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MULTILATERAL INVESTMENT FUND

**COSTA RICA**

**THE CRYSTAL BALL FOR JOBS OF THE FUTURE IN COSTA RICA**

**(CR-T1174)**

**DONORS MEMORANDUM**

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## PROJECT SUMMARY

### THE CRYSTAL BALL FOR JOBS OF THE FUTURE IN COSTA RICA

#### CR-T1174

New technologies and automation are changing labor markets. Certain types of jobs will disappear while others will be created. New training modalities able to quickly meet the demand for new occupations, skills, and/or knowledge will therefore be needed. Costa Rica stands out in the region for a development model that puts significant emphasis on high value-added industries and on attracting foreign direct investment. Thus, changes to the labor market brought about by technology could come earlier or more intensely for Costa Rica than in other countries in the region. Nonetheless, the country's workers, its unemployed, and its students lack awareness of economic trends—particularly trends in the labor market; in the opportunities they could present; and how to access those opportunities through additional training. Regarding this latter point, there is also a limited supply of short courses and certification programs adequately aligned with the current needs of the knowledge economy. In addition, the financing available is not suited to finance these types of courses.

To address these problems, the project proposes developing an artificial intelligence-based digital employment orientation platform (DEOP) able to: (1) identify labor market trends and requirements by analyzing data on vacancies and reporting the trends to users; (2) provide users with customized counseling on the job opportunities available to them in the knowledge economy and analyze their knowledge gaps and make recommendations for closing them; and (3) provide users with information on training opportunities and available sources of financing (scholarships and loans) for skills development. Systemically, the project also aims to contribute to improving the supply of training opportunities on financial products and the country's prospecting capacity. This would be accomplished by piloting a variety of training modalities of short courses and platforms for developing technical skills, soft skills, and language skills, both in person and virtually; developing financial products to cover the cost of short training courses; and generating a proposed prospecting methodology for the knowledge economy.

More than 30,000 individuals and 600 enterprises will be reached; more than 10,000 people will receive in-person or virtual training, of which at least 1,500 (with at least 50% being women) are expected to obtain new jobs in the knowledge economy; and 7,000 individuals will receive industry-recognized certifications, helping them to keep their jobs or advance in their careers.

The project is aligned with the IDB Group in that it trains human resources in the most dynamic and productive areas of the economy and will generate high-quality jobs.<sup>1</sup> It is also aligned with IDB Invest's **Priority Business Area 3**—support innovation and technological development.

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<sup>1</sup> IDB Country Strategy with Costa Rica, p.13.

## **ANNEXES**

Annex I	Results Matrix
Annex II	Summary Budget

## **APPENDICES**

Proposed resolution
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## **INFORMATION AVAILABLE IN THE TECHNICAL FILES**

ANNEX III	Itemized Budget
ANNEX IV	Diagnostic needs assessment (DNA) of the executing agency [includes due diligence and integrity analysis]
ANNEX V	Project status reports (PSRs), fulfillment of milestones, and fiduciary agreements
ANNEX VI	Procurement Plan

## **ABBREVIATIONS**

CINDE	Costa Rican Investment Promotion Agency
COMEX	Ministry of Foreign Trade
CONAPE	Comisión Nacional de Préstamos para Educación [National Educational Loans Commission]
CRUSA	Costa Rica United States Foundation for Cooperation
DEOP	Digital Employment Orientation Platform
DNA	Diagnostic needs assessment of the executing agency
FONABE	National Scholarship Fund
GAMA	Expanded Greater Metropolitan Area
IDB Invest	Inter-American Investment Corporation
ILO	International Labour Organization
INA	Instituto Nacional de Aprendizaje [National Institute for Learning]
MEIC	Ministry of Economy, Industry, and Commerce
MEP	Ministry of Public Education
MTSS	Ministry of Labor and Social Security
PROCOMER	Foreign Trade Promotion Agency of Costa Rica

