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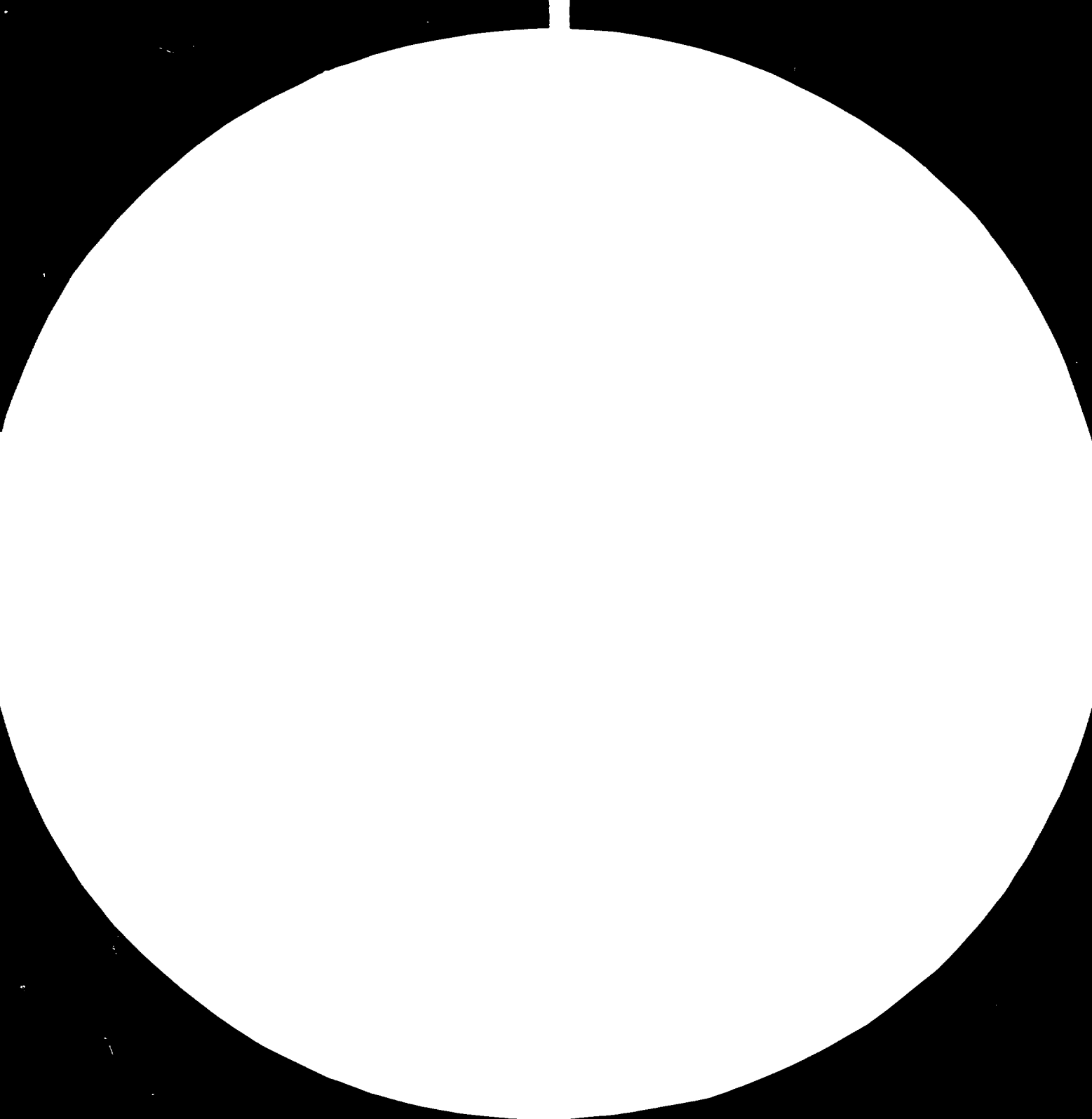
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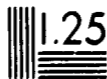


Figure 1. Resolution test targets used for the study. The resolution test targets were used to determine the resolution of the microscope. The resolution of the microscope was determined by the smallest resolution test target that could be resolved. The resolution of the microscope was determined to be 1.0 line pairs per millimeter (lp/mm).

10849-E

Distr.  
LIMITED

UNIDO/IO.440  
13 July 1981

ENGLISH

UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

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MISSION REPORT TO  
COSTA RICA \*,

7 - 14 June, 1981

DP/COS/80/001

by

P. F. Ryan

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V.81-27567

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1. OBJECTIVES OF MISSION

The objectives of this mission were:

- (1) To review progress on the on-going project DP/COS/80/001 at the request of the Government and to plan its next phase.
- (2) To study the plan presented by Nippon Keoi and the Japanese Industrial Location Center regarding infrastructure at Calderas and review the site chosen at Calderas/Barranca for a second EPZ.
- (3) To review current progress and future plans for construction of industrial estates at Moin (Atlantic) and Calderas (Pacific).
- (4) To review the plans for investment promotion to attract new industrial investors to Costa Rica and suggest any improvement.
- (5) To assist ZOFREX with matters of organisation, project analysis and investment promotion.
- (6) To assist CENPRO (Centro de Promoción de exportaciones e inversiones) to formulate an appropriate package of technical assistance for implementation jointly with the next phase of DP/COS/80/001.

