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EVALUATION OF CINDE'S PROGRESS
TOWARDS THE ATTAINMENT OF ITS
OF ITS OBJECTIVES AND LONG-TERM GOALS

PART C: CINDE/PAAC

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THE PRIVATE AGRICULTURAL AND AGROINDUSTRIAL COUNCIL (PAAC)

I. BACKGROUND

In the early 1980's, the agricultural economy of Costa Rica was beginning to suffer several important setbacks. The price of coffee was dropping and the Costa Rican quota under the International Coffee Agreement was not increasing fast enough to offset it. The U.S. began to reduce its sugar quotas throughout the world, including that for Costa Rica, at the same time as the world market price was at an all time low. Banana production had already begun to experience a significant decrease in area planted and profits earned due to Black Sigatoka and Panama disease. Additionally, total cacao exports were decreasing and many farms were being abandoned due to Monilia Pod Rot, a devastating disease which entered the country approximately ten years ago. In addition to these problems, the Central American Common Market had already begun to unravel--regional trade had decreased from a high of almost US \$1,000 million to just over US \$200 million at the time. This situation was a major contributing factor in the rapid deterioration of the country's balance of payments and foreign debt positions.

All of these rural sector problems threatened the amount of available employment for rural laborers, thereby further negatively affecting the country's foreign exchange earnings and threatening its economic well-being. As a result of this situation, four of the country's most prominent rural agribusiness leaders initiated the idea of forming a separate and independent agricultural and agribusiness organization to become the leader in promoting rapid development in the sector. They were convinced that the Government was in no condition to respond to the needs of the private investor and the commercial agricultural interests of the country. The GOCCR's political agenda and bureaucratic system were not conducive to fulfilling the needs of diversification and increasing the country's commercial and export focus required to turn around the rural economy at the time. Likewise, they were convinced that CINDE was not interested in the welfare of the agricultural sector of the country. In their view, CINDE's Board of Directors was dedicated to the development of the industrial sector.

Early in the process of developing the idea, the 'founders' recognized that they would need financial support for the new organization. They went to USAID/Costa Rica seeking assistance, both in the development of the idea and in financial support for it.

A meeting was held in Miami in June 1985, between twelve prominent Costa Rican's and three senior USAID/Costa Rica staff to discuss the subject. After much discussion and hard negotiation, it was agreed that the new organization would become part of CINDE but would be given much independence within this framework. The PAAC founding fathers had serious reservations about this linkage because of their feelings that the CINDE Board was clearly industrially oriented. CINDE, at that time, had only one person on its Board, who was an agriculturalist, and who understood agricultural issues.

The PAAC was therefore created as a subdivision of CINDE in August, 1985. It was established with four basic goals: to conduct policy dialogue between the private and public sectors on agricultural issues; to promote the export marketing of non-traditional crops; to promote investment in horticultural crop exports; and, to administer a small fund for pilot projects.

The PAAC program is financed with local currency resources from the GOCCR through the ESF mechanism, plus three additional sources of colones -- PL-480/Title I, P/PIE (Policy Planning and Administration Project) and the NETS (Non-Traditional Exports Technical Support Project) of the Mission. The PAAC co-finances many of its activities with producer groups and GOCCR organizations such as the University of Costa Rica and the Coffee Institute.

The initial Founding Council of four prominent agri-business people were succeeded by a new Council of twelve. This Council consisted of individuals who were carefully selected and were from various parts of the country, had different interests in agricultural production and/or processing or exporting, were respected in the agricultural community, had been involved with other organizations devoted to agriculture, and generally were the most prominent and successful people interested in non-traditional crop exports obtainable. The new Board took office in late November, 1985 and began to hold meetings at least on a bi-weekly basis. Two people from USAID/Costa Rica attended all Council meetings as 'ex-officio' members. In reality, although the PAAC came into being in late 1985, it did not begin to operate as an institution until mid-1986. This was due to long delays within the Mission in providing initial budgetary support. Once funds were available, staff selection began.

The organization was created to be a small group of well qualified, technical people that would carry out the directives of the Council. Until late 1987, the staff of the PAAC consisted of a General Manager, five Program Managers and about five support personnel.

Until then, there had not been a concerted focus on the non-traditional export commodity potentials of the country. (Some work in this area had been done at the technical level, including that of ICAFE and the University of Costa Rica on cocoa, strawberries and several other crops, however.) Consequently, the Council started its efforts in three main areas. These were: developing a policy dialogue to improve the comparative advantage of non-traditional crops; developing a sound basis for each commodity area in technical, processing and marketing terms, in order to attract investment from national and foreign sources; and, providing support for potential investors, both national and foreign, that wish to invest in non-traditional crops.

The Council began its work by drawing up a list of some 130 crops suggested by a large number of people with ideas and experience. These crops were chosen as possibilities since they offered the potential to be grown in this country and for which there was a potential foreign market. This list was later reduced to 21 after preliminary staff work on potential market demand, the possibility of their being grown successfully, and an estimate of Costa Rica's comparative advantage in their production was conducted. A contract was drawn up with the International Research Institute Consulting Company (IRI) in 1986, for further evaluation of both, their appropriateness, and their market potential in the US, Europe and the Orient.

Concurrently, as there has been so little real experience in diversifying the agricultural base of this country--it depended on coffee, cattle, bananas, and sugar for over 85 percent of its exports--the Council, with the concurrence of the mission, decided that before they could recommend specific crops to investors, they had to have sound information to provide to them. This required up to date information on modern production methods, the costs of production and studies on the fresh and processed markets for each crop that they would propose.

Using the information that IRI provided in mid-1987, the Council selected an initial list of six commodities for further in-depth study by the staff and other outside experts. Agreements were made with the National Chamber of Agriculture and Agroindustry (CNAA), the Coffee Institute (ICAFE), and CATIE, a regional research institute, to collect technical and market data on the products selected to determine the constraints to their production. From this short list, three--flowers, ornamental plants and strawberries--were selected by the Council to comprise the first operational programs of the organization.

Almost concurrently, using both its staff and outside experts, the Council began to study a group of constraints that were defined as obstacles to the development of several perishable, non-traditional crops. Several of these problem areas were identified in terms of specific laws and evaluated in terms of their impact on exports. At an early date, it was determined that the National Chamber of Agriculture would be the most effective 'lead institution' for assisting PAAC in lobbying the GOCR, and especially Congress, to make the required changes in these laws. This was to be supported through the establishment of a data bank within the Chamber, funded through CINDE.

The third objective of the PAAC is to assist potential national and foreign investors who wish to invest in the country in non-traditional exports. In support of this activity, an additional agreement was signed further amplifying the data bank of the CNAA to conduct surveys and to expand the data base in directions which would be useful in assisting potential investors. Additionally, one of the PAAC staff members was assigned responsibility for assisting national and foreign investors that came to their office for information.

During the past two years, five members of the Council have been changed, and a new President was just elected in February, 1988. Additionally, four members of the PAAC Council are also members of the nine member CINDE Board of Directors.

As a result of the work done to date by the PAAC Council and its staff, the organization has become the major spokesperson for the non-traditional agricultural sector of the country. It is filling an important role and there is no other agency in the country in a position to take its place.

II. PAAC'S CHARTER AND ORGANIZATION

PAAC was founded in August, 1985 as the agribusiness development arm of CINDE. Its charter is formally recognized through two Memoranda of Understanding (MOUs) with USAID. The project description in these MOUs

outlines the major objectives. Program implementation provides for three categories of program development, namely:

- Those with an established base (i.e. flowers, ornamentals and strawberries).
- Non-traditionals with little or no producer experience (i.e. black pepper, vanilla).
- Crops with export potential, yet experiencing local constraints (i.e. cacao, mango, papaya)

The program for 1986, including its proposed activities and their respective budgets, were presented in an annual work plan. This plan was drawn up by the PAAC General Manager with no assistance from his staff, but with very significant assistance from USAID. In spite of this assistance, the budget and program were passed back and forth from the PAAC to USAID several times to make it acceptable for the latter's approval. This took several months and delayed the beginning of operations from January, 1986 to May of that year, causing it to rely on Central CINDE for 'bridge financing'.

Apparently, the Mission had not agreed internally on what it wanted from this new organization, especially in terms of the documentation that would be needed to conform to AID regulations. This unfamiliarity with AID regulations and changing paper needs and requirements, caused considerable confusion, duplication of work, and no small amount of hard feelings on the part of both the staff and the PAAC Council. There has been a similar lack of agreement in budgeting and financial documentation required during 1987 and 1988 as well. In both years this has resulted in delays in receiving normal budgeted funds to carry out their program for several months at a time. As an example, the budget sent to AID in Late November, 1987 is still not approved by the Mission. During these interim periods, the PAAC has had to draw on funds available from Central CINDE to maintain its on-going programs.

There seems to be no formalized written understanding as to the operational roles and responsibilities among and between PAAC's Council, its management, and its various program committees. There are, however, written agreements between outside institutions and the PAAC which have various inter-institutional objectives and action plans.

The PAAC Council has the following unwritten responsibilities:

- To approve and assist in determining annual goals and strategy for PAAC's four main objectives.
- To approve or deny each project or study, submitted by its staff.
- To approve annual budgets.

There does not seem to be very much communication between the PAAC's Council and those of either PIE or PROCAP. This is in spite of the fact that they are part of the same institution and have much in common both technically

and operationally. Both PAAC and PIE are involved in the development of investments and some of PAAC's clients draw on PIE's clients for their raw and processed materials. Additionally, the offices of PIE in the U.S. provide leads to potential investors interested in operating in Costa Rica. This lack of a formal linkage between the programs reduces the effectiveness of all of them in developing to their full potential.

It appears that Program formulation in the past has come from the following sources:

-Apparent Immediate Needs: Lobbying initiatives were undertaken to deal with countervailing duties which were placed on flowers exported to the U.S., and the poor service of LACSA, the national airline.

-Consultancies: IRI Consulting Company was awarded a contract by USAID to conduct a study of 21 potential crop lines. This study was to form the basis for a dialogue in PAAC's selection of export oriented commodities upon which to focus. From this longer list, an abbreviated product list was generated with the assistance from the PAAC staff who considered such things as production costs, financial projections and sensitivity analysis.

-Outside Specialists Studies: Dr. Frank Sances, working with the staff of the PAAC and producers, provided a detailed analysis for strawberry production in Costa Rica. From this work, important technical information was obtained and future objectives and goals for this commodity were determined. Dr. Frank Poole assisted them during much of 1987, in formulating the flower and ornamental plant programs as well as providing information on the needs for improving soil and plant laboratories. Both consultancies were financed through PAAC funding.

-The National Chamber for Agriculture and Agroindustry: The Chamber has been very instrumental in influencing PAAC policy through close collaborative work with its Council and staff. Program formation and lobbying is conducted through the use of the Chamber's 55,000-name membership roster and data bank provided through CINDE.