**COSTA RICA**  
**THE CRYSTAL BALL FOR JOBS OF THE FUTURE IN COSTA RICA**  
**(CR-T1174)**

**EXECUTIVE SUMMARY**

<b>Country and geographic location:</b>	Costa Rica at the national level.		
<b>Executing agency:</b>	Costa Rican Investment Promotion Agency (CINDE).		
<b>Focus area:</b>	Knowledge economy.		
<b>Coordination with other donors/Bank operations:</b>	Costa Rica United States Foundation for Cooperation (CRUSA) / Strengthening Active Labor Market Policies in Costa Rica (CR-T1154).		
<b>Project beneficiaries:</b>	30,000 users registered with the platform; 10,000 people certified in techniques, technologies, and skills for the jobs of the future; 7,000 people with new skills enabling them to remain in the labor market; 1,500 people employed in new knowledge-intensive jobs; and 600 companies registered on the platform.		
<b>Financing:</b>	Technical cooperation funding:	US\$1,000,000	36%
	<b>TOTAL MIF CONTRIBUTION:</b>	US\$1,000,000	
	Counterpart:	US\$1,800,000	64%
	Cofinancing (if any; include a separate line for IDB cofinancing if applicable):		0%
	<b>TOTAL PROJECT BUDGET:</b>	US\$2,800,000	100%
<b>Execution and disbursement period:</b>	42 months for execution and 48 months for disbursement.		
<b>Special contractual conditions:</b>	Condition precedent to the first disbursement: appointment of project coordinator and establishment of the Advisory Council.		
<b>Environmental and social impact review:</b>	This operation was screened and classified in accordance with the IDB's Environment and Safeguards Compliance Policy (Sector Policy OP-703) on 3 January 2018. Given that the impacts and risks are limited, the project is proposed as a category C operation.		
<b>Unit responsible for disbursements</b>	Country Office in Costa Rica		

## I. THE PROBLEM

### A. Description of the problem

- 1.1 Costa Rica stands out in Latin America for its solid socioeconomic performance and political stability. Between 2000 and 2016, the country grew annually by an average of 2.8%, faster than the 1.5% of the region as a whole. The country has experienced a significant structural transformation since the 1980s, as it has moved from an economy based primarily on agricultural exports to one based on value-added industries and attracting foreign direct investment. Currently, one of the leading economic sectors is value-added services, which directly employs more than 61,500 people in the Expanded Greater Metropolitan Area (GAMA)—although not so much in other parts of the country—and is growing at an annual rate of nearly 10%.<sup>2</sup> However, labor market indicators are not favorable: (i) productivity is low compared to other emerging economies (e.g. US\$168/worker compared to US\$249/worker in the Republic of Korea); (ii) unemployment has grown—in 2016, open unemployment reached 8% of the active population and almost 20% of young people between the ages of 15 and 24; and (iii) informality is on the rise and already affects more than a third of the working-age population.
- 1.2 These challenges could have a variety of causes. First, there are the new technologies. The growth of the most dynamic economic sectors is based on activities that are more technical-knowledge intensive. These include, for example, information technology (e.g. cloud computing, big data, and artificial intelligence); engineering (e.g. 3-D printing and electronics packaging); business (e.g. business analytics and advanced financial analysis); and web design (e.g. user experience and content management). At the same time, more routine activities run the risk of being automated. According to a study by McKinsey (2017), automation in Costa Rica could impact 52% of all private sector jobs in the country, or a total of 475,000 jobs, more than 50,000 of them in the services sector.
- 1.3 Second, there is a mismatch between the skills of the work force and those needed by companies, related to issues of relevance and quality of work force training.<sup>3</sup> For example, only 10.5% of those age 18 and older speak a second language (State of the Nation, 2013).<sup>4</sup> Also, more than 60% of those with a university education have a degree related to the humanities or education, while only 10% have a degree in engineering or basic sciences, which are more in demand in the high-growth sectors (State of the Nation, 2013). This generally explains why 35% of employers have difficulty finding candidates with the necessary skills to fill their vacancies (Manpower, 2017).<sup>5</sup> Although the large companies have their own retraining and updating courses that benefit a small percentage of workers, there is not a broad

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<sup>2</sup> Other important sectors are high-tech manufacturing, life sciences and the food industry, and light manufacturing.

