interest in training nurses as Women's Health Care Specialists (WHCS) and in October 1974 with USAID assistance became the first country in Latin America to establish its own training course for registered nurses at Hospital Mexico of the Social Security Institute in San José. This paramedical course is patterned after the course developed at UCLA's Harbor General Hospital, Torrance, California and has been adapted to meet Costa Rica's needs to provide registered nurses with the capability of providing female health care and family planning services in the San José Metropolitan area. Registered nurses are presently receiving three months training as WHCS and are then assigned to clinics and hospitals in urban and semi-urban areas.

These registered nurses will not only provide family health care and family planning consultations but eventually will be responsible for the supervision of auxiliary nurses trained as WHCS working in rural health posts.

In an effort to accelerate this training program to include the training of auxiliary nurses as WHCS, the GOCR is now proceeding in developing regional WHCS training courses in three Social Security hospitals outside of San José. The auxiliary nurses will receive six months training as WHCS and will then be assigned to rural health posts of the Ministry of Health.

AID has been instrumental in introducing and training accelerators for the WHCS concept in Costa Rica as well as the development and establishment of the course in San José. However, in order to realistically initiate the training of auxiliary nurses as WHCS to work in rural areas efforts must be focussed on the development and establishment of regional training centers staffed by nurses already trained as WHCS.

II. FINANCIAL REQUIREMENTS AND PLANS

The Costa Rica Social Security Institute is receiving USAID Title X grant funds for the development and establishment of the WHCS Paramedical Training Course in San José. The funds requested under this grant are to provide resources (administrative and commodity) beginning in FY 1977 to the Social Security Institute (SSI) for the expansion of the WHCS training to include auxiliary nurses, utilizing existing SSI hospitals outside the Meseta Central. The AID grant will finance salaries of the teaching staff, supervisors, and equipment/supplies to implement the training programs. Initially the course will be implemented in two hospitals and will be patterned after the course already developed in San José, but adapted to the needs of auxiliary nurses working in rural areas. It is estimated that approximately 48 auxiliary nurses will be trained as WHCS in FY 77. This will represent a major break-through for Costa Rica and serve as a replicable model for Latin America. No other country except Costa Rica has thus far been able to implement this type of paramedical training.

It is also foreseen that Costa Rica could become a regional center for the training of auxiliary nurses as WHCS from other interested Latin American countries.

Budget Breakdown
(\$000)

Estimated Project Costs

	<u>FY77</u>	<u>FY78</u>	<u>FY79</u>
Administrative	28	42	40
Office Supplies/Equipment	6	9	7
Teaching Staff	48	72	72
Scholarships	48	72	72
Overhead	<u>15</u>	<u>15</u>	<u>14</u>
Total	145	210	205

III. DEVELOPMENT OF THE PROJECT

In FY'77 the Project will be started on a pilot basis in two Social Security hospitals outside the Meseta Central and will be adapted to the needs of auxiliary nurses working in rural areas. The curriculum will be based on the curriculum developed at Hospital Mexico but course content will be simplified to enable auxiliary nurses to better grasp basic concepts and methodology. The course will emphasize pre-natal, post-natal care, family planning, cancer detection and orientation on the growth and development of children.

It is estimated that the project will need to be extended over a 3 period in order to meet the Ministry of Health requirement to train auxiliary nurses in all 220 rural health posts. In order to meet this training target the project will operate in two hospitals in FY77, in three hospitals in FY78 and in five hospitals in FY79.

AID will provide grant funds and some technical support for the development of the training project during the first two years. Thereafter, it is expected that the Social Security Institute will be capable of assuming all technical and financial responsibilities. Approximately \$10,000 of technical assistance will be programmed for the staff of Harbor General Hospital to advise the SSI on project development implementation and evaluation.

IV. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

The Women's Health Care Specialist Paramedic Training Course in Costa Rica was originally designed to train auxiliary nurses immediately, but because of resistance by the medical profession (College of Nursing and College of Physicians and Surgeons) a strategy was developed by the directors at Social Security Institute to train registered nurses as WHCS before tackling the problem of training auxiliary nurses. It was also felt that the registered nurses of SSI and MOH trained as WHCS will be in unique positions to provide necessary supervision of auxiliary nurses if the program is to function properly in the rural areas.