-Special Interest Groups: The role of special interest groups is difficult to quantify in either the development of this institution's policies or its programs. However, special interest groups do play a part in program/product selection and formulation.

-The agricultural cooperatives with whom PAAC has agreements, (i.e. COOPEFRESA, ACOFLOR and COOPEPLANT), appear to assist very little in overall program formulation. Agreements with these groups provide for the raw materials of PAAC's programs.

Aside from this, the five program managers are the main line of implementation and control for approved projects and activities. The preparation of financial plans, budgets, and a new monitoring procedure will start in 1988 with the active participation of program managers for the first time. The program managers meet with the General Manager on a periodic basis to review and evaluate program progress.

On a monthly basis, Central CINDE provides PAAC with an accounting breakdown of expenses incurred compared to those budgeted. The program managers are responsible for tracking expenditures against the monthly budgets. If their activities are close to over-running the approved budget, they inform the General Manager and he advises them of what steps must be taken.

The decision making process in program selection and formulation begins with PAAC's line and staff management. Production costs, financial projections and sensitivity analysis are developed by the PAAC staff. When a new program is ready for presentation, it is given informal approval by USAID and the General Manager, and is then presented to the Council. After they approve it, it is sent to Central CINDE for approval by its Board. The project is then presented formally to USAID. In reality, each new program is discussed informally between PAAC's Board members, staff, and USAID before any formalized presentation is made.

Programs, if approved, are then assigned to specific program managers for execution. The program managers report individually to the General Manager. They work with program committees comprised of staff, representatives of the appropriate trade associations, individual growers, the overseas technical specialists employed by PAAC, plus representatives from cooperating research institutions (UCR, CATIE).

Lobbying and political activities are carried out at the General Manager's level. The staff has had little to do with these activities thus far.

Staff Efficiency - An organizational chart is presented in Appendix E. The professional staff of PAAC in general terms is technical as opposed to managerial. Recently there have been some very positive staff additions. The professional qualifications of the staff are generally quite good. All are university graduates and have worked in agriculture for several years before coming to PAAC. Several of the staff are still somewhat inexperienced in program management, however. Unfortunately, none have been exposed to the U.S. wholesale market, and therefore have little first hand experience in the commercial aspects of perishable or processed commodity exports.

The general staff morale within PAAC itself is extremely good. Both the staff and the Council are sincerely dedicated to their work and to the goals of the institution. The enthusiasm of the entire staff is exemplary. They seem to work as a close knit team of dedicated professionals, backed by a competent support staff of secretaries and field personnel.

Program Opportunities - The General Manager has budgetary discretion up to US \$6,000. Staff and line positions have no discretionary spending authority. All programs must be approved by the USAID. Once the budget is in place and approved, program spending is carried out against a line item budget within each activity. The General Manager has a discretionary 15 percent variable between line items, but cannot exceed the overall budget total. Spending on new programs which do not have a USAID approved budget is not permitted. If a new project presents itself and funding is not available, there is no rapid mechanism to initiate the program process until the next year's budget is completed and approved.

The general impression of the evaluation team is that PAAC has taken constructive steps in the past year in its programming process. The strategy of providing a technical catalytic base from which specific focused programs can grow and mature is a rational one. Furthermore, PAAC in itself does not intend to ever be self-sustaining, but rather aspires to build self-sustaining programs and economic ventures.

RECOMMENDATIONS:

1. PAAC should retain its current organizational format. However, there may be small changes required to adjust to the new larger program focus envisioned for this year.
2. The respective Councils of PAAC, PIE and PROCAP should meet every two weeks to exchange information, design collaborative activities and strengthen the linkages between their programs and those of Central CINDE.
3. The USAID should streamline its budget approval process so that there is no delay in the approval of annual work plans and budgets. This approval process should not take more than sixty days from the time it is presented to USAID.
4. The USAID and PAAC should develop guidelines for the presentation of annual work plans, program plans and their corresponding budgets, including target dates, that fulfill the needs of USAID and comply with GDCR laws. This is in order that PAAC does not have to continually confront changing instructions in meeting USAID's paperwork requirements.
5. The staff of the PAAC should be sent to the U.S., Europe and the Orient to learn the wholesale marketing systems of these potential client countries.
6. The USAID must reduce its control over PAAC and begin to provide clear, concise and consistent leadership to it. To date, USAID assistance to the PAAC on a day to day basis has been necessary. However, within the Mission there has not been the consistency among the staff in terms of the defined goals and operations of PAAC. Responsibility for managing its operations has been under the Mission's management; first in the Office of the Private Sector, and now recently under the Agriculture/Rural Development Division. In the future, the organization should be made to assume full responsibility for its goals and operations. The development of a system for program design and budgeting, plus criteria for the selection of policy guidelines would be of considerable assistance in the future.

III. POLICY CONSTRAINT MANAGEMENT

Since its creation in August, 1985, the PAAC has pursued a development program on a range of non-traditional exportable commodities for which this country has a comparative advantage. These commodities are selected on the

basis of both their production and market potential. Some of those selected were already growing in the country and local experience was available. Others are still new to local producers, processors and exporters.

There are two major types of constraints that the PAAC addresses in order to serve its agricultural clientele. The first type of constraint is considered a 'general constraint'. This is one that affects, in a very real manner, the comparative advantage or investment climate of producers, processors or exporters, individually or as a group, for a group of commodities. An example of this type of general constraint could be a tax on exports, a transport problem, cumbersome export documentation procedures that delay the export of products, importing country regulations, credit availability, etc. This type of constraint, generally requires changes in public policies, laws, regulations, or systems. These in turn, require lobbying, changing public opinion, congressional action, etc.

The second type of problem that PAAC addresses in promoting exports are 'specific constraints'. These usually affect the comparative advantage of a specific commodity in production terms. They might include a problem such as the lack of knowledge as to the best commercial variety of the crop, a disease problem, a lack of packing facilities, or inadequate market information concerning the importing country. Normally the specific constraints are dealt with through adaptive research or through the advice gained from the use of outside consultants.

A. Initial Constraint Identification

PAAC, since its formation in August, 1985 and its initial operations in early 1986, has been addressing both types of constraints aggressively. This is consistent with its charter and the Memorandum of Understanding it has with USAID.

In the original Memorandum of Understanding between AID and CINDE dated January, 1986, it was noted that PAAC would "serve as a lobbying group to initiate policy reform and promote policy dialogue with the various national institutions in the agricultural sector.

Working within this mandate, its Council began a series of meetings with a wide range of producer/processor/exporter groups in late 1985 and early 1986. The purpose of these meetings was to determine the potential commodities that it should sponsor, and to identify any operational problems that they might encounter. These meetings included the National Agricultural Chamber, large and small producers, and formal associations of producers. Among these were ACOFLOR representing the cut flower producers, COOPEPLANT, the association of the ornamental plant growers, ICAFE which had been conducting studies on the production of strawberries and macadamia, COOPEFRESA, the association of producers of strawberries, the University of Costa Rica, etc. (see Annex F for a more complete list).

These initial discussions pinpointed various problems or issues that were potential deterrents to the expanded investment and production of the identified commodities. Using this preliminary information, coupled with their own personal experience as agricultural businessmen and investors, the

PAAC Council established a set of priority issues for immediate attention. They then requested that in-depth studies be developed by their technical staff in cooperation with producers, the National Chamber and outside experts. The General Manager of PAAC determines the terms of reference for each of these studies. These depend on the nature of the constraint, and who is to be affected by it.

The Council to date has not used any formal set of criteria or ranking systems in the evaluation of possible solutions to the selected constraints. Consideration should be given to the potential impact that each individual constraint might have on production, profitability and trade. Much depends on the experience of the Council members, their links to other producers and producer groups, and to the outside influence that is frequently exerted by USAID, or others.

B. Role of the General Manager

As the chief operational officer of PAAC, the General Manager was made responsible by the Council for all aspects in the development of each issue. It is his responsibility for determining which technical officer will become the key person to manage or develop the technical studies. When it is determined that an outside expert will be needed, a staff officer develops the terms of reference for the assistance. It is then approved by the General Manager, sent to USAID for approval, and contracted out by PAAC with the assistance of Central CINDE.

C. Role of the Staff

Once the General Manager of PAAC assigns a staff officer to an issue, the person begins to accumulate information on the assigned problem. Meetings are held with a broad spectrum of those affected by the issue, either directly or indirectly. Concurrently, there usually is considerable discussion back and forth between the Council members, the General Manager, producers, the trade associations, the National Chamber and the GOCR.

D. Strategy Development

As each study is completed, it is given to the General Manager for review and approval. He then presents it to the Council for their review. Often, additional information is requested by before it is approved. The Council then discusses the results and recommendations on how to proceed. At times these discussions may extend over several weeks.

Frequently, the Council members want to discuss the results with trusted third parties before arriving at a conclusion. Once the Council determines that the issue is indeed a significant deterrent to investment, or an obstacle to the export of a given product, a strategy is developed for bringing attention to it.

the problem to the attention of the public. The press is invited at an early stage to see the problems firsthand. They are made aware of the impact of the issue in terms of employment, foreign exchange generation, etc., if the problem is not corrected. Additionally, the strategy may include public meetings, meetings with producer associations, the National Chamber, the Ministers of Agriculture, Commerce, Economy, and on several occasions, the President. During these discussions, USAID is kept informed of the proposed actions through two non-voting members on the Council, and through direct discussions with the General Manager.

E. Role of the Cooperating Institutions

The Council and staff of PAAC work closely with a large number of public and private agencies on policy issues. (Annex F presents a list of the agencies.) Of special importance is the relation between Council members of the PAAC and those of Central CINDE. Shortly after its formation, PAAC secured two seats on CINDE's Board, and the number currently stands at four. This represents four 'agriculture' votes out of ten, making it the largest single block.

PAAC's Council at an early date decided that the National Chamber was needed as their primary ally in their policy dialogue with Government. The Chamber has been in existence for forty-two years, deals with agricultural problems as its main program, and because of its fifty thousand members, is very influential with the Congress. As a consequence, the PAAC Council usually provides copies of their technical studies to the Chamber for review, as well as soliciting their assistance in dealing with the GOOCR.

In the past two years, the relationship between PAAC and the Chamber has matured very well. The studies developed by PAAC have been given high ratings for objectivity and completeness by both the Chamber and others.

F. Current Policy Procedures

The decision of the Council is indispensable in deciding which issues will be taken up, and how they will be handled. All of the Council members are businessmen involved in some aspect of agriculture, and most are members of one or more other organizations. They have a broad base of contacts which keep them informed of current situations and problems. Due to their broad range of contacts, both in geographic, as well as in commodity and export terms, the Council is kept aware of both new and continuing issues.