2. RESULTS OF MISSION

- (1) The remaining funds in the project were allocated after discussions with ZOFREX and UNDP.
- (2) A follow up project was designed at the request of ZOFREX and is attached as Annex I.  
.....
- (3) An investment promotion project to place a Costa Rican candidate in the New York office of UNIDO's Investment Promotion Service was arranged at the request of ZOFREX and CENPRO (Centre for the promotion of exports and investment). This was followed up by a stop-over in New York to settle the details.
- (4) The joint requirements for technical assistance of both ZOFREX and CENPRO were analysed in the light of UNDP and Cost Sharing funds likely to be available and incorporated into a project.
- (5) Special requests such as an Investment Promotion Meeting in Costa Rica were discussed for later follow up.
- (6) Since Costa Rica has very few overseas representation offices, alternatives within UNIDO's capability were analysed and discussed to improve the investment promotion.
- (7) Visits were made to both sites at Moin and Calderas/Barranca and the appropriate advice given on the spot, as to future development.

- (8) A Seminar was given on export promotion and investment promotion to government officials from ZOFREX, CENPRO, Ministry of Planning, Development Bank, Chamber of Commerce.
- (9) Appropriate training programmes both in Costa Rica (Project Preparation and evaluation) and outside Costa Rica by fellowships and Study Tours were discussed and incorporated into the project document.

### 3. GENERAL

The mission took place between 6 - 12 June 1981 and was principally intended to assist ZOFREX (Corporación de la Zona Franca de Exportación S.A.) to plan the next stages of their project, which is aimed at establishing, as soon as possible, export industries on the Atlantic and Pacific coasts, decentralised from the Central Valley and capital, San José.

Costa Rica, an agricultural country of only 2.1 million exports mainly coffee, bananas, sugar, cocoa, palm oil and meat. It has the highest standard of literacy in Latin America, and is a true democracy. A Presidential election is due in February 1982.

Until 1978 the balance of trade was fairly equal. Imports being \$1,184 million and exports \$826 million. However, whereas exports have remained constant, imports, largely fuels, industrial raw materials, and capital goods for industry have steeply increased. Declining coffee prices, reduced banana exports, and rising fuel costs have caused a financial crisis, whereby the exchange rate for the U.S. dollar has changed from Colones 8.60 in August 1980 to a current rate of C.18, and 'street' rates of up to C.23.

Whereas per capita income increased from \$914 in 1975 to \$1,514 in 1978, the National Debt increased from \$503 million to \$1,008 million in the same period.

The Central Bank is now having acute difficulties in stabilising the economy and has recently been unable, for short periods to provide dollars for any purpose than essential imports, even for visitors.

The fiscal situation is now so acute that all state enterprises are having budgets frozen, and only Colones are available. Protectionism in the CACM is beginning to occur as the same phenomena are apparent in all CACM countries whose export/import patterns are similar to that of Costa Rica.

### 3A. PROGRESS TO JUNE 1981 PROJECT DP/COS/80/001

ZOFREX has carried out jointly with CENPRO, promotional seminars in Europe and South East Asia, but not the U.S.A. which is the nearest, largest market.

The reasons are that CENPRO had a promotional guidance study (EEC finance) done by the Industrial Development Authority, Ireland, which recommended

and described exactly how such seminars should be carried out. The seminars in S.E. Asia were largely the result of contacts established with Nippon Keoi, a Japanese company which produced a study on EPZ location and the utility of EPZs in general, as well as a Port project at Calderas.

Despite these contacts, and several follow-up visits by interested industrialists, no investor has yet signed a contract, which is not surprising, as the average delay from contract to contract signature is two years. Investors and resultant exports are now urgently needed.

### 3B. ZOFREX - Industrial Sites

Since June 1979, Zofrex has acquired two areas of land intended for industrial estates, one on the Atlantic and one on the Pacific coast. On the Atlantic, at Puerto Limon, an estate has been built, and three factories are ready for occupation. On the Pacific, near Calderas, the site has not yet been developed. It is bounded by good roads, rail, a power station, and will be connected to the new port at Calderas by end 1981.

Both sites are very well chosen, flat land, well drained, near essential services and in areas of unemployment.

### 4. RECOMMENDATIONS DP/COS/80/001

- 1.1 As soon as possible a seminar be held in a selected location in the U.S.A. which is more likely to be the source of investors than anywhere else in the near future.

In view of the urgent need to create new employment in Costa Rica, ZOFREX should as soon as possible organise promotional activities in the U.S.A.