To be successful the training of auxiliary nurses as WHCS must focus on regional training centers rather than the one training center already established and functioning in San José. This is especially important in view of the fact that auxiliary nurses from rural areas generally are less willing to return to rural health posts after receiving training in San José than they would be if trained at regional hospitals.

In order to have sufficient teaching staff to begin the WHCS program for auxiliaries in three hospitals, the GOCR must make preparations now to assure that there will be enough instructors to begin the program in FY'77. To date only 10 nurses have been trained at UCLA's Harbor General Hospital and these nurses presently compose the teaching core of the on-going program at Hospital Mexico.

Underlying all the activities and functions of the nurse in family planning are her attitudes towards the role of the woman in society, her awareness and acceptance of her own sexuality, and her understanding of the social, cultural and religious mores of the environment in which she works. In most cases women seeking family planning consultation and services relate better to a nurse than a male physician.

If Costa Rica is to offer improved health/family planning services to its rural population, the only possible means to accomplish this is to use auxiliary nurses trained as WHCS. The medical profession, especially the College of Nursing must recognize the importance of the role of auxiliaries in providing health/family planning services to the rural areas, since most registered nurses and doctors prefer to work in more urban areas.

VIII. New Loans

IX. Housing Investment Guaranty

I. SUMMARY OF THE PROBLEM TO BE ADDRESSED AND THE PROPOSED RESPONSE

The draft housing shelter sector analysis prepared by the Office of Housing (SER/H) for Costa Rica indicates that the existing institutions have not been effectively addressing the housing problems of the poorer rural sector of the country. This deficiency has been partly caused by the absorption of most of the available housing finance funds by the metropolitan San José area and for middle and upper-middle income housing. The goal of the project therefore is to establish a system whereby the financial and housing institutions of Costa Rica, can effectively provide the lower income rural population with housing on an on-going basis and to rapidly increase the housing stock in the non-metropolitan areas of Costa Rica in the short run.

Three basic project purposes have been identified as: (a) development of the ability to use commercial rate financing for unsubsidized low income housing programs. This is considered essential in order to achieve both short and long term program replicability through resale of securities. (b) The improvement of the capacity, within the financial institutions (banking system) and the national housing institution (INVU) to provide and administer non-metropolitan low-cost housing programs and, (c) the formulation of some national housing policy and regulations that provide for a more rational approach to the coordinated use of both public and private resources in the housing sector, and particularly for the development of the low-cost housing portion of this sector.

II. FINANCIAL REQUIREMENTS AND PLANS

USAID/Costa Rica and RHIDD/ROCAP have tentatively established the need for about \$15 million in HG funds for the program. This amount is envisioned in the draft feasibility report prepared by the Office of Housing (SER/H) for this project and is based on an analysis of effective demand and capacity to produce low-cost housing which meets minimum standards. Disbursement is expected over a period of at least three years at a rate of about \$5 million each year. Local bank lending would be utilized for short term construction financing. Replicability of the program would be achieved by selling securities backed by the HG portfolio.

III. DEVELOPMENT OF THE PROJECT

USAID/Costa Rica assisted by RHIDD/ROCAF staff will be capable of developing most aspects of the project. However, assistance from SER/H will be necessary for complete project formulation. The draft shelter sector analysis and feasibility reports (PRP step) will have to be finalized before the Housing Guaranty Paper (PP) can be initiated.

IV. ISSUES

The HG authorization process should be related to satisfactory initiatives of the GOCR toward formulation of a relevant national housing policy and verification of the capacity of the local financial and housing institutions to carry out the program. In addition, there must be clear identification of a principal coordinating entity or mechanism for the production of the houses to be financed by this program.