The technical staff is also involved in identifying problems as a result of their constant dialogue with producers, researchers, associations and foreign investors engaged in the export of non-traditional commodities. As new issues arise, they are presented to the General Manager. The degree of discussion between individual staff members and the General Manager varies considerably. Some take the position of 'workers' and seem to offer little input to the conversation. Others seem to take the position of Program Manager more seriously and actively contribute to the process.

Since the staff is not permitted to approach the Council members directly, the General Manager is key in formulating many issues and determining which options should be presented to the Council. If a new issue is brought to his attention by a staff member, and he does not think that it is appropriate, he can simply decide to table it. Some have suggested that there is a need for a new procedure by which staff members are more actively included in the decision making process. Issues papers should be written by the staff members and passed to the General Manager for his comments. They could then be presented to the Council for their consideration.

E. Focus of Policy Influence and Lobbying

PAAC's attempts to influence GOCR policy through lobbying have been directed at influencing both the lawmakers and the public on an entire gamut of issues. Probably the most successful lobbying attempt was PAAC's work on the air transport problem in collaboration with other agencies and groups in the private sector, (the process and the results are presented below). They also lobbied for the EARTH School, the Ley FODEA (in support of the livestock producers), for relief from taxes on land which is planted to non-traditional crops, and for the accelerated depreciation of assets used in production. They are currently working on the deforestation issue and support for aquaculture.

F. Air Transport - An Example of Good Policy Dialogue

One of the issues that surfaced quickly was that of air transportation. In order to increase the export to US markets of flowers, ornamentals, strawberries, and several other perishable crops, producers felt that LACSA, the national airline, would have to increase its number of daily flights to US ports of entry. In 1985, LACSA had only two daily flights on which cargo could be transported. At times, they would even cancel these without notice. Frequently, the perishables would remain on the runway, in the hot sun for several hours. This led to a high degree of losses. The industry felt that the existing situation was a major bottleneck in expanding exports and in requesting the assistance from PAAC.

The Council determined that they did not have adequate technical expertise on their staff to undertake an analysis of the problem. They contracted the assistance of the Senior Executive Corps to identify a specialist in the air transport field to assist them in analyzing the situation and in making the appropriate recommendations. A Mr. Stevens, having many years of experience with Pan-American Airlines, (retired), came to Costa Rica in late 1986, reviewed the situation and made a series of recommendations to the Council. They reviewed his suggestions and developed an approach for addressing the deficiencies that had been identified.

The PAAC Council decided that it would need the assistance of the National Chamber since it was determined that its support could be crucial. It represented the largest number of agricultural producers in the country, some 55,000 individuals, was the strongest lobbying entity in the private sector, and had an interest in this issue.

Meetings were held in mid-1986, between the Council and the Chamber, where a joint strategy was developed. This included informing the public of the effects of the lack of air cargo space on production, the potential for expanding the number of rural jobs that might be generated, and its effect on the balance of payments if the situation were to be corrected. It also included meetings with the President, Congressional representatives, officials of LACSA, Board members of the Civil Aviation Administration, the Minister of Agriculture, the Minister of Trade, the affected producer groups, and other influential individuals.

As a result of these events, a number of improvements in the situation have been achieved. The number of cargo flights has increased from two to fifteen per week, the Congress has passed an 'open sky's' policy resulting in there being two new airlines offering scheduled service to the country. There are now two members of the PAAC Council on the Civil Aviation Authority Board who represent both producers and exporters. LACSA has recently purchased its own cargo plane, and freight rates have not been increased. The Ministry of Trade has opened an air shipment's office at the airport. The documentation to export perishables has also been streamlined. The Chamber is presently monitoring air cargo flights to assure that the planes leave on time and that they are not cancelled.

G. Comments on the PAAC Constraint Dialogue

Although PAAC has been in operation just over two years, it has developed a reputation for being able to pinpoint constraints to the expansion of non-traditional exports. The PAAC Council has been extremely effective in developing sound strategies for addressing each issue under which it has worked. It has mobilized the public sector, promoted farmer pressure groups, and has drawn the National Agricultural and Agroindustrial Chamber and many others into the dialogue. Due to their effectiveness, PAAC is now sought out by other groups to lend credibility to issues that other agricultural sector groups are facing.

There has been significant progress in solving the obstacles to air transport between Costa Rica and the US. Nevertheless, PAAC, the CNAA and the producers/exporters do not feel that their work in this important policy area is finished. The amount of cargo space is still inadequate, and the airlines at times still cancel flights leaving produce to rot or significantly deteriorate. There is inadequate infrastructure at the airport to handle the volume of produce that moves via air, and there are almost no cold storage facilities to hold produce until it can be loaded onto airplanes. In the last several months, the Civil Aviation Authority has requested PAAC to undertake an additional study, using outside expertise, to guide the further improvement of the cargo terminal at the San Jose airport.

RECOMMENDATIONS:

1. The PAAC should develop a set of objective criteria for the selection of lobbying issues. The PAAC Board should try to be somewhat more selective in its choice of issues that it will pursue in the future. These should be more in harmony with its charter and the goals of the institution. A case in

point, in the past was its decision to lobby for the EARTH School. Although it will benefit to some extent the export sector at some future date, it has little relevance to PAAC's present program. Similarly, they are financing a study of deforestation which has marginal impact to the export program. Other institutions are involved in addressing these issues, and the assistance that PAAC can provide will detract from its main goal. Every peripheral issue that PAAC assumes takes time and funds. Neither are in oversupply at this time, and other, more important issues could be undertaken, which could have a more direct bearing on the export of non-perishable commodities.

The criteria selected should include those factors that it is attempting to promote in the rural sector, including, employment generation, worker income, producer income, and the expansion of exports of non-traditional crops, foreign exchange generation and other factors. The result of the use of these criteria will assist the Board to expend efforts on things that have a significant contribution to the main goal of the institution.

2. The PAAC should develop a system to evaluate and rank the comparative merits of different dialogue options. This system should provide a procedure for ranking the options in terms of their value to assisting producers, processors, and exporters to solve the problems facing non-traditional exports.

IV. EXPORT ACTIVITIES

One of PAAC's four main objectives, as outlined in the MOU of April 12, 1987, is to "implement an export promotion strategy".

A. An Operational Approach

PAAC'S activities in the generation of exports have been through building the structural basis for future exports through crop research studies, the formation of product steering committees, specific lobbying projects, technical field assistance, and specific product research. This has recently been further supported by the opening of an office in Miami.

Quantifiable data, regarding specific product exports by value or volume, the creation of jobs, the increase in cultivated hectares, and other support data reflective of PAAC's past influence and results are very sketchy. PAAC's line and staff officers are now very aware of the need to develop measurable tools which will demonstrate quantifiable results.

By the same token, the structural building process that PAAC has been through in the past two years, does not lend itself to quantifiable measurement. Perishable, non-traditional agricultural exports do not develop overnight. Farmer education, success in the production of some crops to stimulate investment and changing decisions by large numbers of producers, processors and exporters are still needed.

The focus has been, and continues to be, on the technical side of production. Improvement in yields and the identification of adapted varieties are key areas that need work. The reasoning is that unless these production

issues are not resolved, it would be very risky to make recommendations to domestic and foreign investors.

To date, PAAC has not developed an overall investment program. Rather, it has been focusing on 'building the base' for future action through expanded export opportunities. This approach has not resulted in the development of a program for integrating production and processed product development with a clearly focused investment strategy. Thus far, PAAC has concentrated almost exclusively on fresh raw commodities for export. Value added, through processing, has not been considered. PAAC's view is that they must first develop the factors of production and then begin to integrate production with processing.

There is one exception to this general focus. This is in the research that has been recently undertaken on the production of industrial tomatoes. There is excess capacity in the existing processing capacity for the production of juices, and frozen and canned products. PAAC was approached late last year to assist the canning industry secure more tomatoes for the Central American market. PAAC agreed to help and this research program is beginning to determine the bottlenecks to expanded production. If it is successful, there will be an opportunity for many small farmers to produce for this market.

B. The Need for Profitable Production Methods

The need for profitable cultural practices has been a major constraint to rapid export growth. These practices are also very important deterrents to expanded investments by both Costa Ricans and foreigners. It must be remembered that Costa Rica did not have any significant regions producing many of the non-traditional crops ultimately selected before PAAC was started. Consequently, producers did not know how to grow them. Additionally, they did not know the terms of trade and the quality that were needed to penetrate foreign markets.

In the case of the few crops grown for local consumption that could potentially enter export markets, an even smaller number meet the U.S. market requirements. For example, the strawberry project requires new varieties which had not been, until recently, introduced into Costa Rica. The need for research on new varieties, plant density, fertilizers and post-harvest treatment are very high for successful product entry into the U.S. market.

The marketability of almost all non-traditional crops grown in Costa Rica requires careful planning. Using the strawberry as an example, an adjustment was needed in the seasonality of the harvest dates. This was identified as a problem since the production at the time did not fit the high-priced U.S. winter window. Production was concentrated during February through May while the high-price export window was from October to January. Consequently, the producers did not receive the maximum prices for their product. Studies were carried out during the 1987 season. From this work it was shown that the planting season can be adjusted. As more and more growers have adopted the new planting dates specified in the PAAC study, they have been better able to produce for the market and secure the best prices.

C. Limitations in Technical and Market Data

PAAC has very few resources with which to evaluate U.S., European, Canadian and Oriental markets. Its staff lacks the information which could be obtained from trade publications. They also lack a good technical library and access to such sources of information as the USDA Technical Information Service, (available exclusively to the USAID offices), the US Market News Service trade publications, The Packer, The Red Book, The Blue Book, etc.).

RECOMMENDATIONS:

1. A technical library and trained personnel, including a computerized data base, is badly needed. This data base is an absolute requirement for obtaining information concerning production methods from other producing countries, as well as overseas market information. Likewise, the data system at the Chamber is too limited and not readily accessible to the staff for maximum efficiency in their operations.

2. The PAAC should publish the U.S. market prices for non-traditional crops in the newspapers and radio of this country to stimulate interest in the export of national products. It is extremely important to get this information to traditional producers in order to give them the information on which to base their production decisions.

3. The USAID should have one officer responsible for monitoring this program. This person should be from the Rural Development Division. All decisions should be cleared through this person. If there is disagreement, PAAC should have the option to take the difference of opinion to a higher authority in the Mission for solution.

V. SPECIFIC CONSTRAINTS TO AGRICULTURAL INVESTMENT

A. The General Approach of PAAC

From PAAC's inception, the Council has been reluctant to promote investment in new, non-traditional products without knowing clearly the ramifications of their recommendations. They realized that very few of the products with market potential had been grown for any extended period, and thus there were few practical recommendations that could be provided to potential investors. They did not want to make recommendations on the basis of experience in other countries because of different ecological conditions, limited Costa Rican labor experience with these crops, different pest problems, and the different cost and transport situations that might exist. To make recommendations and have investors fail, would seriously decrease the credibility of PAAC in the future, reduce other investment possibilities and be counter-productive to their goals.