The following is also recommended:

- 1.2 Selection of Target Industries

ZOFREX has to decide what type of industries it wishes to attract to invest in both EPZ, first in Moin (Atlantic Coast). (The Santa Rosa site at Calderas (Pacific Coast) might well be suitable for agro industries). Considerations are the type of labour at Moin, the success of maquiladora industry in Costa Rica, the need for air conditioning for such electronic industry, and general industrial policy considerations.

- 1.3 Promotional Expert - Financed by Project DP/COS/80/001

That an expert familiar with "offshore" U.S. firms be hired to carry out research on which of these companies is most likely to be interested in an investment, and then make visits to selected enterprises during a period of 5 - 6 weeks.



The expert should start at the Miami Free Zone where it can be seen which U.S. firms are exporting to Latin America. Lists of investors in existing EPZ are available in publicity brochures from EPZ. These can be obtained by asking the relevant Embassies, for example, in New York.

#### 1.4 Invitations to selected investors

After this, when such firms have been identified, and the most suitable have been visited, letters should be written to the remainder, inviting them to visit ZOFREX. By narrowing down the field to one, or only a few industrial sectors, the cost of promotion is reduced and it is more effective.

#### 1.5 Investment Promotion

An investment promotion seminar be given in Miami, Fla., as soon as possible. The reasons are:

- (a) Miami, a 50% Spanish-speaking city, is only 2.5 hours flying from Costa Rica and the nearest large market.
- (b) Since April 1979 in Miami is a 73 acre Free Zone, involved mainly in import and domestic distribution, but also involved in re-export and export, mainly to Latin America. The Port handles 3 million tons of cargo a year (15m by 1990). Miami airport is the second largest US airport (900 passengers and 400 all-cargo flights per week).

The management of the Zone would assist in organising such a seminar, and, the Municipality, if asked, might well subsidise it.

- (c) Such a seminar would produce considerable publicity for ZOFREX and investment in Costa Rica in general, which is badly needed to attract new industrial, export-oriented investors.
- (d) There is good cooperation between ZOFREX and CENPRO and the latter's participation should be requested both in terms of staff and finance.
- (e) Costa Rica has very few overseas representation offices, and those it does have are fully occupied with current diplomatic, consular and commercial work.

Some inputs to this seminar could come from ACOGE (Costa Rican Association of Managers and Entrepreneurs), who are organising a crash programme of investment promotion, mainly in agro-industrial projects. ACOGE also have an export promotion scheme, and expect to receive investment funds from U.S. sources. Although confined to the private sector, the ACOGE campaign could be linked to ZOFREX work in the same field and same geographical area.

1.6 Staff at Moin - Province of Limon

As soon as an investor signs a contract and leases a factory building, he will expect to have full time ZOFREX staff available at MOIN. As soon as possible, at least two staff, one a commercial manager, and one a repair and maintenance technician must be available at MOIN.

1.7 Buildings

The building which was designed for the Customs Service should be erected as soon as possible. This can be used mainly as an administration building. Part can be used for training purposes, interviewing and registering labour and for security purposes.

1.8 Incentives

Apart from natural incentives (political stability, climate, labour cost, living conditions) and legally created artificial incentives, a very large incentive is the physical services provided at the industrial estate.

The investment in land and buildings has to be backed up by staff, since a new investor, even if a joint venture, will have "moving-in" problems. This is especially true of the first investor.

1.9 The First Investor

This is a vital factor in the success of any industrial estate, since all subsequent enquirers who reach the stage of a local visit will call on this investor. Obviously the first investor has to be looked after very carefully. He will make considerable demands, as a pioneer, and expect detailed, round-the-clock assistance. It is recommended that one of ZOFREX staff from San José be seconded to Puerto Limon for the purpose for at least two months. When he/she leaves, they should be replaced by a permanent, resident staff member of ZOFREX.

Some EPZ such as Ireland and Sri Lanka receive enquiries from investors which are rejected only because the investor employs only women, or is a competitor of an existing investor, or because the production might cause import quotas to be exceeded. ZOFREX should write to such companies to ask if such enquiries can be passed to them. Naturally, there will be little, if any, response from the region but European and South Asian EPZ's will not fear any competition.

1.10 Investment Promotion Meeting in Costa Rica

The Executive Directors Report on UNIDO 1980, on page 79 proposes an investment Promotion Meeting in Costa Rica.

This is strongly recommended, to be organised as soon as possible in view of the urgent need for generation of employment, and the availability of industrial sites, raw materials, and well educated unemployed people.

Resources available include surpluses of coffee, bananas, sugar, cocoa, edible oils and meat. There are large areas of unused or under utilised agricultural land. Due to combined factors which typically affect a country of two million people, there is a shortage of entrepreneurs, capital and technology to exploit natural resources for export, since the domestic market is very small. The CACM market is now also distorted by political upheaval, and has thus reduced "easy" export markets by road.

Hitherto, Costa Rica's ports were not up to international standard, but great improvements have now been made as described, on both Atlantic and Pacific Coasts.

Thus, an investment promotion meeting in Costa Rica would be very appropriate at this time, especially on the legislative framework for joint ventures and other forms of international co-operation already exist.