X. SUMMARY TABLE
AID Financial Support for Private Voluntary Organizations
((\$000))

Country: COSTA RICA

	<u>FY76</u>	<u>I.Q.</u>	<u>FY77</u>
ONGOING GRANTS			
A. Ongoing OPG			
N/A			
B. Non OPG			
No.1. (D) OCC (Organization of Costa Rican Women)	<u>10</u>		<u>10</u>
Sub-Total	10		10
NEW GRANTS			
A. OPG's			
No. 1. (D) DELFI (Job Placement Service for Women)	39	17	39
No. 2. (D) CARE (Soybean & Coastal Bean Production)	73	20	60
No. 3. (D) AITEC Studies on Status of Women in Costa Rica	85	22	63
No. 4. (D) AITEC-Integral Rural Development	<u>100</u>	<u>25</u>	<u>50</u>
Sub-Total	297	84	212
B. Non OPG			
N/A			
LOANS - N/A			

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The 1973 population census showed 494,663 women as "inactive" population. This figure represents 26% of Costa Rica's entire population, and 81% of its total "inactive" population. Further analysis shows that many of these women are either housewives or students who are considered economically inactive simply because they receive no cash income.

In an effort to incorporate growing numbers of these women to the economy, a group of Costa Rican women created the organization called DELFI (Desarrollo, Labor Femenino Interamericano) which was legally registered in September 1974.

The DELFI founders were motivated to create this organization because they felt many women presently within the economically inactive group, were in it because they lacked knowledge and information on job opportunities of either a part time or full time nature.

This general concept, of course, presupposes a monumental task requiring enormous human and financial resources. However, in order to initiate the kinds of services DELFI will have to deliver to meet its commitment, certain specific activities have been identified which the organization is now beginning to carry out. There are 5 principal fields of activity identified for DELFI's operation:

1. A job placement service for women.
2. A child care training program.
3. An information center and specialized library.
4. A professional referral counseling service.
5. A psychometric testing service for vocational skills and child development.

II. FINANCIAL REQUIREMENTS AND PLANS

As indicated above, DELFI is a newly organized PVO. Its operations since last September have been financed by the sale of shares worth \$120 each. Thus far the organization has had no other source of income. The professional counseling and other services being provided are given on a voluntary part-time basis by women who devote one or two hours per day to

staff the DELFI center. The prospects for supporting the organization's growing operations merely on the income from the sale of shares, are not favorable. DELFI needs at this point a financial program that will enable it to hire full time personnel and establish an effective office to begin operations.

In analyzing the short-term financial viability of the organization it has been determined that the job placement service will be the quickest way for DELFI to earn income and be able to self-support its operations. Income from this activity would come from contracts signed between DELFI and various private employers whereby DELFI would provide on short notice personnel required by the firm to fill permanent and/or temporary vacancies and hire new personnel being recruited. To provide this service, DELFI will keep a permanently current file of women available to fill the above named vacancies.

Although DELFI is fully committed to extend its operations to rural areas, it must first achieve its organizational development, establish its bona fides, and begin building a viable financial base where the most accessible market is - the San José metropolitan area.

The funds requested under this grant are to staff this job placement service. For FY76 the grant would finance personnel costs and office equipment. For the I.Q. and FY77 the grant would finance personnel on a diminishing scale and concentrate more on financing of specific activities to be undertaken in communities outside the Maqueta Central.

Budget Breakdown
(\$000)

	<u>FY76</u>	<u>I.Q.</u>	<u>FY77</u>	<u>FY78</u>
Personnel	27	10	15	10
Overhead	8	2	4	2
Office Equipment and Materials	4			
Project Development		5	20	15
Evaluation and TA for Fund Raising	—	—	—	<u>10</u>
	39	17	39	37

The proposed time frame for project development covers three stages:

A. FY76

During this period the job placement program will concentrate in obtaining contracts with firms to provide the services indicated above. Simultaneously the project will prepare the data on women who will be potentially employed by the service. It is estimated that an initial 6 month period of intensive promotion and research work will be needed to enable the office to begin providing services. During the second semester of FY76 it is hoped that actual placement will begin in the Metropolitan Area of San José.

B. Interim Quarter

During this period the staff of the job placement office will analyze and select specific communities outside the Meseta Central where the service will be established. The work will include analysis of the cantonal profiles, census data, employment fluctuation records, and migration data. On the basis of this analysis DELFI will determine the types of professions and skills needed at the local level and will initiate contacts with local employers to extend the services to the selected communities. This three-month period will consist namely of research and analysis work.

C. FY77

During this fiscal year the grant will decrease its support of fixed costs and will concentrate more on financing project development. It is estimated that by this time DELFI will have selected the rural communities where the job placement service will operate and actual work will begin. Project development costs will cover staff support at the local level, promotion and motivation, and travel costs for DELFI central staff.