<sup>3</sup> Within “workplace training” we include post-secondary, technical, and university education, as well as job training.

<sup>4</sup> Based on an analysis of public help-wanted ads in *La Nación*, communication skills (39%) and information and communication technology skills (26%) appear to be the most in demand by companies. Within communication skills, 29.2% were English language requirements.

<sup>5</sup> For another example of this problem, at the job fair organized by CINDE in 2017, of the 15,000 applicants, only 3,000 workers were hired, leaving 4,000 entry-level service sector and advanced manufacturing jobs unfilled.



offering of short certification courses that meet the current needs of the productive sector, particularly in the knowledge economy. Added to this, available financing for education has not been adapted to finance these types of courses.

- 1.4 Third, there is no integrated system providing information on labor market trends (e.g. types of occupations and skills required by the productive sector), on available training opportunities and/or job training, and on the sources of financing available for people to be able to finance their training.<sup>6</sup> This situation is due in part to a lack of prospecting tools that would provide projections on future job market trends (State of the Nation, 2015). For its part, the lack of information means that 70% of the population uses informal methods to search for jobs (friends and/or relatives) (Mazza, 2011).<sup>7</sup>
- 1.5 The Government of Costa Rica and the private sector are aware of these challenges. The Ministry of Public Education has made efforts to improve the connections between technical and academic high schools and companies by improving coordination with companies and vocational guidance within schools. The Ministry of Labor and Social Security (MTSS) has been collaborating with the International Labour Organization (ILO) to develop an internal operating model to coordinate the different job programs and services executed across different institutions (including EMPLÉATE, Mi Primer Empleo, and the National Employment Program) that offer opportunities for people to improve their employability through training. The MTSS is also working to build a one-stop electronic platform to facilitate job searches for both job seekers and companies' human resources departments, as well as help people find jobs with job placement units in different parts of the country. In terms of systematizing human resources information, the State of the Nation Program has created the Hipatia platform, which offers detailed information on science, technology, and innovation human resources. CINDE has worked to improve access to information while building the capacities of less developed areas. It has created a variety of platforms like The Talent Place, which offers internships; HR GPS, which measures the level of English spoken in different parts of the country, and CINDE JobFair, the country's largest annual job fair. Lastly, public-private partnership Horizonte Positivo—which has IDB support—has worked closely with the President's Council on Social Issues to develop a model for a National Job Placement System for Social Inclusion and to conduct regional prospecting analysis in Guanacaste and Limón. The objective of this model is to contribute to reducing poverty through the formal employment of individuals identified by the Bridge to Development Strategy—a national effort to coordinate the offering of social programs targeting people living in poverty—by addressing their specific needs and providing preferential access to job placement services.

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<sup>6</sup> There is a public supply of financing from the National Educational Loans Commission (CONAPE), the National Scholarship Fund (FONABE), and the National Center on High Technology (CeNAT) of the National Council of University Presidents (CONARE). In addition, there are social support programs like EMPLÉATE and PRONAMYPE, which finance training or ventures by young people between the ages of 17 and 24 who are living in poverty and not studying or working, and lastly, state financing through Banco Nacional's BN Educación; Banco Popular's Gastos de Educación; and Banco de Costa Rica's Crediétudes. On the private sector side, there are personal credit lines through institutions like Scotiabank, Grupo Mutual, and BAC Credomatic.

<sup>7</sup> There are public and private job placement websites such as [buscoempleo.go.cr](http://buscoempleo.go.cr) and [empleo.com](http://empleo.com), but they typically focus on openings requiring basic skills, not high value added or information technology skills.

