



# **COSTA RICA**

## **City-Port of Limon Project 2009 – 2014**

**Cecilia Corvalan (LCSTR)  
William Reuben (LCSSO)**

Transport Forum 2009  
Port Cities or City Ports? Who Calls the Shots?

# Background

---

- Request from GoCR following ‘Caldera-Port Concession Reform’
- Since the beginning: idea of linking the city and the port
- Bank response:
  - Multidisciplinary team
  - Stakeholder consultations
  - Comprehensive upstream analytical work (social and port)
- Approach: work on the city-port ‘interface’ with the aim of improving the living conditions of the local population, particularly the poor.



# Context

---



## Costa Rica

- Long tradition of political stability
- Economic growth, governance and social indicators surpass regional averages
- However, national indicators hide great social disparities and competitiveness bottlenecks: strong poverty pockets and poor transport infrastructure

## City of Limon within Costa Rica

- Most important Costa Rican city on the Caribbean (61,000 hab)
- The provincial capital with the lowest social development index (13.5) and among the five cantons with the lowest SDI in the country. The poorest district in Limon (Limoncito) is among the 8 poorest in Costa Rica.
- 26% of the population in poverty (mainly female headed households, young people, unemployed, pensioners and temporal employees in the private sector) 2nd highest urban unemployment rate nationwide
- Private sector is a relatively low source of employment

# The City - Port Paradox

---

## **City of Limon**

High unemployment and poverty rates

Weak municipal capacity

Lack of entrepreneurial culture

Urban decay

Social stress and conflict

Poor basic infrastructure

Loss of unique cultural heritage

## **Port of Limon**

The most important port in CR

80% of the total national cargo

In 2008 it handled 835,000 TEU

The most important cruise port of  
the country: more than 195 K  
passengers

Port activities provide  
employment for 17% of local EAP

# City–Port “Perverse” Interface

---

- ❖ Port labor union captures local civil society
- ❖ Social unrest negatively affects port business
- ❖ JAPDEVA’s double function inhibits local government leadership and more efficient port management
- ❖ Poor urban infrastructure and services negatively impact port competitiveness
  - ❖ Weak dialogue between port authority and city government
    - ❖ Port as an employer rather than an engine of employment opportunities
  - ❖ Port logistics competing with city’s space and affecting road safety
- ❖ Port containerization and automation led to workers’ lay-offs and unemployment: unskilled local labor force unable to grab new opportunities

# Need for a change in paradigm: City-Port Approach

---

- Being the city of an important port: unique competitive advantage.
- Investments and businesses associated to the port (including cruises) bring employment and income generation opportunities to the local population.
- Historic link of the city to the port creates a multicultural imprint with tremendous potential for the development of multi-cultural identities and cultural tourism.
- Modernization and expansion of port activities as an economic opportunity
- Common pattern of many city-ports in the region: a territorial and multisectoral development intervention may address the multiple and interrelated challenges, and build the necessary city-port and institutional synergies for local sustainable development.

# Project Development Objective

---

Revitalize the City of Limon in compliance with the Government's Regional Development Strategy, and prepare the modernization of the port of Limon.

A 'building blocks process', ultimately, aimed to assist GoCR in promoting a shift in Limon's development paradigm towards building positive synergy between port and city and a sense of proud and belonging amongst its inhabitants.



# Project components

---

## Component 1: Urban and Cultural Revitalization (US\$ 56 million)

Contribute to improve the city of Limon livability and attractiveness through investments in:

- provision of basic services to the poorest inhabitants (sewerage and drainage – US\$31 million)
- cultural revitalization and restoration of the local emblematic historical, cultural and natural patrimony; including the qualification and diversification of tourism attractions (US\$25 million)



# Project components

---

## Component 2: Local Economic Development (US\$ 2.5 million)

Support the generation of an entrepreneurial culture and new sources of employment, particularly among the young, by:

- developing micro and small businesses,
- facilitating access of micro and small businesses to financial services, training and technical assistance,
- seizing the opportunities presented by growing cruise tourism and the cultural richness of Limon.



# Project components

---

## **Component 3: Local Governance and City-Port Strategic Planning (US\$ 5 million)**

Provide technical assistance for the Municipality of Limon to improve the capacity, the credibility of the local government, the quality of the services it provides to the population, and take up a leading role in the city's local development.

Underpinning this component is the technical and methodological support to the preparation of a long-term strategic participatory development and investment strategy for the City-Port of Limon.