D. FY78

This will be the year of final contribution from AID, with diminished grant funding in all categories as DELFI approaches self sufficiency. However, technical assistance for evaluation and modern methods of fund raising will be required in this terminal phase of AID support.

III. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

AID/W has reviewed a preliminary document which DELFI submitted to the USAID for possible financing. The USAID at the present time is awaiting AID/W guidance and comments on this preliminary document. In the meantime in discussions with DELFI they have agreed to consider AID/W suggestions concerning the work they propose to undertake.

It should be made clear that the job placement service has to be initiated in the Metropolitan Area of San José. This does not mean that the women who will be benefitted by this service will all belong to a specific professional or income group. Quite the contrary, preliminary research shows that a majority of the job opportunities will be in semi-professional fields thus benefitting women in lower income groups. One important portion of these women will be high school and university students who need part-time work to help pay for their studies.

In the rural area it is expected that many job opportunities will be created in the health and nutrition fields due to the GOCR's new emphasis on these services in the rural areas. Other possibilities are in the field of food preservation, and home economics training.

The most important issue which comes to mind in analyzing this proposal is the fact that DELFI is a new organization without previous experience in the types of services it plans to provide. However, the women who will run the placement office are highly qualified professionals very knowledgeable of Costa Rica's both public and private employment market. In addition the philosophical conception of this project is highly consistent with AID priorities in response to the Congressional Mandate.

The GOCR on the other hand considers the role of women extremely important as a primary source of not only moral but also financial support within the Costa Rican family unit. Unlike other Latin American countries women in Costa Rica, especially in the rural areas, are a pivotal point in the family's decision making process and the handling of the family budget. The opportunity for women to obtain partial or permanent employment is therefore a key element in the GOCR's principal development priority of narrowing the social gap.

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Nutritional surveys done in Costa Rica from the period 1965 to 1975 have consistently shown between 58 and 60% of children 0-13 and pregnant and lactating mothers as suffering from some degree of malnutrition. An important element contributing to this deficiency is the low intake of protein, and the lack of low-cost foods with a high protein content.

Since 1972 the CARE Mission in Costa Rica has been conducting small experimental plantings of various kinds of soybeans and coastal beans. These initial years of experimentation were designed to identify soybean and coastal bean varieties that would grow well in Costa Rica and would be both adequate and acceptable for human consumption. This portion of the project has been completed and CARE is now beginning a second phase designed to plant the selected varieties in an increased number of small and medium size plots in order to test and demonstrate the economic viability of growing these diversified bean varieties.

In addition to its purely nutritional and agricultural value, the project addresses another problem which perhaps is more significant in the Costa Rican context. Working with the Social Welfare Institute (IMAS) CARE will implement this planting and demonstration project with the participation of selected small and medium size farmers in an effort to encourage them to grow these new types of basic grains and improve the income and nutritional status of their families.

Beans are a staple food of the Costa Rican diet, however the types being promoted through this project constitute new varieties that are little known in the country. Accordingly an important element of this project will be the promotion and acceptance of these foods by low income groups in the rural areas.

II. FINANCIAL REQUIREMENTS AND PLANS

The funding requested herein will cover agricultural inputs and a crop insurance fund. Technical assistance will be provided by full time IMAS agronomists and CARE will increase its staff to include one or two full time personnel assigned to this project. Initial investment costs for purchase of machinery, tools, and seeds were provided through a direct grant from CARE to IMAS for \$100,000. Funding requirements for this new phase of the project is as follows:

