

APPENDIX H: Scope of Work

SCOPE OF WORK
FOR

THE STUDY FOR PROMOTION OF INVESTMENTS AND EXPORTS
FOR THE BALANCED ECONOMIC DEVELOPMENT
IN THE REPUBLIC OF CHILE

AGREED UPON BETWEEN

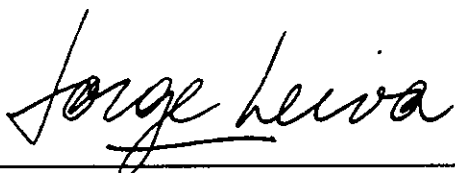
MINISTRY OF ECONOMY, DEVELOPMENT AND RECONSTRUCTION

AND

JAPAN INTERNATIONAL COOPERATION AGENCY

SANTIAGO

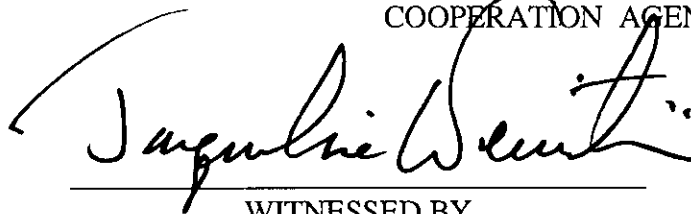
29 July, 1999



MR. JORGE LEIVA LAVALLE
MINISTER,
ECONOMY, DEVELOPMENT AND
RECONSTRUCTION



MR. AKIRA TAKAHASHI
LEADER,
PRELIMINARY STUDY TEAM,
JAPAN INTERNATIONAL
COOPERATION AGENCY



WITNESSED BY
MS. JACQUELINE WEINSTEIN
EXECUTIVE DIRECTOR
INTERNATIONAL COOPERATION AGENCY
OF REPUBLIC OF CHILE
(AGCI)

I. INTRODUCTION

In response to the request of the Government of the Republic of Chile (hereinafter referred to as "GOC") for the technical cooperation on the Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of the Chile (hereinafter referred to as "the Study"), the Government of Japan has decided to conduct the Study in accordance with relevant laws and regulations in force in Japan.

Accordingly, the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation programs of the Government of Japan, will undertake the Study in close cooperation with the authorities concerned of GOC.

The present document, which sets forth the scope of work with regard to the Study, was signed between JICA and the Ministry of Economy, Development and Reconstruction.


II. OBJECTIVES OF THE STUDY

The objectives of the Study are to:

1. Formulate new strategies and policies for each of the five geographical zones of Chile to develop and promote investments and exports, especially between Asia and South America in the framework of Mercosur and APEC.
2. Formulate short-term action plans to the year 2006.
3. Pursue technology transfer in the course of the Study.

III. THE STUDY AREA

The Study Area shall cover the whole of Chile's national territory, although the analysis and formulation of strategies will be based on each of the five geographical zones as shown in APPENDIX-1.



IV. SCOPE OF THE STUDY

In order to achieve the objectives mentioned above, the Study shall cover the following items:

Phase I : Assessment of the existing situation

- (1) Review macro economic conditions and existing plans and policies
- (2) Review present socio-economic conditions of the five geographical zones from the view point of cost structure, product quality, technology level, and legal and institutional framework
- (3) Analyze present economic relations between Asia and South America in the framework of Mercosur and APEC
- (4) Identify current levels of foreign direct investments and exports
- (5) Identify present situation of infrastructure that supports transportation and distribution system

Phase II : Development of new strategies and policies for the five geographical zones

- (1) Identify issues and problems related to the regional development of the five geographical zones and their major sectors with future development potentials
- (2) Develop new strategies and policies for the five geographical zones for promoting investments and exports, and developing infrastructure to support transportation and distribution system

Phase III : Formulation of short-term action plans

- (1) Formulate short-term regional development action plans to the year 2006 based on the new strategies and policies

Remarks : Seminars and Workshops will be held in each Phase when necessity arises in the course of the Study

V. STUDY SCHEDULE

The Study will be conducted in accordance with the attached tentative schedule as shown in APPENDIX-2.