1.11 Coast to Coast Container Service

The promotion of the two sites, at Moin (Puerto Limon) on the Atlantic coast, and at Calderas/Puntarenas on the Pacific Coast should include mention of the roll-on, roll-off facilities for containers. The coast to coast transit time is only 8 hours.

This is of considerable interest to shipping and forwarding companies, and container firms because the delay to pass through the Panama Canal can reach 12 days.

It makes a plant at Moin more interesting to investors as they can ship direct to Miami and Europe but also via Calderas to Japan and West Coast U.S.A. The shipping lines already call on both ports, but it is well known that Puntarenas can only take 2 - 3 vessels at one time, and has no protection against winds and heavy seas.

The new facility at Calderas will soon be linked by rail to Puntarenas, but the inland road needs asphaltting for about 20 kms urgently.

A charge per ton carried must be levied on container companies, since a fund will be needed to repair roads, which are subject to heavy rain damage. This can be pitched much lower than the cost of the Panama Canal fees which can be as high as \$40,000 per vessel.

5. PROJECT REVISION

The suggested project revision (not yet agreed by UNDP) is:

Budget	\$63,000		
UNDP	\$46,100		
ZOFREX	\$18,900	=	30%

(a) Zofrex paid \$12,000  
Balance 6,900 at 8.60 = Colones 59,340

(b) UNDP paid \$15,000 line 11-01 in 1980  
Balance \$31,100

Total available (a + b) \$38,000 less 14% = \$5,320

= \$32,680

However, UNDP argue that only \$17,000 is available, and that ZOFREX have to pay in Colones 30% of \$51,000 as their contribution. This matter could not be solved during the mission. ZOFREX maintain that the \$12,000 they paid in dollars must be regarded as part of their contribution to the project. If they had not paid it, UNDP would eventually have had to pay it.

6. IMPLEMENTATION DP/COS/80/001

- (a) Zofrex wish Mr. T. Pena (Phi) to be recruited and arrive in Costa Rica in July 1981. This request was made originally in 1980, but Mr. Pena is not available until July 1981. Cost \$7,000
- (b) Zofrex wish to recruit an expert for two months to obtain U.S. investors as soon as possible. Cost \$15,000

Although ZOFREX wish implementation of Phase II to begin in 1981, UNDP San José state that they have no funds available. This should be reviewed, since the need for technical assistance is urgent.

7. PUBLICOSTA

Two meetings were held with these agents. Present were Senor M.E... Ricardo Longan E. Presidente and Amanecer Dotte Frigio Creativo as well as ZOFREX staff.

One objective of publicity so far was to help to get the necessary legislation passed. Now that this has been done, there is no need to pay for any publicity, within Costa Rica, but only overseas.

The brochure published was found to be rather vague, lacking in sub-titles and precise information. It was printed on heavy, gloss paper, which is unnecessary.

I was able to give several practical guidelines based on experience of marketing similar incentive packages in different international circumstances. The market, for example, is very small and specialised, being the investment managers of companies in only a few industries in the more industrialised countries.

A specialised approach is therefore needed through specialised media, which are read by such people, but do not cost a great deal per line to take advertising space eg. The Investors Journal, Shipping News etc.

The overseas publicity from a small country trying to attract new investors is restricted by the fact that there are few overseas offices. Consular offices or Embassies cannot cope with such matters. However, it is advisable to organise contacts with other overseas offices such as Airlines, Tourist Offices, or their agents who can help with advice and contacts.

Eventually all EPZ's to be successful must find a means of establishing a publicity office in the EEC, USA and the Far East.

Costs can be shared with an Embassy, Consulate, Airline, Tourist Board or agent, and a start made.

Costs can be shared between CENPRO and ZOFREX, and perhaps later with other institutes like DAISA.

A grant might be obtained from the EEC/Centre for Industrial Development.

These and other details were discussed at length with ZOFREX staff.

### 8. PLANNING OFFICE

Office of National Planning and Political Economy.

On 10 June Mr. Azuma and I met with Senor José Ramon Chavarría and Senor William Corrales Harley of the Industrial Planning Office, Division of planning and sectoral coordination to discuss the project foreseen for both CENPRO and ZOFREX combined.

This had been discussed with the SIDFA and the need to coordinate inputs of all technical assistance had been discussed.

I assured the meeting that I was aware of the need to coordinate such aid in the field, and that in UNIDO we had an Inter-Agency Programme Co-ordination Section.

Costa Rica's strategy for international co-operation was explained, as well as the linkage expected between national, sub-regional and regional projects, through such projects as international transportation, improvement of sea and airports.

At a recent regional meeting, all six participant countries of Central America had agreed on three priorities; agro-industry, transport and investment promotion and financing for exports.