## II. INNOVATION PROPOSAL

### A. Description of the project

- 2.1 The objective is to create a mechanism to help match the supply of knowledge economy jobs with the demand for them. Specifically, the project will finance the development and implementation of an artificial intelligence-based digital employment orientation platform (DEOP).<sup>8</sup> Based on job seekers' characteristics (e.g. personality, vocation, education level, and work experience), the platform will present them with job opportunities, as well as services and/or information/orientation on training possibilities that will enable them to access present or future job vacancies, as well as financing opportunities for that training. It will also enable knowledge sector companies to quickly and satisfactorily fill their vacancies. Additionally, it will provide timely information to enable young people and their families to make informed decisions regarding higher education. To accomplish this, the project is broken down into three components: (1) design and development of the DEOP; (2) innovative short training, financing, and prospecting services; and (3) strategic communication and dissemination.
- 2.2 The project has two target populations. The first is comprised of individuals wishing to work in the knowledge economy but lacking the required skills, information on what to study and/or how to finance that training, or information on current and future job opportunities. This group includes students close to completing their secondary education, employees seeking a better job, and the unemployed and/or underemployed.<sup>9</sup> The second population is comprised of businesses whose demand for workers with the skills necessary to work in their productive processes has gone unmet. This group includes startups, small enterprises, and even large enterprises, both foreign and domestic, as long as they offer jobs in knowledge-intensive areas in Costa Rica.
- 2.3 **Innovation.** This project aspires to have a systemic impact on the formation of human talent in Costa Rica. The innovation consists in bringing together different actors in the knowledge economy through the use of artificial intelligence and technology to identify labor market trends on an ongoing basis, thereby reducing information asymmetries and providing personalized guidance to the platform's users so they can access knowledge economy opportunities, resulting in more efficient job placement. This will match the skills and interests of beneficiaries with the job opportunities available in the knowledge economy. By analyzing jobseeker profiles and identifying potential skills gaps compared to available vacancies, the platform will be able to make recommendations on the training opportunities and financing products (scholarships and loans) available to close those gaps, thereby preparing its users to be eligible for jobs in sectors of the knowledge economy. The platform is expected to function as a digital vocational and professional counselor.
- 2.4 **Component I: Design and development of the digital employability platform.** The component's objectives are as follows: (1) map the actors, conceptualize

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<sup>8</sup> With artificial intelligence, the idea is to come up with a solution for developing an information system that uses data mining, pattern recognition, and natural language processing to solve problems without human help and to remain continually updated.

<sup>9</sup> A focus on gender and equal opportunities will be ensured during execution, specifically by programming algorithms to prevent improper biases that pigeonhole women or men into certain occupations.

interactions between them, and verify whether systems exist that produce the information necessary for exchanges on the platform; (2) conceptualize the DEOP's functionalities; (3) develop the technological solution that makes it possible to connect people with current and future jobs in the knowledge economy through information on vacancies and on training services and financing, and keep labor trends updated based on the interactions with the DEOP; (4) generate the basic content the platform needs to function—this includes defining a taxonomy for the occupations and skills and working with companies to standardize the vacancy information provided to the platform; and (5) develop a strategy to monetize the platform. Sources of information for populating the platform will be identified, and the project will work with the various actors to procure access to them (e.g. data on vacancies, content on participating enterprises, offerings by training institutions, financing conditions, etc.). Content will also be developed for the operation of the platform, such as tests enabling individuals to determine their passions, vocations, behaviors, and preferences, among other tools to help them build their CVs. Beyond providing information on available vacancies or potential future jobs, the idea is to develop content that is attractive to the platform's multiple audiences and turn it into a "one-stop shop" for training opportunities and financial products to improve employability in the knowledge economy. It is worth noting that the plan is to design and develop the platform in iterations, continually improving its usefulness and increasing adoption among different user communities.<sup>10</sup> Given the foregoing, the project will coordinate with the MEP, the National Institute for Learning (INA), and the MTSS to ensure the platform complements and is compatible with the other systems that these institutions are developing. The platform will be developed through an international competitive process. The component's output will be a technology platform with a technically and financially sustainable model and a growing number of users over time.