VI. REPORTS

JICA shall prepare and submit the following reports to GOC

1. INCEPTION REPORT

20 copies in English

At the commencement of the Study

2. PROGRESS REPORT

20 copies in English

four (4) months after the commencement of the study

3. INTERIM REPORT 1

20 copies in English

six (6) months after the commencement of the study

4. INTERIM REPORT 2

20 copies in English

fourteen (14) months after the commencement of the study

5. DRAFT FINAL REPORT

20 copies of main report and its summary in English seventeen (17) months after the commencement of the study


GOC will submit its comments on the report to JICA within thirty (30) days after receipt of the Draft Final Report.

6. FINAL REPORT

20 copies of main report and its summary in English within two (2) months after the receipt of written comments on Draft Final Report from GOC.


40 copies of summary in Spanish within two (2) months after the receipt of written comments on Draft Final Report from GOC.

VII. UNDERTAKING OF GOC



1. GOC shall accord privileges, exemptions, and other benefits to the Japanese Study Team (hereinafter referred as " the Team"), in accordance with the Agreement on Technical Cooperation between GOJ and GOC.

2. To facilitate smooth implementation of the the Study, GOC shall take the following necessary



measures;

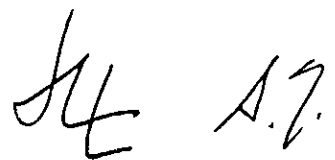
- (1) to secure the safety of the Team.
- (2) to permit the members of the Team to enter, leave and sojourn in Chile for the duration of their assignments therein and exempt them from alien registration requirements and consular fees.
- (3) to exempt the members of the Team from taxes, duties and any other charges on equipment, machinery and other material brought into Chile for the implementation of the Study.
- (4) to exempt the members of the Team from income tax and charges of any kind imposed on or in connection with any emoluments or allowances paid to the members of the team for their services in connection with the implementation of the Study.
- (5) to provide necessary facilities to the Team for the remittance as well as utilization of the funds introduced into Chile from Japan in connection with the implementation of the study.
- (6) to secure permission for the Team for entry into private properties or restricted areas for the implementation of the Study.
- (7) to secure permission for the Team to take all data and documents (including photographs) related to the Study out of Chile to Japan.
- (8) to provide the medical services as needed, while its expenses will be chargeable on the members of the Team.

3. GOC shall bear claims, if any arises, against the members of the Team resulting from, occurring in the course of, or otherwise connected with, the discharge of their duties in the implementation of the Study, except when such claims arise from gross negligence or willful misconduct on the part of the members of the Team.

4. Ministry of Economy, Development and Reconstruction shall act as a counterpart agency to the Team and also as a coordinating body with other relevant organizations for the smooth implementation of the Study, on behalf of GOC.

5. Ministry of Economy, Development and Reconstruction shall, at its own expense, provide the Team with the following, in cooperation with other organizations concerned:

- (1) available data and information related to the Study.
- (2) counterpart personnel.
- (3) suitable office space with necessary office equipments and facilities in Ministry of Economy, Development and Reconstruction.

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(4) credentials or identification cards.