B. Constraint Identification Procedure

The Council determines the type and importance of specific problems as a result of the studies that are carried out on each commodity that they consider supporting. These studies, in turn, identify the major constraints on the basis of the market requirements needed to compete (e.g. quality of the product, form in terms of size, shape and color); on the basis of production and profitability to the producer and processor; on the basis of the value added that may accrue from processing the product into another form, and the status of the producer's organization. This is important in order to provide technical assistance and build the base for those involved in carrying on after the PAAC assistance terminates.

Because of the very limited experience in the production of non-traditional crops to date, there is very limited information on the best methods of production and post-harvest handling under local conditions. Even more scarce are publications, based on local research and experience, for use in training and the orientation of potential investors.

All of the in-depth studies done so far have had the assistance of commodity experts from the U.S.. This assistance has permitted the staff to identify the constraints in terms of both US trade and competition from other producing countries, as well as the internal problems facing producers.

These studies also summarize the major specific constraints in terms of their impact on the ability of producers and processors to meet the market conditions in the importing country, as well as the problems that must be addressed to make the product competitive and profitable for the grower, processor and exporter. Unfortunately, PAAC does not require that the consultant rank the constraints, nor to quantify their relative impact on production and/or processing. There is, therefore, no means of deciding which constraint will be the most cost effective if corrected.

C. The Implementation Process

With the report of the PAAC staff/consultant already prepared, the Council determines the best procedure to follow in order to overcome the major constraints identified. Thus far, they have frequently determined that further applied research is necessary to verify the study's observations and address the most critical constraints identified by the expert.

The applied research is carried out by signing a cooperative contract with an appropriate national institution or producer group. In most cases thus far, they have signed agreements with the University of Costa Rica which has some of the best technical facilities and trained professionals in Central America, the Coffee Institute (ICAFFE) which has worked on some of these products for several years as part of the coffee industry's efforts at diversification (especially in macadamia and strawberries) as well as with CATIE at Turrialba, a recognized authority in cacao research, with additional experience in macadamia and several other crops. In other cases, they have employed a researcher and an extension agent to work with the producers' associations in carrying out the studies. These technicians are in turn advised by a U.S. expert through periodic visits to Costa Rica.

Examples of the type of specific constraints identified through this process and the way in which they were approached follow:

1). Flowers

From the study, it was determined that there were several problems that had to be addressed if this commodity was to become successful. These are:

- Lack of information concerning the existing growers and their production of specific flower species.
- Lack of recommended production methods by species (e.g. varieties, fertilizer requirements, handling of mother plants, light control, etc.) that assure profitability and quality products.
- Training labor/foremen to manage flower operations.
- Need for a strong organization to manage the flower production and packing sector.
- Problems in post-harvest practices.

In mid-1986, the few growers that were in this sector did not want to divulge their production practices or generally share information with other growers. Through meetings and talks given by a consultant, they were able to break down this obstacle. The growers began to feel they were really being helped and began to provide information to PAAC. Additionally, they were made to understand that without a strong producer group, PAAC would not continue to help them. They therefore formed ACOFLOR, which has now most of the 140 flower producers in the country, as members.

PAAC hired a research technician and an extension agent to work with them. They also hired an advisor to provide six visits of twelve days each to orient the research and provide training to growers during 1987. The producers provided the location for the research done on each flower species - roses, carnations, mums, etc. From the data collected from the growers and the initial year's research they are now preparing two publications on first approximation recommendations for roses and mums. ACOFLOR is now starting to secure assistance from the University of Costa Rica for several specific problems under a new agreement. Training in post-harvest methods has also been provided to interested farmers.

At this stage it is difficult to quantify the effects of this work. The presence of a strong association is a good base for the future. This association is now collecting dues from its members and contributing in-kind support to the research and extension program.

2) Ornamental Plants

Through the work of the PAAC staff and an outside consultant, the following major constraints have been identified:

- the lack of knowledge as to the best production areas for the principal ornamental plants in the country;
- the identification of native species that may have a market in the US, Europe and Japan;
- the need for an organization to promote production and consolidate producers into one group; and,
- the need for recommendations concerning the post-harvest handling of a number of species produced for export.

PAAC began by conducting a survey of the significant producers in each area and the type of ornamental plants that they were producing. Some 1300 producers, large and small, are involved in production for the local and export markets. They began to meet with the larger growers to encourage them to form an association. It became clear that PAAC would also have to work through the growers' association on specific types of ornamentals if they were to have success.

An organization, COOPEPLANT, was formed in early 1987. It represents some 40-50 percent of the principal growers. The PAAC hired a research technician and an extension agent to help them. Research was started on cooperating farms in the production practices of the major species. Courses were held to train the producers and their laborers/foremen on improved production and post-harvest methods. The first year's work is now being analyzed.

The association is now collecting dues from its members and encouraging others to join. The outside consultant has given several courses on correct production methods and proper packing of each farmer's production. Facilities at several packing plants have already been upgraded.

Again, it is too early to evaluate the overall effect of this program. There is now a grower's organization to carry forward the program after PAAC assistance is withdrawn. The growers now recognize the value of working together and some are moving forward in forming marketing groups. They also recognize the need for further research on indigenous species as well as the more common commercial species sold. These are very important first steps toward encouraging further investment in this promising area.

3. Strawberries

When PAAC began to assist the strawberry industry, there were reportedly less than 20 hectares of production in the country. The following constraints were identified through the PAAC contracted study:

- Production was during the main US window February/April but much later than the high price period (October/January).
- Higher yielding and better quality varieties were needed.
- Productivity per area was low.

- There was no field selection for quality.
- Post-harvest handling was extremely poor.
- The organization of the sector was very weak.

PAAC helped to form COOPEFRESA as the lead producer organization with which they would work, although it does not represent the majority of the growers. Assistance was provided through a consultant to start the importation and testing of a range of new varieties for production and quality. A post-harvest specialist was brought in to analyze the harvest methods. Growers were handling the fruit several times before it left the country, thus decreasing its quality and greatly increasing losses. This assistance was reported to have dramatically changed the system of harvest, reduced losses of fruit and increased harvest efficiency by an estimated 300 percent on some farms. The market price was reportedly much higher this past year and producer profits have apparently increased significantly.

Again, the lack of precise data from baseline studies has greatly decreased the quantification of the results to date. Likewise the lack of a registry of names of potential investors that come to PAAC for assistance on strawberries, their investment decision, and the results they obtained, is a great limitation in evaluating their work.

4. Other Crops

PAAC has begun to develop a constraint profile for another group of commodities as the result of a Council decision in November, 1987. These include macadamias, melons, asparagus, soursop, passion fruit, and black pepper.

RECOMMENDATION:

1. There is a need to develop a clear strategy for promoting investments in non-traditional crops based on PAAC's work on production and marketing. This strategy must be in operation within two years. PAAC is gathering information on production aspects to determine at least three commodities that are appropriate for export. It is now time to begin to profit from this experience and to expand production, processing and marketing. This strategy must have quantifiable goals, be area specific and include both the production of the crop as well as the processing and marketing investment needs of each commodity.

VI. MANAGEMENT OF UNSOLICITED PROPOSALS

Unsolicited proposals are generated in two forms: those that pertain to the production and/or processing and marketing of non-traditional commodities, and those for specific commodities, or groups of commodities. Both are handled in the same fashion within PAAC. To date they have received very few

unsolicited proposals. The staff does receive a significant stream of potential investors requesting information, and who are often interested in establishing joint ventures.

A. The Management Process

1. Investment Proposals By New Investors

Proposals for projects concerning areas which are not currently priorities are frequently presented to PAAC. They are usually recommended by the PIE, the National Chamber of Agriculture, the Ministry of Agriculture, or an individual.

The PAAC staff member responsible for assisting these people will receive the potential investor and ascertain their areas of interest and need. They will also consult the data bank in the National Chamber for information on the crop that the person wishes to produce or process. Data is obtained for the region that is most appropriate for the production of the commodity in question, a list of other producers in the area (if such exists), farms that are for sale in these areas and people that are interested in joint ventures. In many cases, if appropriate, the staff member will accompany the investor to the region on a site visit to help the investor meet with key people.

Usually, the potential new investor will follow-up on the information provided on their own. Most foreign investors already know about the commodity, its production requirements in their country of origin, costs of production, markets, etc. It is left to them to decide whether to invest in a new venture, or to join someone else in a jointly owned company. Usually, the staff person keeps in contact with the potential investor only so long as is required, to assure that they have sufficient information to make a decision.

There have been some contacts by investors for setting up companies to import raw agricultural materials, process them and export the finished products, (even though they may be produced in Costa Rica). In these cases, PAAC will not support them. A recent example was a U.S. investor who wanted to set up a processing plant to make peanut butter using U.S. peanuts and exporting the product back to the U.S. In this case, PAAC listened to the idea but did not provide assistance. The individual wanted import concessions on locally produced products with no intention of purchasing from domestic producers. The project, it was determined, would provide a minimum of employment to nationals and generate little foreign exchange.

PAAC has not yet received any investors requiring feasibility studies before investing. If this type of request was to be made, they would preferably recommend several domestic consulting firms that could develop the information required. It would then be up to the potential investor to decide the next step. To the extent that the staff member could provide information on farms for sale, or persons interested in joint ventures, this information would also be provided.

Unfortunately, PAAC has not maintained a record on each investor that comes to them for assistance. Consequently, they do not have accurate data on the number of persons that come to them, their areas of interest, the action

taken on each request, the resulting decision of the investor and the effect that positive investment decisions have had on employment, exports and foreign exchange generation. The Council has realized this problem and recently requested that an information system be established.

2) Investment Proposals By Existing Producers/Processors

Should producers or processors of non-traditional commodities request PAAC to provide a study of a new product that they wish to produce, a proposal can be made to the General Manager. He reviews it and makes an initial presentation to the Council.

The Council reviews the idea and determines if it warrants consideration. This initial decision is made on the basis of the Council's experience, its potential for generating new jobs, investment and foreign exchange earnings. They decide if they have access to the expertise on their staff, or if it exists elsewhere in Costa Rica. In all cases of this type, they consult with USAID to ascertain if the Mission is willing to have money spent on such a proposal.

If the Council decides that the proposal is a good idea and the Mission supports it, they will call for an in-depth study. In those cases where they do not have sufficient local expertise to undertake the analysis, they will contract an outside consultant to assist them. The project is assigned to one of their staff members (usually the Program Manager for Economic Studies). It is this person's responsibility to accumulate the technical, cost, processing and market information needed to complete the study. The assigned officer managing the study will be in almost constant contact with the General Manager as to its progress and problems that are encountered.