- 2.5 **Component II: Innovative short training, financing, and prospecting.** The objective of this component is to contribute to developing the services the platform will offer to help people get jobs in the knowledge economy. It includes the following activities: (1) testing a variety of training modalities of short courses and platforms for developing technical skills, soft skills, and language skills (e.g. Open Badges, massive open online courses (MOOCs), etc.) both in person and virtually, in the subject areas required by intensive knowledge-intensive industries; (2) developing loan products to help people cover the cost of the industry-recognized training; and (3) supporting the public sector and public policy design through analysis of the impact of automation on education systems, job training, and employment services. This component's outputs will include: (1) pilots of training modalities; (2) new financial products for skills certification; and (3) a roadmap for adequately implementing public policies for the challenges of the knowledge economy.
- 2.6 **Component III: Communication and strategic dissemination.** The objectives of this component are to raise awareness among decision-makers and opinion leaders on the need to train the labor force in the skills of the future and to raise the profile

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<sup>10</sup> It should be emphasized that initially, the platform would not facilitate matching job seekers with companies so the job seekers can apply for the jobs directly through the platform; rather, it would be limited to providing information on the jobs and how to apply for them. The job seekers will apply directly to the companies. As iterations of the platform are developed and it reaches a sufficient number of users, this feature can be considered.

of the DEOP and its services among the target populations. The component is also expected to prepare and implement a marketing and strategic communication plan for the different age groups interested in jobs in the knowledge economy. The plan will include identifying opinion leaders, role models, and case studies during the life of the project to interest people in jobs they may not yet know about and for which they may have an aptitude. Connections with education centers will be developed using both digital media communications and regular promotional events. Opportunities to collaborate with companies active in communications about jobs of the future—such as INTEL, McKinsey, and telecommunications companies—are expected to arise. Awareness will be raised among national training institutes on future labor trends, so they can improve their offerings. Steps will also be taken to raise awareness among local governments outside the GAMA to promote the development of “co-working” spaces with internet connectivity to promote teleworking as an option for people wishing to access virtual opportunities in knowledge economy-oriented enterprises but who do not have physical access to them. The outputs of the component will be: (1) skills-based knowledge economy jobs profiles; (2) annual communications materials with updates and trends; and (3) regular media campaigns and events for select audiences.

## **B. Project monitoring and evaluation**

- 2.7 The project will benefit more than 30,000 people and 600 enterprises over the next four years through use of the platform. Through the platform, at least 10,000 people will access in-person or virtual training. As its final outcome, 1,500 people (at least 50% of them women) are expected to obtain new jobs in the knowledge economy, and 7,000 individuals will receive training and industry-recognized certifications, helping them to keep their jobs.
- 2.8 **Monitoring and evaluation:** Based on the information collected and compiled by artificial intelligence, ongoing monitoring will be conducted of the flow and seasonality of the number of new individual users on the platform and their activity there, age group, sex, initial and final areas of training; the number of users enrolled in training options offered through the platform, broken down by course; the placement of workers in their original areas of work or in other areas of study (reskilling); and the number of people able to retrain in their job skill to take on more sophisticated positions (upskilling). On the enterprise side, the artificial intelligence will track if companies receive more applications and hire more people through the platform and if they are able to hire people to telework outside the metropolitan area. It will also monitor the reduction in the time it takes companies to fill their vacancies and seek to identify which vacancies are hardest to fill. Regarding the platform, the project will monitor whether any biases or discrimination is detected and whether new population groups are excluded or included. Every six months, the information will be analyzed to reorient efforts if deemed necessary. Additionally, CINDE will report to the Bank every six months through a Project Status Report (PSR) and submit a Project Completion Report (PCR) on the project's final outcomes. The main outcomes will be shared with the MEP, the INA, the MTSS, and others.