VIII. UNDERTAKING OF JICA

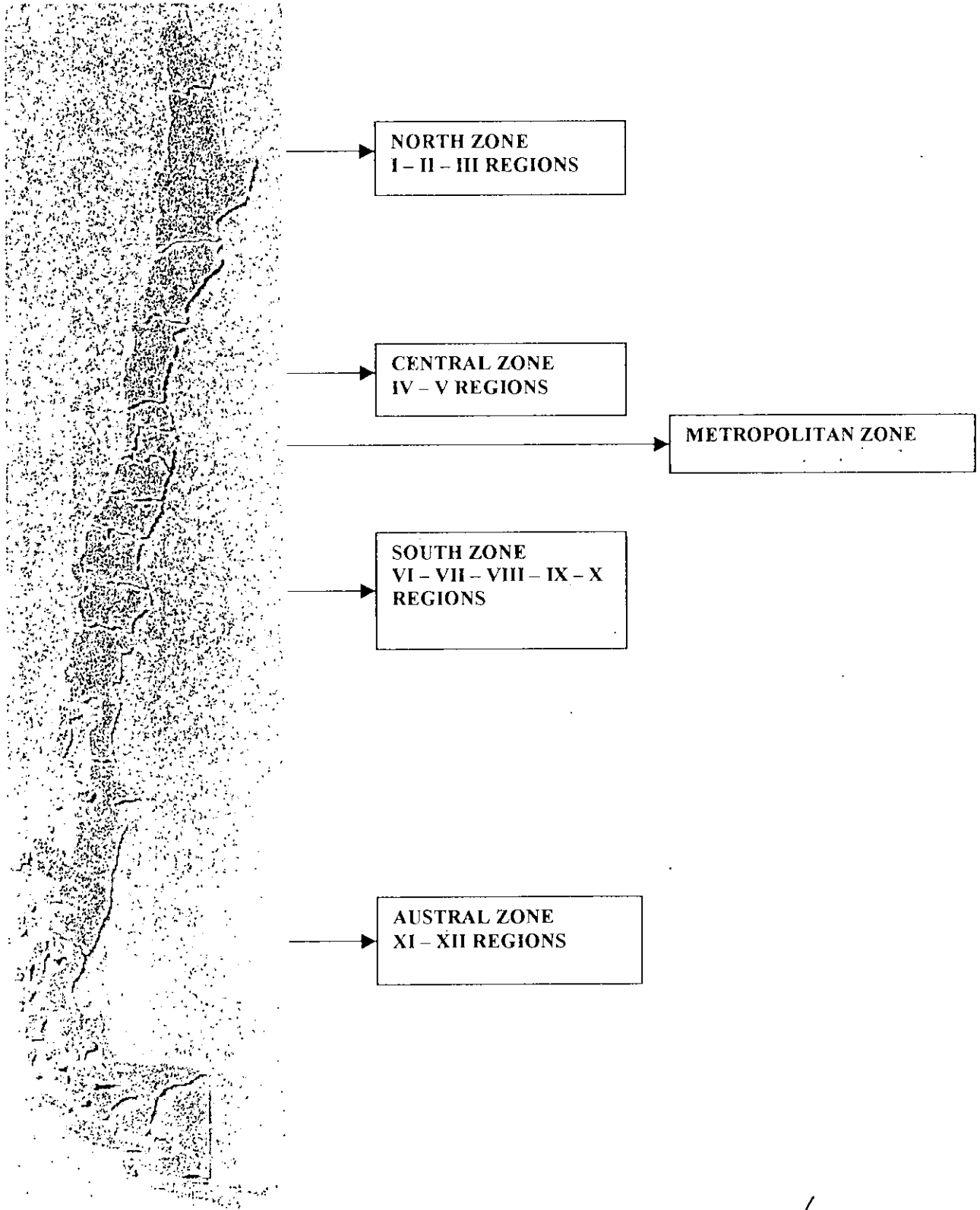
For the implementation of the Study, JICA shall take the following measures ;

1. to dispatch, at its own expense, the Team to Chile, and
2. to pursue technology transfer to the Chilean counterpart personnel in the course of the Study.

IX. OTHERS

1. JICA and Ministry of Economy, Development and Reconstruction shall consult with each other in respect of any matter that may arise from or in connection with the Study.
2. The Scope of Work is prepared both in English and Spanish. In case any doubt arises in interpretation, the English version shall prevail.