Once the study is completed, it is reviewed by the General Manager. If he approves it, it then goes to the Council for their review and approval. If the Council decides that the proposed new crop warrants inclusion in their portfolio, they will assign it to one of the Managers. This individual will be responsible for developing the project goals, action plan and budget, and for proposing short term technical assistance from other experts as may be needed.

Throughout this process, both USAID and Central CINDE are consulted. Since two USAID staff sit on the PAAC Council, the Mission is fully aware of all new activity and makes its opinions known. Also, since four members of the PAAC Council are also on the CINDE Board, both bodies are kept informed at all times.

Once the PAAC Council has determined that action is warranted, the program action plan is developed including the quantifiable targets, and budget. It is then approved by the Council and recommended to the CINDE Board for final approval. Once approved by the Board, it is sent to the Mission for final approval. After USAID reviews it, a Memorandum of Understanding is prepared and signed by the Mission Director. It is then forwarded to the PAAC General Manager for signature.

To date, all budgets for approved action plans have been prepared for one year at a time, even if the activity is to be carried out over several years. This practice, established by USAID, requires considerable time to be spent by the General Manager annually in the preparation of a new budget for each program and activity.

Once approved as a new program, the control is the same as for any other program or project. Monthly expenditures are made, quarterly reports are presented to the Council, and an annual report of the progress and problems are prepared and sent to the Council and USAID. USAID also receives copies of each quarterly report and budget expenditure.

Any expenditure for more than US\$ 6,000 under an approved project or program must have separate USAID approval. This request must be made in writing giving all of the essential supporting information. It is approved by the Rural Development Project Manager, the Rural Development Officer, the Program Officer, the Controller, often the Contract Officer, the Deputy Director and the Director.

B. Proposals for Policy Action

Usually proposals for policy action have been identified and acted on by the Council as described in the Policy Dialogue section of this evaluation. Recently, the success of PAAC's work, based on its development of in-depth studies, has begun to attract the attention of various groups. As a result, PAAC is frequently asked to become involved in resolving some problem facing agriculture not directly related to their institutional goals. In 1986, the Mission requested their support for the EARTH School. PAAC complied and was helpful to the Mission in securing the passage of legislation by the Congress sanctioning this new institution. More recently, they have been asked to conduct a forestry degradation study. They have agreed and reserved C/. 300,000 colones (US \$ 4,200) for this task.

The PAAC does not have a written set of criteria for deciding whether to undertake an unsolicited study proposal. Rather, as a group, they draw on their experience in agriculture in making decisions. Usually their determinations have been correct. Exceptions may have been those influenced by the Mission and the decision to finance the forest degradation study. These are important issues but of questionable relationship to investment in non-traditional exports.

RECOMMENDATIONS:

1. PAAC needs clear criteria for the selection and appraisal of unsolicited proposals.

2. The PAAC must develop a system for registering all investment proposals, including the names of the potential investors, their area of interest, the actions taken to help them, and the decisions that they have made on the basis of the information provided. Where possible, this data base should be used with each investor inquiry to ascertain the results of their positive decisions in terms of the amount invested, the employment generated, the products exported, and similar data.

3. The limit of contracting authority for the PAAC General Manager should be increased to US\$ 20,000 from its present limit of US\$ 6,000.

VII. SYMBIOTIC INSTITUTIONAL EFFECTS

There are very strong symbiotic relationships between PAAC and other institutions because of the way it has structured its strategy. Appendix F provides a listing of actual agreements entered into by PAAC with other institutions.

An especially strong link exists between PAAC and the National Chamber of Agriculture. This is a privately funded organization which receives approximately US \$ 110,000 yearly from PAAC. The following list highlights this relationship:

- The link between PAAC and the Chamber through the sharing of its data base;
- Technical product studies are mutually carried out (strawberry and transportation studies);
- the Chamber has frequently lobbied on behalf of PAAC s specific targets;
- the Chamber and PAAC have established a unique committee approach to managing the initial three established agreements.

The PAAC has formalized its relationship with six institutions in all: the University of Costa Rica; the National Chamber of Agriculture; the National Coffee Institute (ICAFFE); PINDECO; The National Chamber of Forest Enterprises, CANEFOR, and CATIE. This provides the PAAC with a unique opportunity to reach program areas and growers it would not normally reach. It has served as the funding party for many technical studies which are the basis for program selection, lobbying and technical services.

The strawberry program is illustrative of a case in which PAAC has served in its unique and catalytic role. Four organizations join PAAC in its leadership of a program which so far has served as a catalyst in generating a technical study by a U.S. specialist. This study, and the field trips by the specialist were instrumental in providing a focused technical approach to be carried out by the strawberry committee's technical and investigative people.

It is too early to generate quantifiable results from these institutional relationships, but the base for capitalizing on the strengths of the country s very excellent technical capacity is now beginning to take shape. This strategy of focusing on financing technical studies and programs through other institutions and groups is a credible strategy that deserves continued support.

Some constraints in these symbiotic relationships are:

- The approval of programs becomes delayed in as much as the more organizations are involved, the more dialogue is required.

-Communications tend to breakdown if not done in open and frequent meetings in which all interested parties are brought together.

-All parties must be interested and active. If not, the total energy of the group is dispersed.

ANNEXES - CAAP REPORT

Appendix A

DOCUMENTATION REVIEWED

- A. MOU - USAID/CINDE/MIDEPLAN/U.P. GOGR - January 31, 1986
MOU - USAID/CINDE/MIDEPLAN/U.P. GOGR - March 12, 1987
- B. Quarterly Program Reports - PAAC - June 1986/September 1987
- C. Resumen Ejecutivo de los Programas de CAAP - 1986-1987
- D. Estatutos CAAP/CINDE
- E. Presupuestos de CAAP para 1987 (Octubre 24, 1986) y 1988 (Diciembre 18, 1987)
- F. Programa CAAP - Cámara Nacional de Agricultura y Agro-Industria (CNAA)
- G. Non-Traditional Agribusiness Export Strategy 1986-1990 (January 1987)
- H. Eight Pre-feasibility Commodity Studies CAAP - October 1987
- I. Twenty-One Non-Traditional Crops For Export from Costa Rica: IRI Research Institute (September 1987)
- J. Report of the Institutional Assessment of CINDE's Experience with AID and its Participation in the training for Private Sector Development Projects Development Associates, Inc. - February 1985
- K. CAAP Five Year Strategy, December 24, 1987, Eduardo de la Espriella
- L. PAAC Work Plans
- M. PAAC Audits
- N. Implementation Program
- O. Progress Reports
- P. Programa de Fresas - 1988
Programa de Melón - 1988
Programa de Tomate Industrial - 1988
- Q. Convenio Fresas - ICAFE/UCR/CNAA/CINDE
Convenio Programa de Laboratorio - UCR/CINDE
Convenio Programa Plantas Ornamentales de Follaje UCR/CNAA/CINDE
- R. CNAA - Información - Banco de Datos Agrícola
Proyecto CNAA-CAAP
- S. Programa-Plantas Ornamentales y Follaje de Coria - 1988
Programa de Floricultura 1988 - Convenio UCR/CNAA/CINDE/CAAP

PERSONS INTERVIEWED

CINDE

Fernando Vargas Peralta, Director Ejecutivo

PIE

Jaime Pfaeffle, Investment Promotion Manager
Carlos Torres, Program Advisor
Tony Shields, Investment Advisor
Rodrigo Ortiz, General Manager
Carlos Feoli, Investment Promotion Officer

CAAP

Eduardo de la Espriella, General Manager
Roberto Aragón, Program Manager
Alfredo Herrera, Program Manager
Luis Noboa, Program Manager
Alvaro Estrada, Program Manager
Mario Guzmán

JUNTA-CAAP

Edgar Quirós, President, CAAP Junta
Ernesto Ruiz Gutiérrez, CAAP Junta
Alfredo Robert, CAAP, Junta
Mario Rojas, CAAP, Junta

INSTITUTIONS

Rafael Rodríguez, CNAA, Director Ejecutivo
Jorge Manuel González, COOPEFRESA, Presidente Consejo de Administración
Rodolfo Castro, ACOFLOR, Presidente

PRIVATE

Bernardino Rojas, ECODASA/Plumrose, Gerente General
Orlando Rojas, Macadamia de Costa Rica S.A., Presidente
Jeffrey Cortés, American Flower Co.

AID

Richard Archi
Richard Rosenberg
William Barbee
Ross Wherry
William Baucom

CAAP JUNTA - APRIL 1988

Presidente Sr. Edgar Quirós González
Ingeniero Agrónomo
Ganado de leche, café, coco, banano y chile picante

Vice Presidente Sr. Alfredo Robert Polini
Ingeniero Agrónomo
Sector Cafetalero

Secretario Sr. José Miguel Brenes Gómez
Ingeniero Agrónomo
Sector Arrocerero, algodón, ganado de leche y carne

Vocal Sr. Mario Rojas Vega
Ingeniero Agrónomo
Macadamia, café, caña

Vocal Sr. Juan Rafael Lizano Sáenz
Ingeniero Agrónomo
Sector granos básicos, ganado de leche

Vocal Sr. Bruce Masís Jiménez
Lic. Ciencias Económicas
Sector granos básicos, ganado de carne

Vocal Sr. Ernesto Ruiz Gutiérrez
Lic. Ciencias Económicas
Sector cacao y banano, agroindustria de cacao

Vocal Sr. Oscar Arias Morera
Doctor Ciencias Biológicas
Sector horticultura ornamental

Vocal Sr. Elton Harter Montenegro
Ingeniero Mecánico
Sector agroindustrial

Vocal Sr. José Rafael Brenes González
Ingeniero Agrónomo
Granos básicos, caña, ganado de leche y engorde

MEMORANDUM DE ENTENDIMIENTO (EN ADELANTE LLAMADO "CONVENIO") ENTRE EL GOBIERNO DE COSTA RICA (GOCR) REPRESENTADO POR LA OFICINA DEL PRIMER VICEPRESIDENTE DE LA REPUBLICA, EL MINISTERIO DE PLANIFICACION NACIONAL Y POLITICA ECONOMICA (MIDEPLAN), LA COALICION COSTARRICENSE DE INICIATIVAS DE DESARROLLO (CINDE) Y LA AGENCIA DE LOS ESTADOS UNIDOS PARA EL DESARROLLO INTERNACIONAL (A.I.D.) (EN ADELANTE CONJUNTAMENTE LLAMADAS "LAS PARTES"), CON EL PROPOSITO DE REGULAR EL USO DE LOS FONDOS PROPORCIONADOS A CINDE TAL COMO ESTIPULA EN EL PRESENTE CONVENIO.