### **III. PROJECT ALIGNMENT WITH IDB GROUP, SCALABILITY, AND RISKS**

#### **A. Alignment with IDB Group**

- 3.1 The Bank supports other countries in the region to develop similar job placement platforms and to bring public employment services online in Chile, Peru, Paraguay, and Mexico. In Paraguay (2660/OC-PR; PR-L1066), specific support has been provided to the National Employment Service for the design and implementation of a digital platform that includes the use of artificial intelligence technology to match jobseekers with vacancies. This platform also includes information on the job training offering.
- 3.2 The project is aligned with the National Development Plan<sup>11</sup> and the IDB Country Strategy with Costa Rica, which states that the Bank will promote better human resource training in the most dynamic areas of the economy with the highest productivity, seeking to surmount a significant limitation on growth in these sectors and to generate high-quality jobs. The support is aligned with the Institutional Strategy challenges of social exclusion and inequality and low productivity and innovation and with the strategic objective of developing high-quality human capital.<sup>12</sup> It is also aligned with IDB Invest's Priority Business Area 3—Support innovation and technological development. This support for innovation requires forming partnerships between the private and public sectors to lay the groundwork and create programs to improve the creativity and technical skills of young people. Technical cooperation operation CR-T1154, "Strengthening Active Labor Market Policies in Costa Rica," can inform the creation of the platform with its focus on the social inclusion of vulnerable populations. Education Division loan CR-L1053—which increases the number of technical schools by building new infrastructure—and Competitiveness, Technology, and Innovation Division loan CR-L1043—which increases the amount of highly technically proficient human capital—are related. The change in government in 2018 provides a good opportunity for the IDB Group to use the project as a catalyst, spark public policy dialogue, and leave clear lessons in the form of programs and public policies.

#### **B. Scalability**

- 3.3 Scalability stems from the disruptive effect of the intervention. By focusing on short courses on specific skills rather than training for long-term careers, the project expands the pipeline of potential employees with adequate basic training. All national stakeholders have expressed interest in the development of the platform as a mechanism for strengthening their businesses—everyone from educators to corporate department heads, financial institutions, and others, all saying the platform would be used widely. The project also seeks national scalability by involving a variety of public-sector entities. In terms of financing, for example, the platform will provide information enabling users to take advantage of public scholarships and post-secondary education financing (MTSS -Empléate, Avancemos+, Mi Primer trabajo, CONAPE, Fideicomiso COMEX), resulting in more extensive use of the platform by these institutions.

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<sup>11</sup> National Development Plan 2015-2018, p.102.

<sup>12</sup> IDB Country Strategy with Costa Rica, p.13.

- 3.4 **Learning:** The project aims to provide lessons on the potential of artificial intelligence in job counseling services, validating its potential use and replication in other countries. The outcomes and lessons learned from the activities and outputs of the project will be disseminated to strategic audiences (employers, the MEP, the MTSS, the INA, training institutes, etc.) at relevant events and forums. Upon completion, the project will provide an evaluated model for better targeting CINDE's resources. Also, the MEP and MTSS will be able to take advantage of the benefits of the model to improve effectiveness in deploying public funds on job training.

**C. Project and institutional risks**

- 3.5 Technical risks include the possibility that the algorithm developed might discriminate between population groups as it learns; a lack of use of the platform, making the monetization strategy for platform sustainability unsuccessful; limitations on access to and quality of the data available for the platform; and institutional barriers to developing new financial products to fund training. To mitigate the first risk, high ethical standards will be applied to the artificial intelligence work, and the results will be reviewed regularly to adjust the algorithm. To mitigate the second risk, Component 3 of the project will contribute to creating a robust communication campaign tailored to the different target populations. Activities will build user communities even before the platform is fully operational. As part of the platform, additional incentives will be offered so the different users can see the value in using it (e.g. bookstore discounts for potential students). To mitigate the third risk, Component 1 of the project will map the sources of available information and work will be done with the different actors within the training and financing ecosystems and knowledge economy companies on access to and standardization of the available data. Lastly, to mitigate the fourth risk, the project will initially select financial institutions with sufficient openness to the feasible development of new products.