Appendix I



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TENTATIVE STUDY SCHEDULE

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Work in Chile	█	█	█	█	█	█	█	█	█	█	█	█	█		█	█				
Work in Japan	█				█	█							█	█					█	
Report Presentation	△ IC/R			△ PR/R		△ IT/R ₁								△ IT/R ₂			△ DF/R		△ F/R	

Note. IC/R: Inception Report
 PR/R: Progress Report
 IT/R: Interim Report
 DF/R: Draft Final Report
 F/R: Final Report

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MINUTES OF MEETING

FOR

THE STUDY FOR PROMOTION OF INVESTMENTS AND EXPORTS
FOR THE BALANCED ECONOMIC DEVELOPMENT
IN THE REPUBLIC OF CHILE

AGREED UPON BETWEEN

MINISTRY OF ECONOMY, DEVELOPMENT AND RECONSTRUCTION

AND

JAPAN INTERNATIONAL COOPERATION AGENCY

SANTIAGO

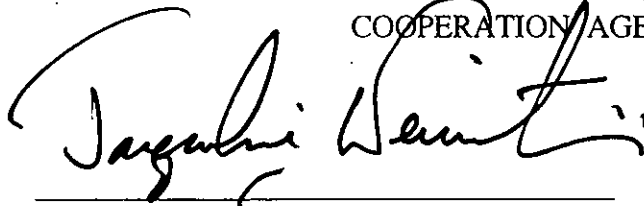
29 July, 1999



MR. JORGE LEIVA LAVALLE
MINISTER,
ECONOMY, DEVELOPMENT AND
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MR. AKIRA TAKAHASHI
LEADER,
PRELIMINARY STUDY TEAM,
JAPAN INTERNATIONAL
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WITNESSED BY

MS. JACQUELINE WEINSTEIN
EXECUTIVE DIRECTOR
INTERNATIONAL COOPERATION AGENCY
OF REPUBLIC OF CHILE
(AGCI)

The Japanese Preliminary Study Team, organized by Japan International Cooperation Agency (JICA) and headed by Mr. Akira TAKAHASHI, visited the Republic of Chile from July 23 to August 2, 1999, to discuss the Scope of Work for the Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of Chile (hereinafter referred to as "the Study").

During the stay of the Preliminary Study Team in Chile, a series of discussions were held between the Team and Chilean side and both sides agreed and signed the Scope of the Study. The list of attendants appears in the Appendix.

1. Study Area

Both sides agreed that among five geographic zones, major efforts would be concentrated in the three zones: North, Center and South.

From each one of the three zones, one model region will be selected by Chilean side by August 6.

2. Technology Transfer

To facilitate the technology transfer, both sides agreed to hold seminars and workshops on development and promotion of investments and exports, especially between Asia and South America in the framework of Mercosur and APEC. The themes of these events will be selected in the area of promoting regional development and investment promotion, including;

- 1) What could be the conditions under which, Japanese or Asian companies would invest in foreign countries or Chile ?
- 2) What could be the conditions, which could increase the exports from Chile to Japan and Asian countries ?

Chilean side expressed that it should be convenient to consider the following issue to be discussed in the above mentioned seminars and workshops: Measures to promote investment and export to the third countries including member countries of Mercosur, by Chilean and Japanese joint venture enterprises.

Japanese side understood this Chilean opinion.

3. Seminars and Workshops

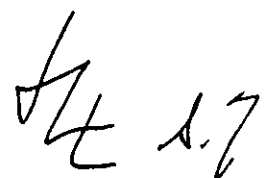
Seminars and Workshops will be held in each Phase not only in Santiago but also in the other regions in course of the Study.

4. Steering Committee and Working Group

Both sides agreed that the Chilean side would establish a Steering Committee and a Working Group to facilitate smooth implementation of the Study. The list of organizations which participate in the Steering Committee and the Working Group will be conveyed to JICA Chile office before starting the Study.

Both the Steering Committee and the Working Group can invite organizations of the private sectors to reflect adequately the opinions of the private sector in the Study.

The Working Group will assist activities of the Steering Committee.

Handwritten signature and date "1.7".

5. Study Schedule

The Chilean side, including the Vice-Minister of the Ministry of Economy, Development and Reconstruction, has manifested the wish to start the Study as soon as possible. The Japanese side replied to convey it to JICA HDQ.