POR CUANTO, CINDE ha solicitado la colaboración de la A.I.D. para el Consejo Agropecuario y Agroindustrial Privado (CAAP), que sirve como grupo gestor para iniciar reformas políticas y promover el diálogo con las diversas instituciones nacionales del sector agrícola; promueve proyectos agrícolas y agroindustriales de exportación e inversión; diseña y ejecuta una estrategia para promover la exportación e inversión agrícolas; y maneja un fondo de desarrollo para financiar asistencia técnica y estudios de políticas, de factibilidad de productos y de instituciones que fomentan el desarrollo agrícola y exportaciones cuantificables;

POR CUANTO, A.I.D. desea cooperar con CINDE en este propósito

ABORA POR LO TANTO, las Partes por este medio acuerdan lo siguiente:

ARTICULO I: A.I.D. acuerda donar a CINDE la suma de cincuenta y dos millones diez mil trescientos cincuenta y tres colones (¢52,010,353) del Proyecto de Estabilización y Recuperación Económica V, No. 515-0222, en respaldo del Programa que será ejecutado por CAAP, que se

MEMORANDUM OF UNDERSTANDING (HEREINAFTER CALLED "AGREEMENT") BETWEEN THE GOVERNMENT OF COSTA RICA (GOCR) REPRESENTED BY THE OFFICE OF THE FIRST VICE PRESIDENT OF THE REPUBLIC, THE MINISTRY OF NATIONAL PLANNING AND ECONOMIC POLICY (MIDEPLAN), THE COSTA RICAN COALITION FOR DEVELOPMENT INITIATIVES (CINDE) AND THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.) (HEREIN COLLECTIVELY CALLED "THE PARTIES") FOR THE PURPOSE OF GOVERNING THE USE OF THE FUNDS PROVIDED TO CINDE AS STIPULATED IN THIS AGREEMENT,

WHEREAS, CINDE has requested the assistance of A.I.D. for the Private Agriculture and Agro-industry Council (PAAC), which serves as a lobbying group to initiate policy reform and promote policy dialogue with the various national institutions in the agricultural sector; promotes selected agricultural and agroindustrial export and investment projects; will design and implement an agricultural export and investment promotion strategy; and manages a development fund for financing technical assistance and policy, product feasibility, and institutional studies that foster quantifiable agricultural development and exports;

WHEREAS, A.I.D. desires to assist CINDE in this effort.

NOW THEREFORE, the Parties hereto agree as follows:

ARTICLE I: A.I.D. agrees to grant CINDE the amount of fifty two million ten thousand three hundred fifty three colones (¢52,010,353), from the Economic Stabilization and Recovery V Project No. 515-0222, in support of the program to be carried out by the PAAC, as fully

describe en el Anexo I, Descripción del Proyecto, y de acuerdo con el Presupuesto Ilustrativo que se muestra en el Anexo II.

El monto de ₡52,010,353 proporciona fondos para los Programas Específicos del CAAP, tal como se propone en los Anexos I y II. La aprobación para asignar fondos para cada programa específico se otorgará después de la presentación por parte del CAAP y la aprobación por parte de USAID/Costa Rica, de una propuesta que incluya una descripción del Programa, metas objetivos necesidades de persona, identificación y el papel que desempeñará la institución ejecutora, plan de ejecución, presupuesto estimado, y cualesquier convenios financiados en colones y/o cartas de intención. Estos convenios o cartas de intención deberán incluir a todas las partes que participen en el programa, y el compromiso de proporcionar su contribución de contraparte, en efectivo o en especie.

ARTICULO II: Para llevar a cabo sus obligaciones al tenor de este Convenio, CINDE está de acuerdo en lo siguiente a menos que las partes convengan de otra forma por escrito:

a) Proporcionar la suma de ₡12,012,629, equivalente al 10% del monto total del presupuesto, para cubrir los gastos de operación del CAAP, durante el período entre el 1 de enero y el 31 de diciembre de 1987, de acuerdo con el Presupuesto Ilustrativo que se muestra en el Anexo II.

b) Asignación de Recursos

Asignar sin costo al Programa del CAAP o a A.I.D. los recursos necesarios para el buen logro del propósito de este Convenio. Estas responsabilidades incluyen, pero no

described in Annex I, Project Description, and as per the Illustrative Budget, shown in Annex II.

The amount of ₡52,010,353 provides funding for the specific PAAC programs proposed in Annexes I & II. The approval of funds for each specific program will be made after presentation by PAAC and approval by USAID/Costa Rica of a proposal containing a program description, goals, objectives, personnel needs, identification and role of the implementing institution, implementation plan, estimated budget, and any local currency funded agreements and/or letters of intent. These agreements or letters should include all parties that will participate in the program, and their commitment to provide their counterpart contribution, in cash or in kind, to the project.

ARTICLE II: In carrying out its obligations under this Agreement, CINDE agrees as follows, unless otherwise agreed to in writing:

a) To provide the amount of ₡12,012,629, equivalent to 10% of the total budget, to cover the operating expenses of PAAC, during the period January 1 - December 31, 1987, as per the Illustrative Budget shown in Annex II.

b) Assignment of Resources

To assign without cost to the PAAC Program or A.I.D. the necessary resources for the successful accomplishment of the purpose of this Agreement. These responsi-

se limitan a la contabilidad, administración, coordinación, evaluación e información de todas las actividades que CINDE esté proporcionando según se contempla en el Convenio.

c) Establecimiento de una Cuenta Bancaria Separada/Documentación

Brindar a la A.I.D. evidencia, en la forma y en el contenido satisfactorio para la A.I.D., con anterioridad a la transferencia a CINDE de los fondos que se comprometen bajo este Convenio, de que CINDE ha establecido una cuenta bancaria separada para controlar el recibo y desembolso de todos los fondos descritos en este Convenio, que incluya capital e intereses.

d) Definición de Intereses Devengados

Colocar cualquier porción ociosa de los fondos en instrumentos del Gobierno de Costa Rica que produzcan intereses. Cualquier y todo interés devengado por estos fondos deberá transferirse a la cuenta separada que se menciona en el Artículo II. c) antes mencionado, y utilizarse de acuerdo con el propósito específico de este Convenio.

e) Informes financieros

Suministrar a la A.I.D. en respaldo del desembolso inicial de fondos bajo este Convenio un Informe Certificado de Necesidades de Efectivo que cubra un período que no exceda 90 días. Este informe deberá ser presentado de acuerdo con el formato que se muestra en el Anexo III.

Proporcionar a la A.I.D. en respaldo de desembolsos de fondos subsiguientes dentro del presente Convenio, un informe Certificado de Necesidades de Efectivo para los sub-

bilities will include, but will not be limited to, the accounting, administration, coordination, evaluation and reporting of all activities which CINDE is providing as contemplated by this Agreement.

c) Establishment of Separate Bank Account/Documentation

To provide evidence to A.I.D., in form and substance satisfactory to A.I.D., prior to the transfer to CINDE, of the funds obligated under this Agreement, that CINDE has established a separate bank account to control the receipt and disbursement of all funds, including interest and principal, described in this Agreement.

d) Interest Earnings Definition

To place any unused portion of the funds into interest bearing instruments of the Government of Costa Rica. Any and all interest earned from these funds must be transferred to the separate account mentioned in Article II. c) above and used in accordance with the specific purpose of this Agreement.

e) Financial Report

To provide A.I.D. in support of the initial disbursement of funds under this Agreement with a Certified Cash Needs Report for a period not to exceed 90 days. This report should be provided in the format shown in Annex III.

To provide A.I.D. in support of any subsequent disbursement of funds under this Agreement with a Certified Cash Needs Report for the next 90 days and a Certified Fiscal Re-

siguientes 90 días y un Informe Fiscal Certificado por los gastos efectuados en períodos previos. Estos informes deberán ser presentados de acuerdo con el formato que se muestra en los Anexos III y IV.

Los desembolsos de fondos para cada programa individual serán aprobados después de cumplirse con la presentación de toda la documentación de respaldo, que se menciona en el Artículo I, y además deberán seguirse las normas para desembolsos antes citadas.

f) Informes

Presentar a la A.I.D. informes trimestrales y finales detallando las actividades realizadas bajo el proyecto y el progreso alcanzado con respecto a las metas del proyecto durante el período que se reporta. Además, CINDE acuerda presentar a la A.I.D. una reconciliación anual sobre el uso de los fondos.

g) Auditoría

La administración total y el uso de los fondos descritos en este Convenio será objeto de auditoría por parte de la A.I.D., o de firmas aprobadas por la A.I.D. CINDE contratará los servicios de una firma reconocida de Contadores, aceptada por la A.I.D. con el fin de realizar una auditoría de tipo financiero y de cumplimiento de esta actividad. Esta auditoría deberá llevarse a cabo al final de la actividad. Cinco copias del informe de la auditoría (en inglés y en español) deberán ser presentadas a la A.I.D. Hasta un tres por ciento (3%) de los fondos proporcionados mediante este Convenio, cuyo uso se define en el Anexo II, podrán ser separados por CINDE para este propósito. Si en cualquier

port for expenses incurred in previous periods. These reports should be provided in the format shown in Annex III and IV.

Disbursement of funds for each individual program will be approved after compliance with the presentation of all supporting documentation mentioned under Article I, and should follow the above mentioned rules on disbursements.

f) Reports

To present to A.I.D. quarterly and final reports, detailing activities undertaken under the project and progress made on meeting project goals during the reporting period. In addition, CINDE agrees to present to A.I.D. an annual reconciliation of the use of funds.

g) Audit

All administration and use of the funds described in this Agreement will be subject to audit by A.I.D. or A.I.D. approved firms. CINDE will contract a recognized accounting firm acceptable to A.I.D., to conduct a Financial and Compliance type audit of this activity. This audit should be conducted at the end of the activity. Five copies of the audit report (in English and in Spanish) will be submitted to A.I.D. Up to three (3%) percent of the funds provided under this Agreement, with usage defined in Annex II, may be set aside by CINDE for this purpose. If at any time during the life of this Project or as a result of an audit, it is determined that funds provided

momento durante la vigencia de este Proyecto, o como resultado de una auditoría, se determina que los fondos otorgados bajo este Convenio han sido utilizados para propósitos que no están de acuerdo con los términos del presente Convenio, CINDE deberá reembolsar tal monto de acuerdo con las instrucciones de A.I.D.

h) Mantenimiento de Libros y Registros

Presentar a la A.I.D. evidencia en forma y contenido satisfactorio para la A.I.D. de que mantendrá o hará que se mantenga, de acuerdo con principios y prácticas contables generalmente aceptados y consecuentemente aplicados, libros y registros en relación a este Convenio, adecuados para mostrar sin limitaciones, el recibo y uso de todos los bienes y servicios adquiridos bajo esta actividad. Tales libros y registros se mantendrán por lo menos por un período de un año después de la fecha del último desembolso hecho por CINDE bajo este Convenio.

i) Variaciones de los Planes Financieros

Se podrán producir variaciones en los renglones presupuestarios, hasta de un quince por ciento (15%) por renglón, dentro del presupuesto general del CAAP, así como también dentro de los presupuestos de los programas específicos que se detallan en el Anexo II sin que se requiera la aprobación de la A.I.D. Las variaciones del 15% entre los renglones presupuestarios se permitirán solamente dentro de la misma fuente de financiamiento. Cualquier variación que exceda el 15% deberá ser aprobada por todas las Partes mediante una enmienda al presente Convenio.

under the Agreement have been expended for purposes not in accordance with the terms of this Agreement, CINDE shall refund such amount as instructed by A.I.D.

h) Maintenance of Books and Records

To provide A.I.D., evidence in form and substance satisfactory to A.I.D., that it will maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices, consistently applied, books and records relating to this Agreement, adequate to show, without limitation, the receipt and use of all goods and services acquired under this activity. Such books and records will be maintained for at least one year after the date of last disbursement by CINDE under this Agreement.

i) Financial Plan Variations

Variations between line items of up to fifteen (15%) percent of the overall PAAC budget as well as within the specific program budgets detailed in Annex II, may occur without A.I.D.'s approval. Variations of 15% between line items are permitted only within the same source of funds. Any variation of line items above 15% must be approved by all parties by means of an amendment to this Agreement.