**IV. INSTRUMENT AND BUDGET PROPOSAL**

- 4.1 The total cost of the project is US\$2.8 million, of which US\$1 million (36%) will be contributed by the MIF, US\$1 million (35%) by CRUSA, and US\$800,000 by CINDE. The instrument used will be a technical cooperation operation, as CINDE is a nonprofit association that depends partially on contributions from the Ministry of Foreign Trade (COMEX) and PROCOMER for its regular operations and generates no income for itself.
- 4.2 **Retroactive recognition of counterpart funds.** A maximum of US\$25,000 in expenditures made by CINDE as of 1 February 2018 for strategic communications with decision-makers may be recognized as part of the project's counterpart contribution.

Project components	MIF	Counterpart CRUSA	Counterpart CINDE and others	Total
Component 1: Design and development of the digital employability platform.	30,000	370,000	50,000	450,000
Component 2: Innovative short training, financing, and prospecting.	485,000	630,000	0	1,115,000
COMPONENT 3: Communication and strategic dissemination.	342,000	0	500,000	842,000
Project administration (execution unit costs)	120,000	0	250,000	370,000
Ex post reviews	6,000	0	0	6,000
Contingencies	17,000	0	0	17,000
<b>Grand total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>800,000</b>	<b>2,800,000</b>
<b>% financing</b>	<b>36%</b>	<b>36%</b>	<b>28%</b>	<b>100%</b>

## V. EXECUTING AGENCY AND IMPLEMENTATION STRUCTURE

### A. Description of the executing agency

- 5.1 CINDE (Costa Rican Investment Promotion Agency)—a private nonprofit entity founded in 1982 with USAID funding and declared of public interest in 1984<sup>13</sup>—will be the executing agency. Its current mission is to promote foreign direct investment and post-installation services for companies. This mission has given it the opportunity to work intensively within the local ecosystem and understand its challenges and limitations in order to increase multinational companies' access to trained labor and assist with procedures and regulatory matters. CINDE has a significant capacity to mobilize and coordinate with a variety of partners to execute the project, including multinational entities. Members of its Board of Directors belong to key Costa Rican institutions with vision for the future. CINDE's staff also serve on the boards and councils of public institutions.
- 5.2 The Costa Rica United States Foundation for Cooperation (CRUSA) will contribute a portion of the counterpart. The MTSS, the MEP, and the INA will be partners in the efforts to disseminate the project and coordinate among the different platforms. They will also benefit from the results of the use of the platform by absorbing the lessons learned from the project.

### B. Structure and implementation mechanism

- 5.3 CINDE will establish a regional execution unit and the necessary structure to execute project activities and manage project resources effectively and efficiently. CINDE will also be responsible for submitting progress reports on project implementation. Details of the structure of the execution unit and the requirements for the progress reports are found in Annex V of this operation's technical files.
- 5.4 The Board of Directors of CINDE will establish an Advisory Council led by a representative of CINDE and comprised of a representative of multinational companies; a representative of the National Incubators Network, under the Ministry of Economy, Industry, and Commerce (MEIC); a representative from the INA; and a

<sup>13</sup> Its activities support execution of public policies to attract foreign investment.

representative from the MTSS. This council will meet on an *ad hoc* basis to propose ideas for strengthening the activities planned.

## **VI. FULFILLMENT OF MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS**

- 6.1 Results-based disbursements and fiduciary arrangements. CINDE will agree to the standard MIF arrangements concerning results-based disbursements, the Bank's procurement policies,<sup>14</sup> and financial management<sup>15</sup> for the private sector, as specified in Annexes V and VI. As CINDE is a private-sector entity with set procedures for procurement of goods and services and other administrative instruments, CINDE's procedures will be used, with adjustments made to the contract templates where necessary.

## **VII. ACCESS TO INFORMATION AND INTELLECTUAL PROPERTY**

- 7.1 **Access to information.** This document is made available to the public in accordance with the Bank's Access to Information Policy.
- 7.2 **Intellectual property.** All intellectual property pertaining to the knowledge products and any output of interest to the Bank for replication as a public good will be property of the Bank.

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<sup>14</sup> Link to the [Policies for the Procurement of Works and Goods Financed by the IDB.](#)

<sup>15</sup> Link to the [Financial Management Guidelines for IDB-financed Projects.](#)