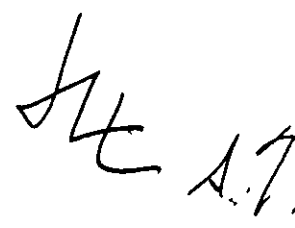
6. Target Year

Both sides agreed that the target year of the new strategies and policies will be 2012.



ATTENDANT LIST:


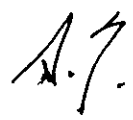
1. Alvaro DÍAZ Chief, Productive Development Division
Ministry of Economy
2. Juan Carlos SCAPINI Chief, Regional Development Unit
Ministry of Economy
3. Roberto CASTRO Chief, Development Studies Unit
Ministry of Economy
4. Carlos ALVAREZ Manager, Strategic Program Division
CORFO
5. Andrés PARKER Executive Director, TODOCHILE Program,
CORFO
6. Danilo STURIZA Advisor, TODOCHILE Program,
CORFO
7. Daisy KOHAN Engineering Advisor,
Foreign Investment Committee
8. Luis DÍAZ Advisor, Regional Planning Division
9. Claudio FELIU Chief, National Found of Regional Development
SUBDERE, Interior Ministry
10. Darío GUZMÁN Deputy Director
PROCHILE
11. Felipe ORTEGA Manager, Regional Development Program
PROCHILE
12. Fabio VILLALOBOS Deputy Director
ODEPA
13. Andrés GALANAKIS Advisor, National Direction
SERNAPESCA
14. Patricio LARA Advisor, Regional Division
SERNATUR
15. Ivan MARTENS Coordinator,
AGCI



ATTENDANT LIST

[JAPANESE SIDE]

Mr.Akira TAKAHASHI	Leader of the Mission
Dr.Akio HOSONO	Member of the Mission
Mr.Kazuchika SATO	Member of the Mission
Mr.Kenichi KAWAMURA	Member of the Mission
Ms.Reiko AKEZUMI	Member of the Mission
Mr.Toru AOYAMA	Member of the Mission
Ms.Atsuko YOSHIKAWA	Member of the Mission
Mr.Mitsuo OBA	Project Formulation Advisor (AGCI)
Ms.Tazuko ICHINOHE	JICA Chile office

APPENDIX I: Minutes of Meeting

Minutes of Meeting

On

The Study for Promotion of Investments and Exports
For the Balanced Economic Development
In the Republic of Chile

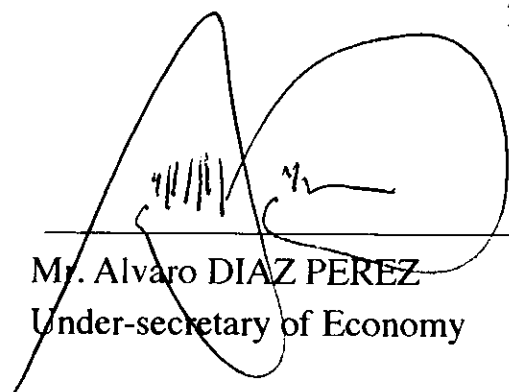
Agreed upon between
Ministry of Economy, Development and Reconstruction

And

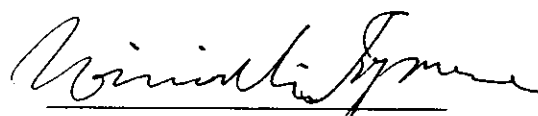
The Study Team
Japan International Cooperation Agency

Santiago

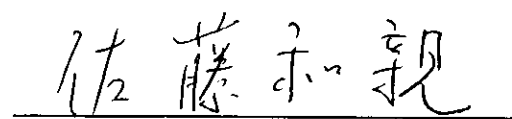
21 March, 2000



Mr. Alvaro DIAZ PEREZ
Under-secretary of Economy



Dr. Norimichi TOYOMANE
Team Leader
JICA Study Team



Witnessed by
Mr. Kazuchika SATO
Advisory Committee of the Study

The meeting for The Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of Chile (herein after refereed as 'the Study') was held on 20th and 21st of March 2000, between the Japanese authorities that consist of the representatives of Japan International Cooperation Agency (JICA), Advisory Committee to the Study and the Study Team and the Chilean authorities that consist of Ministry of Economy, Development and Reconstruction (MOE), Agencia de Cooperacion Internacional (AGCI) and Cooperacion de Fomento de la Produccion (CORFO). The results of the discussion are as follows.