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j) Saldo Final

Si al finalizar este Convenio los fondos cubiertos por el mismo incluyendo capital y cualesquier intereses devengados, no se han agotado, la A.I.D. podría solicitar a CINDE que reintegre dichos fondos, según la A.I.D. lo indique, dentro de los treinta (30) días siguientes a una solicitud por escrito en este sentido.

k) Precios razonables

CINDE está de acuerdo en que no pagará más de los precios razonables por la compra de bienes y servicios financiados parcial o totalmente bajo esta actividad. Dichos bienes y servicios se comprarán mediante el empleo de prácticas comerciales aceptables y justas. Cotizaciones competitivas para todos los trabajos serán obtenidas de por lo menos tres compañías cuando sea posible. Se le darán copias de estas cotizaciones a la A.I.D. para sus archivos.

ARTICULO III Para llevar a cabo sus obligaciones al tenor de este Convenio, MIDEPLAN está de acuerdo en lo siguiente, a menos que las Partes convengan de otra forma por escrito:

a) Proporcionar la suma de hasta treinta y cinco millones de colones (¢35,000,000) de fondos del programa PL 480, Título I, generados dentro del Convenio de Venta PL 480 del Año Fiscal 1986, los cuales serán utilizados para cubrir costos del programa durante 1987, de acuerdo con el detalle que se muestra en el Presupuesto Ilustrativo, Anexo II.

b) Preparar un Convenio en Moneda Local bajo el PL 480, Título I, que especifique las responsabilidades

j) Final Balance

If, upon termination of this Agreement, the funds, including principal and any earned interest covered by this Agreement have not been exhausted, A.I.D. shall require CINDE to refund such funds as A.I.D. may direct, within thirty (30) days of a written request to do so.

k) Reasonable prices

CINDE agrees to pay no more than reasonable prices for the procurement of goods and services financed in whole or in part under this activity. Such goods and services will be procured by employing fair and good commercial practices. Competitive quotations for all work will be obtained from at least three companies whenever possible. Copies of the quotations will be given to A.I.D. for its records.

ARTICLE III: In carrying its obligations under this Agreement, MIDEPLAN agrees as follows, unless the Parties otherwise agree to in writing:

a) To provide up to thirty five million colones (¢35,000,000) from P.L. 480 Title I local currency generated under the FY 1986 P.L. 480 Title I Sales Agreement, that will be utilized to cover program costs during 1987 in accordance with the detail shown in the Illustrative Budget of Annex II.

b) To prepare a P.L. 480 Title I Local Currency Agreement which will lay out the responsibilities of

de MIDEPLAN y CINDE con respecto a la utilización del total de los fondos antes mencionados. El Convenio será firmado por representantes de MIDEPLAN, CINDE Y USAID.

ARTICULO IV: Al recibir evidencia de lo acordado en el Artículo II c) y e), la A.I.D. solicitará el Banco Central que efectúe el desembolso inicial de fondos, tal como se indica en la certificación aprobada de Necesidades de Efectivo, en la cuenta abierta por CINDE.

ARTICULO V: Las Partes convienen, a menos que se acuerde de otra forma por escrito, en:

a) Duración del Convenio:

El entendimiento y las obligaciones de las Partes bajo este convenio estarán en vigencia del 1 de enero de 1987 al 31 de diciembre de 1987 a menos que las Partes acuerden de otra forma por escrito, y excepto en lo que se refiere a los requisitos de mantenimiento de registros que se mencionan en el Artículo II h).

b) Notificación

Cualquier aviso, solicitud, documento u otra comunicación enviada por cualesquiera de las Partes a la otra bajo este Convenio, será por escrito o por medio de telegrama o cable, y se considerará debidamente entregada o enviada cuando se envíe a dicha Parte a las siguientes direcciones:

Para el Gobierno de Costa Rica:

Oficina del Primer
Vicepresidente de la República
Casa Presidencial
Apartado 520-2010
Zapote
San José, Costa Rica

MIDEPLAN and CINDE with respect to the utilization of the total funds mentioned above. The Agreement will be signed by representatives from MIDEPLAN, CINDE and USAID.

ARTICLE IV: Upon receipt of evidence of compliance with Article II c) and e), above, A.I.D. will request the Central Bank to deposit the initial amount as indicated in the approved Certification of Cash Needs, into the account established by CINDE.

ARTICLE V: The Parties agree, unless otherwise agreed to in writing that:

a) Terms of the Agreement

The understanding and obligations of the Parties under this Agreement are effective from January 1, 1987 to December 31, 1987 unless the Parties otherwise agree to in writing, and except with respect to the record keeping requirements referred to in Article II. h).

b) Notification

Any notice, requests, document or other communication submitted by any one Party to the others under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

For the Government of Costa Rica:

Oficina del Primer
Vicepresidente de la República
Casa Presidencial
P.O. Box 520-2010
Zapote
San José, Costa Rica

Para MIDEPLAN

Ministerio de Planificación y
Política Económica
Apartado 10127-1000
San José, Costa Rica

Para CINDE:

Coalición Costarricense de
Iniciativas para el Desarrollo
Apartado 7170-1000
San José, Costa Rica

Para A.I.D.

Director
USAID/Costa Rica
Embajada de los Estados
Unidos de América
Apartado 10053-1000
San José, Costa Rica

c) Título de propiedad

El título de propiedad de todo el equipo y de los vehículos, si los hubiera, quedará en a nombre de CINDE. A la terminación de cada uno de los programas individuales CINDE Y A.I.D. tomarán una decisión con respecto a la disposición del equipo y los vehículos.

ARTICULO VI Para todos los efectos relacionados con este Convenio el Gobierno de Costa Rica estará representado por la persona que ejerza o esté a cargo de la Oficina de la Primera Vicepresidencia de la República; MIDEPLAN estará representado por la persona que ejerza o esté a cargo de la Oficina del Ministro; CINDE estará representado por la persona que ejerza o esté a cargo de la Oficina del Director Gerente; A.I.D. estará representada por la persona que ejerza o esté a cargo de la Oficina del Director de USAID/Costa Rica; cada uno de los cuales, mediante notificación escrita podrá designar

To MIDEPLAN:

Ministerio de Planificación
Nacional y Política Económica
P.O. Box 10127-1000
San José, Costa Rica

To CINDE:

Coalición Costarricense de
Iniciativas para el Desarrollo
P.O. Box 7170-1000
San José, Costa Rica

To A.I.D.:

Director
USAID/Costa Rica
United States Embassy
P.O. Box 10053-1000
San José, Costa Rica

c) Title of Property

The title of all equipment and vehicles if any, will be in the name of CINDE. At the termination of each one of the individual programs to be funded under the Agreement, a decision will be made, by CINDE and USAID on the disposition of the equipment and vehicles.

ARTICLE VI: For all purposes relevant to this Agreement the Government of Costa Rica will be represented by the individual holding or acting in the Office of the First Vice Presidency of the Republic; MIDEPLAN will be represented by the individual holding or acting in the office of the Minister; CINDE will be represented by the individual holding or acting in the Office of the Director Gerente; A.I.D. will be represented by the individual holding or acting in the Office of the Director, USAID/Costa Rica, each of whom by written notice, may designate additional representatives.

representantes adicionales.

ARTICULO VI: Este Convenio ha sido preparado tanto en inglés como en español. En caso de ambigüedad o conflicto entre las dos versiones, la versión en inglés será la que rija.

ARTICULO VII: Se adjuntan los Anexos I, II, III y IV los cuales forman parte de este Convenio.

EN FE DE LO CUAL, las Partes de este Convenio, cada una actuando por medio de su representante debidamente autorizado, han hecho que este Convenio se firme en su nombre el 12 de marzo de 1987 en San José, Costa Rica.



Ing. Jorge Manuel Dengo
Primer Vicepresidente
de la República

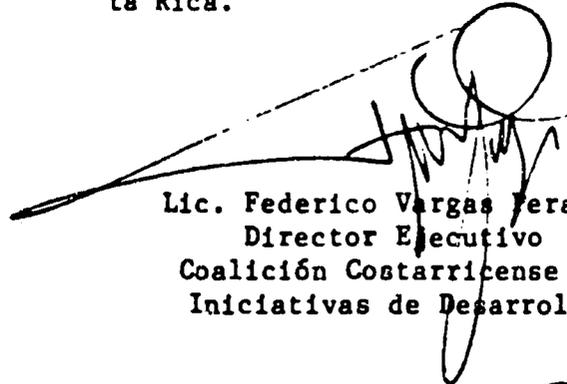


Dr. Otton Solís Fallas
Ministro
Ministerio de Planificación
Nacional y Política Económica

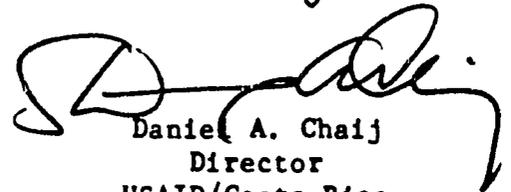
ARTICLE VI: This Agreement is made in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version shall control.

ARTICLE VII: Annexes I, II, III, and IV are attached to and form part of this Agreement.

IN WITNESS WHEREOF, the Parties to this Agreement, each acting through their duly authorized representatives, have caused this Agreement to be signed in their names on March 12, 1987 in San José, Costa Rica.