FY76	\$ 73,000
I. Q.	20,000
FY77	60,000
FY78	<u>70,000</u>
Total	\$223,000

III. ISSUES OF A POLICY AND PROGRAMMATIC NATURE

- A. As indicated above this project entails not just the production but also the promotion and acceptance of new foods. This particular element has already been addressed through sample acceptability testings conducted by CARE and IMAS, with very good results.
- B. The PL-480 program which has been supplying IMAS, through CARE, with CSF and WSD for these small farmer projects will be terminated at the end of FY76. Accordingly the primary use of the beans produced through this project will be to replace the PL-480 commodities as the principal source of protein for these small farmer families. Obviously as the project expands, and production increases these bean varieties will also supply food for other GOOCR nutrition programs. This is particularly important in light of the complete phase out of PL-480 Title II scheduled for FY77 and because the GOOCR is about to initiate expanded nutrition programs with emphasis on the rural areas. These programs are described in the IRR submitted by the USAID last February and constitutes the basis for the proposed FY76 nutrition loan.
- C. This project in no way constitutes a duplication of either present or proposed GOOCR, USAID or other donor programs in the field of nutrition. Quite the contrary; the timing and experimental nature of this project will serve to develop methodologies and production techniques necessary for the expanded basic grains production efforts which the GOOCR will undertake to meet the demand generated by the new national nutrition program. More specifically, a "project by campaign" for soybeans, financed under IAD loan 025, is scheduled to be initiated in 1977. The technology, and motivational methods which will be tested and, hopefully, perfected in executing this project will be essential to these larger efforts in the future.

AGENCY FOR THE DEVELOPMENT OF THE AMERICAS
 PROJECT IDENTIFICATION DOCUMENT (P.I.D.)
 TO BE COMPLETED BY ORIGINATING OFFICE

PROJECT TYPE
 NEW
 CHANGE
 DELETE
 PROJECT CODE
 1

2. COUNTRY/REGIONAL ENTITY/GRAANTEE
 COSTA RICA AITEC

4. PROJECT NUMBER
 515-0128

7a. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
 [Studies on Status of C.R. Women]

7b. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)
 []

3. AGENCY DIVISION NUMBER

6. INTERIM TEXT DOCUMENT
 MO. DATE 18 7 81

8. ESTIMATED COST (TYPE OF PROJECT)
 (U.S. EQUIVALENT, \$) = 8.54

DESCRIPTION	AMOUNT
A. OTHER	170
B. OTHER	
C. OTHER	
D. OTHER	
TOTAL	170

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR		ALL YEARS	
			D. GRANT	E. LOAN	F. GRANT	G. LOAN
EH			85		170	
TOTAL			85		170	

11. OTHER U.S. (\$000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
TOTAL		

12. PROJECT GOAL (STAY WITHIN BRACKETS)
 [Create within the Costa Rican agencies working on integrating women into C.R.'s political economic and social systems, the capacity to identify problems or constraints to such integration, design programs to confront them and evaluate progress toward resolving them]

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)
 [Development of a baseline information package on the status of women in Costa Rica, and permanent utilization of this resource for policy formulation, programming and evaluation by GOCR agencies and private entities.]

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE: Thomas A. McKee
 TITLE: Chief Institutional Development Div.
 DATE SIGNED: 16 1 9 7 8 1

5. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

I. SUMMARY

There is a growing awareness that in Costa Rica, despite its egalitarian aspirations, discrimination against women is widespread. Its impact is felt in many ways and areas and effectively deters Costa Rica from achieving its full developmental potential. For example, women university graduates are relegated for the most part to clerical or teaching work, and women in general are not considered part of potential work force.

During this International Woman's Year, interest has been stirred in Costa Rica among organizations such as the Organización de Ciudadanas Costarricenses (OCC), Desarrollo Labor Femenino Interamericano (DELFI), Ministry of Labor, etc. toward doing something about woman's role, especially in the employment area.

As a first step to policy formulation and initiation of tangible programs, these organizations with Acción Internacional Técnica (AITEC) technical assistance, would undertake a comprehensive study of urban and rural areas on the status of women in Costa Rica, with primary emphasis on current employment of women and the potential for augmenting their employment. The study will analyze secondary material; undertake research surveys in urban areas of the Meseta Central, as well as in rural peripheral areas; conduct studies of companies and labor union policies on the employment of women and will complement these with case studies on the status of women in particular families.

The objective of the research is operational, i. e. to know the situation of the role of women in Costa Rica in order to propose concrete projects and courses of action to both private and government agencies. Such effects on policies and employment practices will be a primary aim of the research and should become tangible by the end of the first year. The data developed will be in the form of a baseline information package which will lend itself to easy follow-up and aid in developing programs in vocational training, employment centers and small businesses. This package will be made available to all interested public and private groups and in the case of the OCC and DELFI, AITEC will directly assist in the transformation of the data into programs which include an evaluation system.