- 1 Ministry of Economy, Development and Reconstruction (MOE) expressed the importance of the study for the Ministry and for the new government. MOE also emphasized the importance of the study for the purpose of 1) attraction of new investment for enhancing resources value, 2) development of regional strategies for productive development of the country and 3) small and medium enterprises development.
- 2 The team leader emphasized the following three points, and the Chilean side accepted them.
 - 1) The inception report prepared by the team is the draft report that is subject to review of the Chilean side.
 - 2) The regional perspective is important for the study.
 - 3) The study will focus on the three zones, those are, North, Central and South zones, out of five zones covered by the study.

The team leader explained the content of inception report to the attendants. The Chilean side made the following comments on the inception report.

- 3 The study policy should be business-oriented, and the report shall be understandable to business people.
- 4 It is a very good process and approach to have workshops at the regional level.

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- 5 CORFO has conducted a study on the business opportunities in several regions and established the public and private committee at some regions, which shall be utilized for the Study.
- 6 The Chilean side had a question “how to realize the recommendations.” Japanese side explained the collaborative works between the Chilean side and the Japanese side itself was an important process of the Study for exchanging their knowledge bringing about synergy effects, and there are several possibilities to realize recommendations.
- 7 There exist several studies on analysis of the export and investment promotion in Chile; those results shall be utilized for the Study for saving time and exchanging knowledge of both sides.
- 8 The Chilean side proposed the organization of the Study, and both sides agreed on the organization as shown in ANNEX 2 and 3.
- 9 The Chilean side offered to provide the office for the team at CORFO from 27th of March 2000, if possible, and the team expressed the gratitude.
- 10 The team requested the Chilean side to make appointments with relevant institutions in each region so as to start surveys in regions from 16th of April 2000. The Chilean side responded that CORFO would make appointments for the team to meet their request.
- 11 The Chilean side requested that a special focus should be made on Region VIII. The team accepted it provided that Region VIII should not be included into the model regions.
- 12 The functions of the Steering Committee are giving supports and advice to the Study. The member of the committee shall be decided by the end of April 2000.