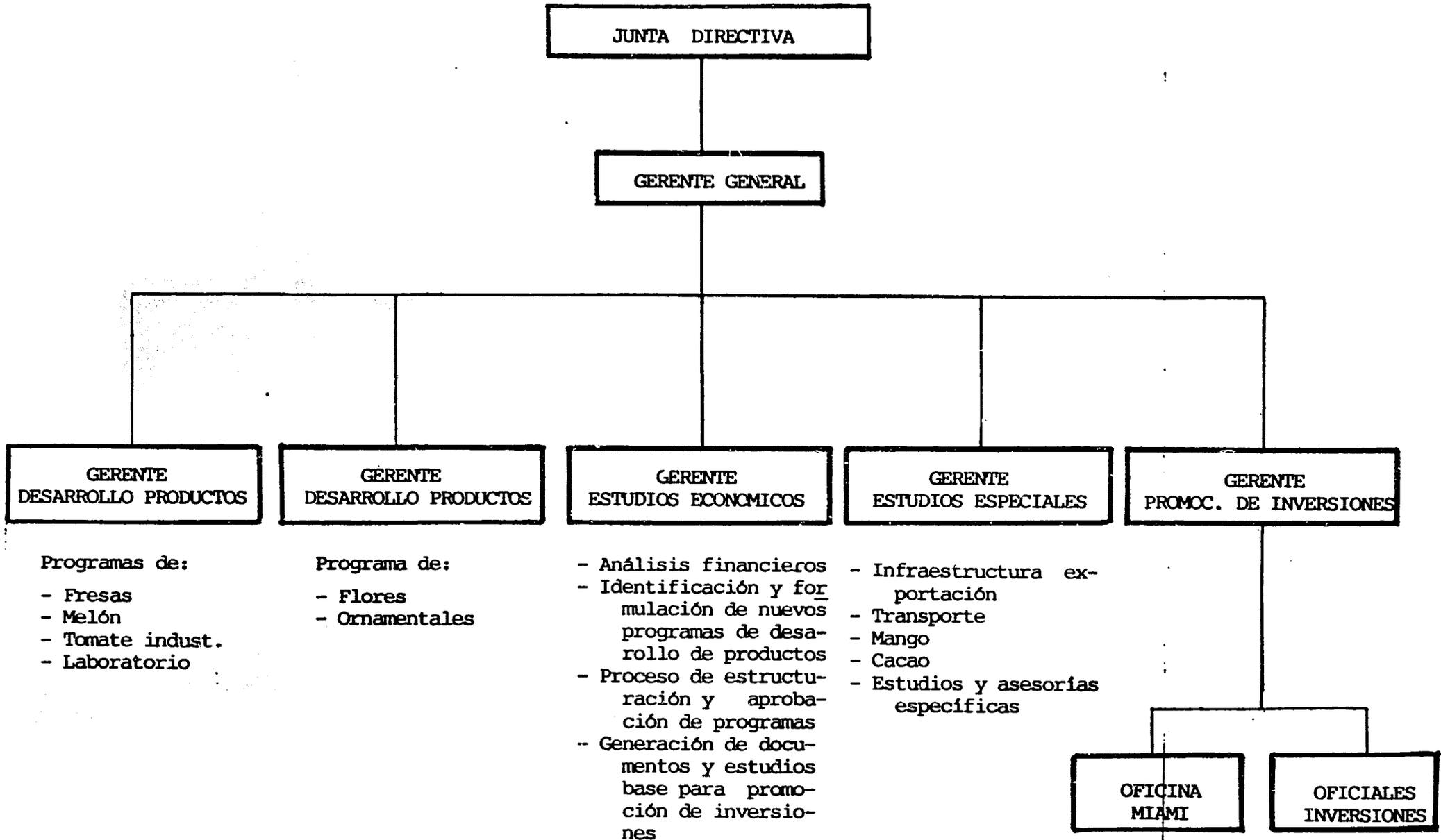


Lic. Federico Vargas Feralta
Director Ejecutivo
Coalición Costarricense de
Iniciativas de Desarrollo



Daniel A. Chaij
Director
USAID/Costa Rica

O R G A N I G R A M A
CONSEJO AGROPECUARIO AGROINDUSTRIAL PRIVADO



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| NOMBRE DE DIRECTOR | INSTITUCION QUE REPRESENTA | COMITE DIRECTOR | |
|--------------------------|--|-----------------|--------------|
| | | FLORES | ORNAMENTALES |
| Sr. César Garcés | Rep. de los productores Asociados a la CNAA | (Presidente) | - |
| Ing. Jorge Cotera | Rep. de ACOFLOR | XX | - |
| Sr. Rodolfo Orlich | Rep. de los productores Asociados a la CNAA | - | (Presidente) |
| Ing. Felipe van der Laat | Rep. de COOPEPLANT, R.L. (Presidente del Consejo de Administ. de COOPEPL.) | - | XX |
| Dr. Oscar Arias Moreira | Rep. de la Junta Directiva del CAAP (Funcionario de una Compañía productora de Ornamentales) | XX | XX |
| Ing. Alfredo Herrera | Gerente de Programas CAAP/CINDE (Coordinador General y fiscalizador de los Programas, enlace entre CAAP/CINDE y AID y los Comités) | (Secretario) | (Secretario) |
| Lic. Alberto Freer | Rep. de Grupos de apoyo, como: MAG, INSTITUTOS COOPERATIVOS, otros (Jefe de Sección Fitosanitaria, MAG en el Aeropuerto) | XX | XX |
| Sr. Rafael Rodríguez | Rep. de CNAA (Director Ejecutivo de la CNAA) | XX | XX |
| Ing. Rodolfo Araya | Rep. de la UCR (Director de la Est. Exp. Fabio Baudrit/UCR) | XX | XX |
| Ing. Julio Gamboa | "Coordinador Técnico" de los Programas (funcionario de la UCR, Encargado de la coordinación del Grupo Técnico de los Programas) | XX | XX |

* (XX) = Miembro del Comité.

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CONTRATOS FIRMADOS POR CINDE-CAAP

| CONTRATO ENTRE | PROPOSITO DEL CONTRATO | FIRMADO | DURACION |
|---------------------------|--|---------------|-----------|
| IRI Research Institutue | Evaluación de 21 productos agric. | Junio 1987 | Concluido |
| UCR-CNAА. Prog. flores | Desarrollo p. flores | Junio 1987 | Vigente |
| UCR-CNAА. P. ornamentales | Desarrollo p. ornamentales | Junio 1987 | Vigente |
| UCR-CNAА-ICAFE p. fresas | Desarrollo p. fresas | Abril 1987 | Vigente |
| UCR . p. Laboratorio | Desarrollo p. laboratorio | Agosto 3, 87 | Vigente |
| CNAА | Desarrollo de productos varios | Pendiente | 1988 |
| PINDECO | Estudio papaya | | Vigente |
| CANEFOR | Estudios forestales | Feb. 1988 | Vigente |
| Carlos Sáenz Pacheco | Estudio Crédito agropecuario | Febrero 1988 | Concluido |
| Mauricio Badilla | Estudio fresas | Oct. 26, 87 | Concluido |
| Coopevenecia | Estudio de maracuya | Set. 30, 1987 | Concluido |
| Edgar Vargas González | Estudio en horticultura | Junio 1, 87 | Vigente |
| Freddy Guzmán Madrigal | Estu. encuesta flores | Marzo 10, 87 | Concluido |
| Mario Garnier & Asociados | Diseño sistema contable para exportac. de flores | Set. 11, 87 | Concluido |
| CATIE | Desarrollo p. de cultivos | Feb. 18, 88 | Vigente |

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ANNEX II

CAAP 1988 BUDGET
COLONES ONLY

| | |
|-----------------------------|---------------------|
| <u>OPERATING EXPENSES</u> | |
| Operating Expenses | ¢ 21,288,000 |
| Fixed assets | 500,000 |
| Audit | 650,000 |
| Contingencies | <u>3,000,000</u> |
| Sub-Total | 25,438,000 |
| <u>POLICY DIALOGUE</u> | |
| Studies | 3,000,000 |
| CNAA | <u>9,864,000</u> |
| Sub-Total | 12,864,000 |
| <u>INVESTMENT PROMOTION</u> | 8,826,000 |
| <u>PRODUCT PROGRAMS</u> | |
| Strawberry | 6,890,000 |
| Flowers | 7,367,000 |
| Ornamental Plants | 7,100,000 |
| Industrial Tomato | 450,000 |
| New Products | 32,803,000 |
| Cacao | 10,000,000 |
| Mango | 14,633,000 |
| Laboratory | 3,712,000 |
| Diffusion of Technology | <u>4,092,000</u> |
| Sub-Total | 87,047,000 |
| CINDE Overhead | <u>10,576,235</u> |
| TOTAL | <u>¢144,751,235</u> |

**MIEMBROS DEL COMITE DIRECTOR DE PROGRAMAS
DE FLORICULTURA Y PLANTAS ORNAMENTALES**

| NOMBRE DE DIRECTOR | INSTITUCION QUE REPRESENTA | COMITE DIRECTOR FLORES | ORNAMENTALE |
|---------------------------|--|-----------------------------------|--------------------|
| Sr. César Garcés | Rep. de los productores Asociados a la CNAA | (Presidente) | - |
| Ing. Jorge Cotera | Rep. de ACOFLOR | XX | - |
| Sr. Rodolfo Orlich | Rep. de los productores Asociados a la CNAA | - | (Presidente) |
| Ing. Felipe van der Laat | Rep. de COOPEPLANT, R.L. (Presidente del Consejo de Administ. de COOPEPL.) | - | XX |
| Dr. Oscar Arias Moreira | Rep. de la Junta Directiva del CAAP (Funcionario de una Compañía productora de Ornamentales) | XX | XX |
| Ing. Alfredo Herrera | Gerente de Programas CAAP/CINDE (Coordinador General y fiscalizador de los Programas, enlace entre CAAP/CINDE y AID y los Comités) | (Secretario) | (Secretario) |
| Lic. Alberto Freer | Rep. de Grupos de apoyo, como: MAG, INSTITUTOS COOPERATIVOS, otros (Jefe de Sección Fitosanitaria, MAG en el Aeropuerto) | XX | XX |
| Sr. Rafael Rodríguez | Rep. de CNAA (Director Ejecutivo de la CNAA) | XX | XX |
| Ing. Rodolfo Araya | Rep. de la UCR (Director de la Est. Exp. Fabio Baudrit/UCR) | XX | XX |
| Ing. Julio Gamboa | "Coordinador Técnico" de los Programas (funcionario de la UCR, Encargado de la coordinación del Grupo Técnico de los Programas) | XX | XX |

* (XX) = Miembro del Comité.

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