II. FINANCIAL REQUIREMENTS

A two-year study is proposed with a total budget of \$170,000, equally divided in yearly allotment of \$85,000. AITEC will be expected to administer most of the funds to cover costs of a full-time research expert, an assistant, part of the operational costs, communications and administrative costs. Other organizations involved in the project would be expected to use some of the funds to contract for an economic sociologist, secretarial services, local travel, supervisory data collectors, tabulation and administrative costs, etc.

III. DEVELOPMENT OF THE PROJECT

1. AITEC personnel in Costa Rica are currently planning the project with Mission assistance and are slightly revising a preliminary proposal submitted by AITEC field office in Boston.
2. PRP will be submitted August 1975. CRP to be submitted October 1975.
3. No additional AID assistance in project development will be required. However, 2-3 weeks of TDY AITEC services in Costa Rica will be necessary.

IV. ISSUES

The project must seek to create linkage between the research element and the implementation or adaptation of the results. Research itself is, of course, only an output and the problem is to move from there to the purpose.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSITION CODE (X) APPROPRIATE (NOX)
 ORIGINAL CHANGE
 ADD DELETE

RID
 DOCUMENT CODE
 1

2. COUNTRY/REGIONAL ENTITY/GRANTEE
 COSTA RICA AITEC

3. DOCUMENT REVISION NUMBER

4. PROJECT NUMBER
 515-0120

5. BUREAU
 A. SYMBOL LA B. CODE 3

6. PROPOSED NEXT DOCUMENT
 A. PRP PP B. DATE MO. YR. 8 7 5

7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
 [Integral Rural Development]

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 A. INITIAL FY [7 6] B. FINAL FY [7 5]

7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)
 []

9. ESTIMATED COST (LIFE OF PROJECT)
 (\$000 OR EQUIVALENT, \$1 = S. 54)

PROGRAM FINANCING		AMOUNT
A. AID APPROPRIATED		200
B. OTHER U.S.		
C. HOST GOVERNMENT		451
D. OTHER DONOR(S)		
TOTAL		651

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR		ALL YEARS	
			D. GRANT	E. LOAN	F. GRANT	G. LOAN
FN			100		200	
TOTAL			100		200	

11. OTHER U.S. (\$000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
TOTAL		

12. PROJECT GOAL (STAY WITHIN BRACKETS)
 [Demonstrate the feasibility of reversing current trends of inefficient land usage, out-migration, overall deterioration in quality-of-life in rural areas of Costa Rica.]

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)
 [Create in the cantons of Nicoya and Hojancha a model for integrated rural development.]

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE *Thomas A. McKee*

TITLE Thomas A. McKee
 Chief Institutional Development Div.

DATE SIGNED MO. DAY YR. 6 20 75

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MO. DAY YR.

I. SUMMARY

Costa Rica's current rural situation is distressing. Long-held beliefs on the relative prosperity and equality of the Costa Rican campesino are now being revealed as inaccurate. Unexploited land resources are dwindling; many current agricultural practices are damaging to soil fertility; land ownership is increasingly concentrated; extensive cattle production and farm mechanization have decreased employment opportunities; the population of Costa Rica will double in the next 27 years, thus creating a tremendous demand for employment. The current and projected situations of rural Costa Ricans are distressing. The only feasible source of employment for most of the rural population (the overwhelming majority of whom meet AID's target group criteria) lies in the agricultural sector. Costa Rica's industrial sector will not be large enough in the foreseeable future to absorb many more workers. However, as noted, above, the rural Costa Rica faces serious problems. Innovative programs are urgently needed to reverse these trends.

AITEC (Acción Internacional Técnica) is proposing that they develop one such innovative program or alternative model for development and make it available to the government. The model would focus on resolving the problems of poor utilization and local responsibility for currently available local development resources and the unsuitability of the farm technology now available to the small farmer from economic and ecological points of view. Initial efforts would be concentrated in the small farmer cantones of Nicoya and Hojancha.