I explained that I was aware of this through the fact that I had been involved with Costa Rican plans for improvement of international links for several years and that it was a subject on which I had studied many consultants reports in the offices of CODESA, in UNDP San José and in Vienna. I assured the meeting that UNIDO was aware of the need in the Third Country Programme for co-ordination of inputs as an integrated programme. Due regard would be paid to UNCTAD, ITC, ECLA, and other agencies projects which were similar in their aims, namely to increase exports.

I explained that I was not part of a programming mission, but that by this opportunity I had been asked to draft a project document, for an 'umbrella' type project. This would take in the main requirements of both CENPRO and ZOFREX, as these two organisations are now closely linked and have common aims.

Other organisations, such as DAISA (Agro-industrial exports), CODESA, etc, had been asked to the Seminar on 11 June to assist in such coordination.

The request from CENPRO to UNCTAD/ITC of May 1981, linked to an ECLA/ITC project had been discussed with CENPRO and the request for assistance in international sub-contracting would be incorporated into the draft project document as requested.

9. CENPRO (Centro de Promoción de Exportaciones e inversiones)

The Gerente General Lic. Miguel Ruiz Herrera was absent, and I spoke to Danilo Leon R. (Jefe. Depto. Promoción de Inversiones) and Ricardo Sauma Dam (Sub-Director Administrativo y Financiero).

The Lic. Ruiz is on the ZOFREX board, and so all activities of export and investment promotion are well coordinated.

CENPRO urgently requests short term assistance on industrial opportunities identification, the preparation of a compendium (portfolio) of bankable projects, organisation of an investment promotion service and of an international sub-contracting system.

It was decided to incorporate this into the draft of the joint CENPRO - ZOFREX project document, but no money would be available probably until January 1982.

CENPRO and ZOFREX would have to pay by agreement with UNDP, 20% of the cost as cost sharing. (This could be paid in Colones).

I undertook also to arrange with the Investment Promotion Service in New York, which covers the USA, to see if they can take in 1982 a candidate from CENPRO for one year (ZOFREX do not have staff available).

This was later arranged in New York to the point that all necessary information was sent on 23 June by cable, to Costa Rica.

The decision on the scale of technical assistance and its date of starting lies with UNDP Costa Rica, after suitable negotiation with the Government and with UNDP Headquarters, after they receive our final project document.

Care will be taken to ensure that our technical assistance is constantly linked to the other inputs from other UN and bi-lateral sources. This of course will be done mainly in Costa Rica and the project document bears that in mind.

#### 10. ACKNOWLEDGEMENTS

I would like to express my thanks for provision of facilities, and hospitality to the Officer-in-Charge of UNDP, San José, Mr. Francesco Vincenti, and to Mr. S. Azuma, J.P.O.

To the General Director of ZOFREX, Ing. José Manuel Quirce and his staff I would like to extend my thanks for their help, encouragement, understanding and their considerable hospitality.

Thanks are also due to Sr. Danilo Leon R. of CENPRO for his cooperation and help and to José Ramon Chavarria and William Corrales Harley of the Office of National Planning and political economy for their help and guidance.

UNITED NATIONS INDUSTRIAL DEVELOPMENT PROGRAMME

Annex I

PROJECT OF THE GOVERNMENT OF

COSTA RICA

PROJECT DOCUMENT

TITLE: Assistance to ZOFREK and CENPRO in Investment and export promotion.

PROJECT NUMBER: DP/COS/81/XX (Phase II)

PRIMARY FUNCTION: Direct support DURATION: Three years

SECONDARY FUNCTION: Training

SECTOR (GOVT.CLASS): Industry UNDP Class + Code: Industry 35

SUB-SECTOR: (GOVT.CLASS): Manufacturing Industry  
UNDP Class + Code: Establishment and Extension of Industries 3520

GOVERNMENT IMPLEMENTING  
AGENCY: Centro de Promoción de Inversiones y exportaciones and Corporación de la Zona Franca de Exportación

ESTIMATED STARTING DATE: January 1982  
(preparatory phase - August 1981)

GOVERNMENT CONTRIBUTION: ₡ 481,815

UNDP Contribution: US \$130, 725

Signed: \_\_\_\_\_  
on behalf of Government

Date: \_\_\_\_\_

\_\_\_\_\_

on behalf of Executing Agency

Date: \_\_\_\_\_

\_\_\_\_\_

on behalf of the United Nations  
Development Programme

Date: \_\_\_\_\_



PART I

LEGAL CONTEXT

This project document shall be the instrument referred to in Article I paragraph 1 of the Technical Assistance agreement between the Government of Costa Rica and the United Nations Development Programme signed by both parties on 7 August 1973 and ratified on 6 February 1976.

The Government implementing agencies should for the purposes of the Basic Agreement, be understood as being the government co-operating agency described in that agreement.

PART II

A. DEVELOPMENT OBJECTIVES

Four development objectives have been identified in this project. They are:

- (a) To increase the exports of non-traditional manufactures.
- (b) To locate new industry away from the Central Valley to areas of high unemployment.
- (c) To encourage investment in agro-industrial project for export of processed local products.
- (d) To train Costa Rican staff in investment promotion and related techniques.