# Project components

---

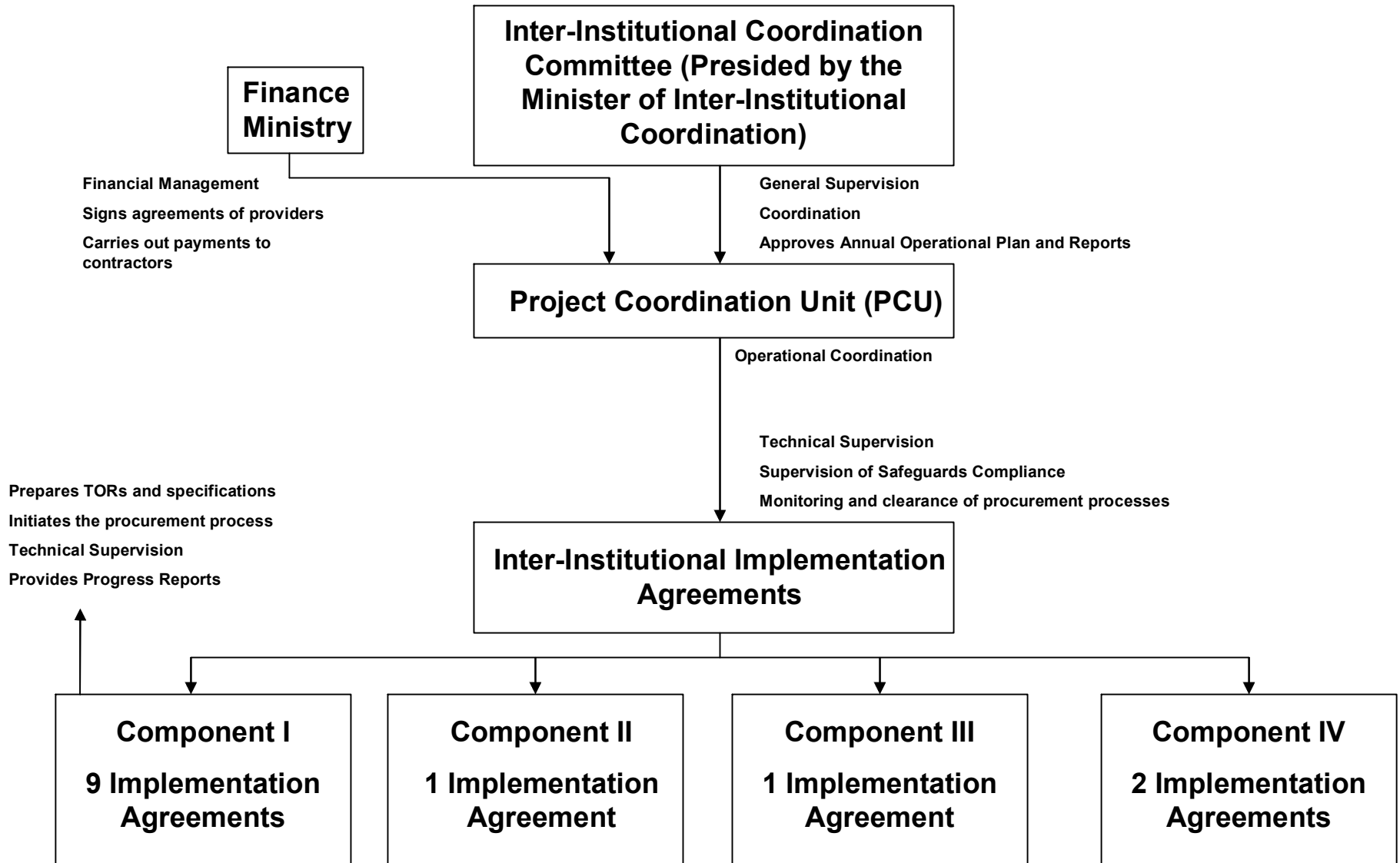
## Component 4: Support for Improving Port Environment (US\$ 7 million)

Support the rehabilitation and improvement of the transport access to the Moin port terminal, and finance complementary analysis required for structuring the private participation envisaged in the port, particularly technical audits of key ongoing studies.



# Institutional Set-up

---



## **Main Lessons learned (..to date...)**

---

- Identify a champion (not always an easy task!)
- Early upstream in-depth social and political economy analyses, and multi-stakeholders consultations
- Use Bank convening power
- Build consensus amongst different and sometimes competing stakeholders
- Institutional and sector complexity is part of the approach's nature and strength