This project will provide an alternative strategy of development for an area increasingly characterized by extensive cattle raising which has led to massive deforestation, the destruction of soil resources through overgrazing and wind and water erosion, and the reduction of production in annual and permanent crops, with consequent high rates of unemployment and under-employment and outmigration to cities and to other rural areas of the country. The development of this alternative strategy is particularly important as this pattern of extensive cattle raising has been adopted in other parts of the country, thus calling into serious doubt the capacity of the rural areas of Costa Rica to absorb the rapidly increasing population.

Given the overall goal to improve the standard of living of the poor majority in the rural areas of the country, while at the same time reducing out-migration, and improving soil, water and forestry resources, it is obvious that extensive cattle raising will have to be progressively replaced by other types of production.

This change of production would tend to intensify cattle raising while promoting milk and cheese production and then utilize the remaining land for increased production of annual and permanent crops and reforestation. Concurrently, rural industries, especially those that process locally produced agricultural products and that fulfill local needs for equipment and repair, would be promoted. If successful, this should greatly stimulate employment and the resultant competition for relatively more scarce labor should bid up wages and influence many of those who were planning to leave the area to stay. At the same time increased income, employment and the hope for a more productive future should provide a reserve of capital and interest for improving housing and public services, presently at alarmingly low levels in the zone. The reforestation projects and the change in the type of agriculture should improve soil and water resources as well as providing the basic material for construction and various light, relatively labor intensive industries.

Finally the careful documentation of these changes, and the lessons learned while implementing them should help develop a model applicable to other areas of the country or in other countries.

It is proposed that these changes would be achieved through the coordination of the efforts of several governmental agencies in the two cantón area at the local level, which, working jointly with local government and interested citizens, would develop an integrated development plan for the area. Having the before mentioned "process" of change clearly in mind, this plan would always consider the impact of projects on the employment, income and level of living of the poor majority and the consequences on the environment.

This local and national government team would be supplemented by representatives from VITA (Volunteers in Technical Assistance) who would promote intermediate technology solutions for agriculture and small industry, which tend to maximize employment with minimum capital investment. The Tropical Science Center would consult on environmental impact and consequences. AITEC would act as catalyst, facilitator, broker and evaluator in this process.

Once this plan is established and proven, national agencies and the local governments would be expected to finance the needed projects for this process of transition.

There are several expected benefits from this project:

1. Improving the local area.
2. Working out mechanisms for the coordination between agencies.
3. Showing how local governments and local organizations can become involved in the development process.
4. Closely evaluating the effectiveness of intermediate technology solutions to the resolution of these basic problems, and the adoption of these kinds of solutions by governmental agencies.
5. Improving VITA's capacity as a development institution.
6. Developing AITEC's capacity to do this kind of vitally important promotion work.
7. Creating an alternative model of development appropriate for other areas of Costa Rica and other countries.

The hierarchy of project expectations is as follows:

Goal: Rural stability, local government oriented toward solving local problems, local projects carried out by national level institutions are based on locally defined priorities.

Indicators:

1. Migration level decreases.
2. % of investments in the rural areas at the municipal level.
3. Level of decision making on local projects.

Purpose: A model for integral rural development accepted by the GOCR and local area governments.

Indicators:

1. Model reflected in local and national budgets.
2. Public and private investment within the model.

Outputs:

1. A tested model.
2. Joint institutional plans developed at each locality.
3. Personnel trained in implementation of model in other areas.

Indicators:

1. Model approved at local, national levels.
2. Plans exist and underway.
3. Work groups at local level.

Inputs: AID OPG to AITEC which will work through local government institutions. AITEC has worked in Costa Rica for the past four years on community and municipal development activities. It has acquired a fundamental knowledge on local problems during this period. AITEC proposes working in collaboration with VITA International and the Tropical Science Center in Turrialba, Costa Rica on the more technical parts of the program.

II. FINANCIAL REQUIREMENTS

\$200,000 for AITEC - OPG for project manager, assistant coordinator short-term consultants, VITA, Tropical Science Center advisor. Costa Rica counterparts and consultants, travel training, etc. In-kind counterpart input of GOCR estimated at \$450,000 over 2-year period.

III. DEVELOPMENT OF PROJECT

The Mission foresees that, study and analysis work to be carried out by AITEC personnel during project preparation can be completed in July 1975. AITEC has projected out project implementation in an OPG request being submitted. The Mission is planning to submit a PRP in July/August of this year, and a PP for September/October of this year.