B. IMMEDIATE OBJECTIVES

The project would provide the Government of Costa Rica with an integrated package of technical assistance, related to other UN and bilateral projects, as follows:

- (a) To assist CENPRO (Centro de la Promoción de las Exportaciones y de las Inversiones) as well as ZOFREX (Zona Franca de Exportación SA) to attract to Costa Rica joint venture partners and other investors to increase the exports of non-traditional manufactures.
- (b) To increase employment in the provinces, away from the capital and where possible in Industrial Parkes built at Moin, Limon Province and later at Santa Rosa/Barranca, near El Roble, Province of Puntarenas under the New Law governing EPZs.
- (c) To assist in utilising the natural resources (mineral forestry, agro-industrial) to obtain appropriate technology to transform them into exportable products, and to conduct market investigations to identify new markets overseas.
- (d) Establish for CENPRO a compendium of industries and prepare a portfolio of opportunity studies in cooperation with ZOFREX and other similar projects of FAO, UNCTAD/ITC and ECLA.

- (e) Produce a plan of work to establish a Subcontracting Exchange to increase both local and international subcontracting.
- (f) Organise for CENPRO and ZOFREX means of achieving joint programmes of promotion and training and ensuring full organisational co-operation.
- (g) Carry out, if possible, an international investment promotion meeting in Costa Rica.
- (h) Conduct short courses in project preparation and evaluation of industrial projects.
- (i) Implement a training programme for Costa Rican staff, in investment promotion, export promotion, EPZ administration, by means of fellowships, study tours and on the job training.
- (j) Give assistance in the area of collecting, recording and analysing industrial information with a view to project preparation.

#### C. SPECIAL CONSIDERATIONS

The project will be co-ordinated by OFIPLAN with other similar projects at national level to ensure maximum effectiveness and avoid duplication among international and bilateral aid agencies.

There will be an element of TCDC in the fellowships and study tour programme to other developing countries.

#### D. BACKGROUND AND JUSTIFICATION

El Programa Nacional de Cooperación Técnica 1977 - 1981 showed that the activities of PNUD will have to be concentrated in the Country Programme period 1982 - 1986 in a limited area and its orientation to those strategies points of the country's development.

The Oficina de Planificación Nacional y Política Económica (OFIPLAN) will coordinate the inputs of all United Nations Agencies' projects, sub-regional and regional projects with bilateral projects.

These main priorities agreed by all countries of Central America are; development of agro-industrial exports; development of associated transport and communications; investment promotion and financing of export projects.

OFIPLAN wish to identify through the relevant projects, new markets, develop international and regional transport linkages and develop facilities for export such as seaports, airports, roads and rail links.

An important need identified is to strengthen the capacity of Government to evaluate projects through national institutions.

Project DP/COS/80/001, Asistencia a la Corporación de la Zona Franca de Exportación (ZOFREX), was to establish the relevant laws, and plan the first stages of the project.

Through a loan of the BID and the assistance of ONUDI the construction of these factories and associated infrastructure at Moín, Puerto Limón, has been completed.

Investment promotion has begun with seminars in Belgium, Germany and Italy and also in Japan and Singapore.

This second phase of the project will be closely coordinated with such projects as the ITC/UNCTAD assistance to CENPRO and regional projects for export promotion as well as all relevant agro-industrial projects which are being studied and implemented by FAO/DAISA, IBRD/CODESA, etc.

Due attention will be paid to the result of on-going or completed projects such as DP/COS/77/001 Planificación Industrial and DP/COS/77/003 Promoción de Exportaciones and full cooperation will be maintained during the period 1982 - 1986 with all relevant UNDP and bilateral project.

The project will be aimed at assisting both CENPRO and ZOFREX, since the objectives of these two organizations are very largely complementary, mainly to export local resources, increase employment and exports of manufactures.

The project is required in order to make available to both organizations, ONUDI's experience in the field of project preparation and evaluation (now based on the UNIDO manual for industrial project preparation and evaluation); experience in export development and promotion; in organization and promotion of EPZs; in sub-contracting exchanges; in investment promotion services and promotional meetings and in the associated training fields.

#### E. OUTPUTS

1. A plan of action, implemented in the period 1982 - 1986 for attracting new export industries to Costa Rica, to develop export volume of non-traditional exports.
2. New export oriented industries located away from the Central Valley mainly in or around the new industrial parks/export processing zones of Moín (Atlantic) and Barranca (Pacific).
3. Increased exports as a result of better utilization of national resources, providing inputs to agro-industrial and other related industrial projects. Consequent savings in foreign currency through import substitution.
4. Utilization of excess capacity through sub-contracting.
5. Increased industrial employment, specially in the areas of high unemployment.
6. A compendium of potential export industries for utilization by CENPRO and ZOFREX.

7. National staff trained in project preparation and evaluation, and the technique of investment promotion, export promotion and related activities.
8. An investment promotion meeting held in San José, Costa Rica.
9. Establishment of an industrial port and EPZ at Barranca near Puntarenas and extension of existing facilities of Moín.
10. Improved system of industrial data collection, recording and processing.

E. ACTIVITIES

1. Short term consultants to assist CENPRO and ZOFREX in project preparation and evaluation in investment promotion, export promotion, export development and organization and promotion of export processing zones.
2. Courses in project preparation, evaluation and implementation and contract negotiations.
3. An investment promotion meeting.
4. Establishment of a sub-contracting exchange.
5. Research and survey to establish a portfolio of industrial opportunities studies, where possible developing these into pre-feasibility studies for promotion to financial sponsors.
6. Project preparation of industrial projects utilizing natural resources to produce non-traditional manufactures for export.
7. Organization of training programmes in project preparation and evaluation, investment promotion, export promotion EPZ management and promotion.
8. Assistance in organizing promotion seminars overseas in selected markets.
9. Assistance in improving industrial data collection/processing.

F. INPUTS

1. The following Government inputs are required as a minimum contribution to the project.
  - National staff from each institution to be assisted, as counterparts to each main activity.
  - Provision of office accommodation for the international staff, including office furniture, supplies and stationery.

- A contribution in colones of the 30% of projects funds.

2. The following JNDP/UNIDO inputs will be provided in different but linked activities.

	<u>Location</u>	<u>Date</u>	<u>Duration</u>
a) Consultant team of three to give courses in project preparation and evaluation in San José.	San José	Oct. 81	1 - 2 weeks
b) a consultant in regional planning with knowledge of industrial parks and EPZ development methodology.	San José	Jan. 82	1 month
c) a consultant in EPZ organization and promotion to advise on both the staff structure needed at Moín and the optimum uses of scarce funds to attract the maximum numbers of new investors.	San José/	Oct. 81	1 month
	Limón	March 82	
	Limón	Oct. 81	1 month
d) a consultant in investment promotion and export promotion to assist CENPRO with both organizational research, survey of exporters and promotional policies.		March 82	1 month
		Oct. 82	1 month
		March 83	1 month
		Oct. 83	1 month
e) a consultant in industrial data banks and processing of information licences, patents and technology transfer.		March 82	1 month
f) a subcontracting expert to advise CENPRO on how to prepare a subcontracting exchange and later how to establish and organize.		April 82	2 weeks
		Oct. 82	2 weeks
g) a consultant to review existing portfolios of investment projects and to compile a compendium of opportunities studies for CENPRO.		Oct. 81	6 weeks
		Oct. 82	4 weeks
h) a team of UNIDO staff to organize an investment promotion meeting in San José to draw attention to the advantages Costa Rica offers as a joint venture partner in new industrial enterprises, and to find both financial sponsors and appropriate technology.	San José	March 82	1 week

(The funds for project preparation by consultants are BLI 11-08. For UNIDO staff to service the meeting on BLI 16. Printing is on BLI-53).

	<u>Location</u>	<u>Date</u>	<u>Duration</u>
i) Fellowships/Study tours			
a) a candidate from CENPRO will spend two months with the Industrial Development Authority and Coras Trachtala in Ireland, to learn on-the-job techniques of investment promotion and export promotion.	Dublin	Jan.82	2 months
b) a CENPRO candidate will visit Europe subcontracting exchanges in Denmark, France, Netherlands, UK and Spain to learn about both national and international subcontracting. He/she will visit UNIDO in Vienna.	Europe	Jan.82	1 month
c) study tour to selected EPZ will be made to familiarize planning staff with EPZ organization and management system.	to be selected	1982 1982	3 months (Total)
d) two ZOFREX staff members to be selected will spend 2 months each in an operational EPZ to learn how EPZ are organized, and managed. Training of required new staff for the EPZ at Puntarenas.	to be selected	1983 1984	4 months (total)

G. EQUIPMENT

Nil

H. A UNIDO staff member is requested by both CENPRO and ZOFREX to visit them in October 1981 to assist in planning the schedules of experts and fellowships in the light of the financial situation then obtaining, and to give direct assistance in project preparation, organizational and promotional matters. 2 weeks.

A UNIDO staff member Tripartite review. 1983 1 week.



**PROJECT BUDGET/REVISION**

UNIDO

3 COUNTRY	4. PROJECT NUMBER AND AMEND	5. SPECIFIC ACTIVITY
Costa Rica	DP/COS/81/XX(Phase II)	
10 PROJECT TITLE		
Assistance to ZOPINEX and GENPRO in Investment and export promotion.		

16. PROJECT PERSONNEL		18. TOTAL		17. 1981		18. 1982		19. 1983		20. 1984	
11 EXPERTS / Post title	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$	
11-01 Expert in regional planning/EPZ	1	7,000			1	7,000					
02 Expert in EPZ Org. and Promotion	3	20,500	1	6,500	2	14,000					
03 Investment/Expert	4	29,200			2	14,000	2	15,200			
04 Industrial Data Bank	1	7,000			1	7,000					
05 Subcontracting	1	7,000			1	7,000					
06 Consultant on opportunity studies	2	13,300	1.5	2,800	0.5	3,500					
07 Adviser to GENPRO	3	20,900	1.5	2,800	0.5	3,500	1	7,600			
08 Short term consultants	6.5	46,100	3.0	19,800	0.5	3,500	3	22,800			
09											
10											
11											
12											
13											
14											
11-99	21.5	151,000	7.0	45,900	8.5	59,500	6	45,600			
21. REMARKS											



UNIDO

PROJECT BUDGET/REVISION

2. PAD NUMBER

4. PROJECT NUMBER	16. TOTAL		17. 1981		18. 1982		19. 1983		20.	
	m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
12.01										
13.00										
14.00										
15.00		2,000		500		1,000		500		
16.00		15,500		12,500				3,000		
17.01										
17.02										
19.00		168,500		58,900		60,500		49,100		
20.										
29.00										
30.										
31.00	6	11,700			2	3,700	4	8,000		
32.00		30,000				30,000				
33.00										
34.00										
35.00										
39.00		41,700				33,700		8,000		
40.										
49.00										
50.										
51.00										
52.00		1,000				500		500		
53.00		4,000		3,300		300		400		
55.00										
59.00		5,000		3,300		800		900		
99.		215,200		62,200		95,000		58,000		



SEMINAR ON 11.6.1981

PROGRAMME

08:00 - 08:10 horas	Presentación Ing. José M1. Quirce
08:25 - 09:10 horas	Exposición sobre Promoción de Inversiones Sr. Peter Ryan
09:10 - 09:45 horas	Preguntas y Respuestas
09:45 - 10:00 horas	Coffee break
10:00 - 10:30 horas	Exposición sobre "Sistema de Draw Back" Sr. Rodrigo Barzuna
10:30 - 11:00 horas	Preguntas y Respuestas
11:00 - 11:30 horas	Exposición sobre Convenios Bilaterales Lic. Olmedo Castro
11:30 - 12:00 horas	Preguntas y Respuestas

Persons Present  
at Seminar on 11 June 1981

Luis Orlando Sandi	-	Min. Hacienda
Arnoldo Valverde	-	CODESA
Alvaro Carballo P.	-	Z.F. Abogado
Ricardo Sauma D.	-	CENPRO
Rodolfo Mata M.	-	DAISA
Ricardo Sequeira	-	CODESA (Fisheries) Analista
Peter Sanchez	-	OPIPLAN
Rolando A.Soto	-	Zona Francas - Abogado
Danilo Leon	-	CENPRO
John Otto Knöhr	-	DAISA
Carlos Granados	-	CENPRO
Ricardo Foulkes	-	CODESA
Olmedo Castro Rojas	-	M.E.I.C.
Rodrigo Barzuna (speaker)	-	Industrias Barzuna Zona Franca
Ing. José M.C. Quirce	-	Gerente General
Luis Hoffman		
Lu Carlos H. Munoz		
Carmen M. Caraso		
S. Azuma	-	J.P.O.
P.F. Ryan	-	UNIDO

Work Schedule - San José 8 - 13 June 1981

8.6.1981 Monday

Meeting with Mr. Vincenti, Officer-in-Charge, UNDP and JPO  
Mr. S. Azuma.  
Telephone briefing with SIDFA Mrs. Savarain.  
Received Note for File on Project DP/COS/80/001 from SIDFA.

11:00 Meeting with Mr. J.M. Quirce, Managing Director ZOFREX and his  
staff regarding progress on DP/COS/80/001.

14:30 Meeting with CENPRO. Corporation for promotion of reports and  
investment promotion regarding their requirements in Phase II of  
DP/COS/80/001

9.6.1981 Tuesday

08:00 Attended Administration meeting of ZOFREX regarding new budget  
restrictions. Assistance from CODESA (Development Bank) in  
dollars now ceases. RECOPE (Oil refinery and distribution)  
limited to Colones 6 million (\$333,000).

11:00 Meeting with Publicosta, Publicity agents on promotional  
policies and strategies for attracting investments.

14:00 Study of Report by Industrial Development Authority, Ireland,  
on promotion for CENPRO.  
Study of Locational and economic survey by Nippon Koei for  
ZOFREX (3 volumes).  
Examination of data in ZOFREX library.

10.6.1981 Wednesday

Consultations with UNDP and JPO

10:00 Office of Planning Department of Planning and Coordination. Office  
of Presidency.  
Discussions on Country Programme policies for 1982 - 1986 and  
UNIDO Umbrella project to cover needs of ZOFREX and CENPRO, with  
coordination required by OFIPLAN with FAO, UNCTAD/ITC and ECLA  
projects.

14:00 Preparation of draft project document and review of on-going  
project DP/COS/80/001

18:00 Preparation of Seminar on 11 June.

18:00 Meeting with Sr. Alvaro Gonzalez of ACOGE (Association of Costa  
Rican managers and entrepreneurs) regarding plans for "Mini-  
Marshall Plan" mission to Washington 22/23 June.