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ANNEX1 LIST OF ATTENDANTS

Chilean side

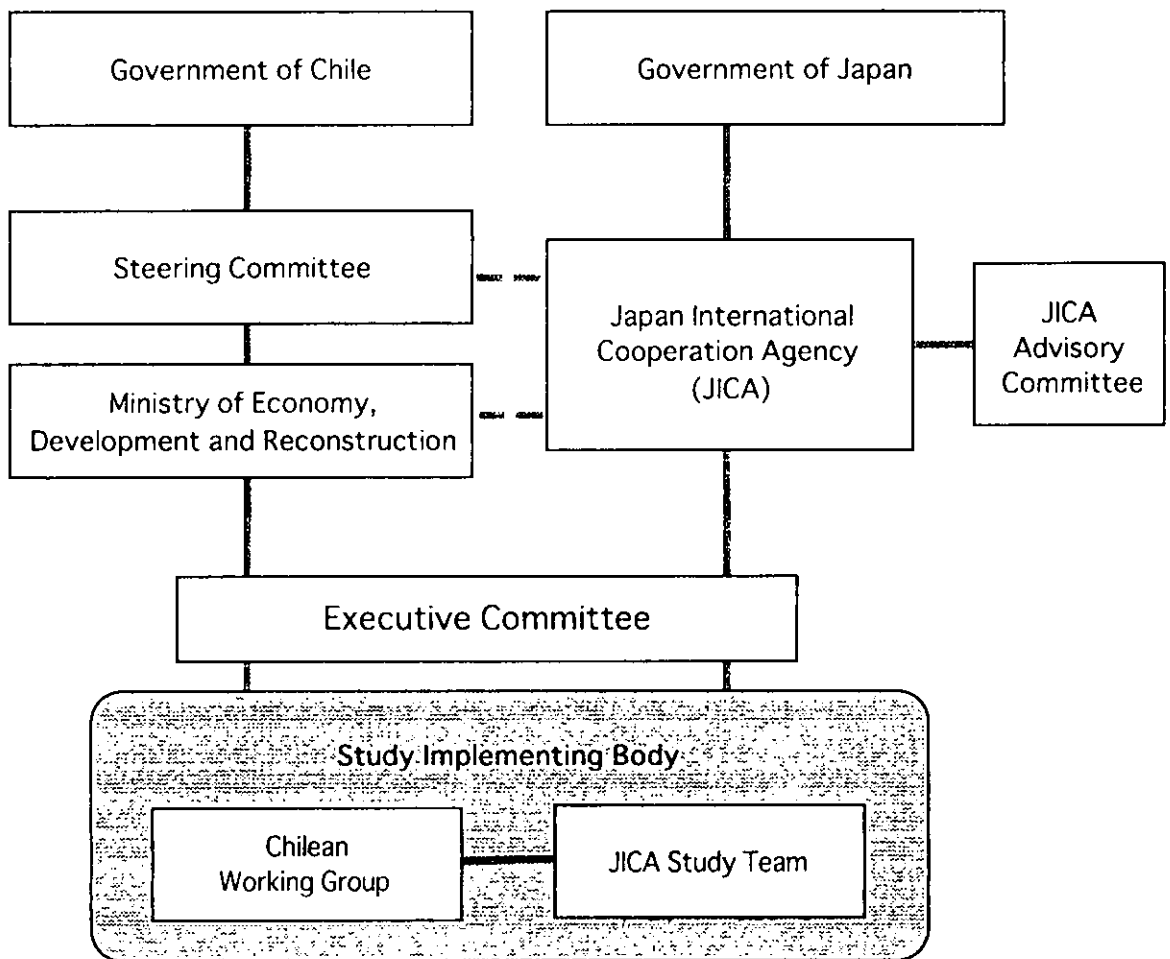
Mr. Juan Carlos SCAPINI Sarradell	Chief, Productive Development Division, Ministry of Economy (MOE)
Ms. Vilma RIVAS H.	Regional Development Advisor, Ministry of Economy
Mr. Mario CASTILLO A.	Deputy Director, Productive Modernization Program, CORFO
Mr. Francisco TRONCOSO	International Relation Director, CORFO
Mr. Cristian MORENO Terrazas	Adviser, Investment Promotion Direction, CORFO
Mr. Andres PARKER G.	Investment Promotion Director, CORFO
Mr. Carlos ALVAREZ Voullieme	Director, Division of Program Strategy, CORFO
Ms. Maria Eugenia MORAGA Zamorano	Chief of Department of Coordination, International Cooperation Agency of the Republic of Chile (AGCI)
Mr. Arturo VERGARA Moreno	Coordinator, Asia-Pacific Program, AGCI
Mr. Ivan MERTENS Galle	Coordinator, Environment and Technology Transfer Area, AGCI

Japanese Side

Dr. Akio HOSONO	Head of Advisory Committee to the Study
Mr. Kazuchika SATO	Advisory Committee to the Study
Ms. Reiko AKEZUMI	Social development Study Department, JICA Headquarter
Ms. Tazuko ICHINOHE	Assistant Representative, JICA Chile
Ms. Masami NAKANISHI	Coordinator, JICA Chile
Dr. Norimichi TOYOMANE	Leader of the Study Team
Mr. Hiroshi YOSHIMURA	Member of the Study Team
Ms. Michiko IIZUKA	Member of the Study Team

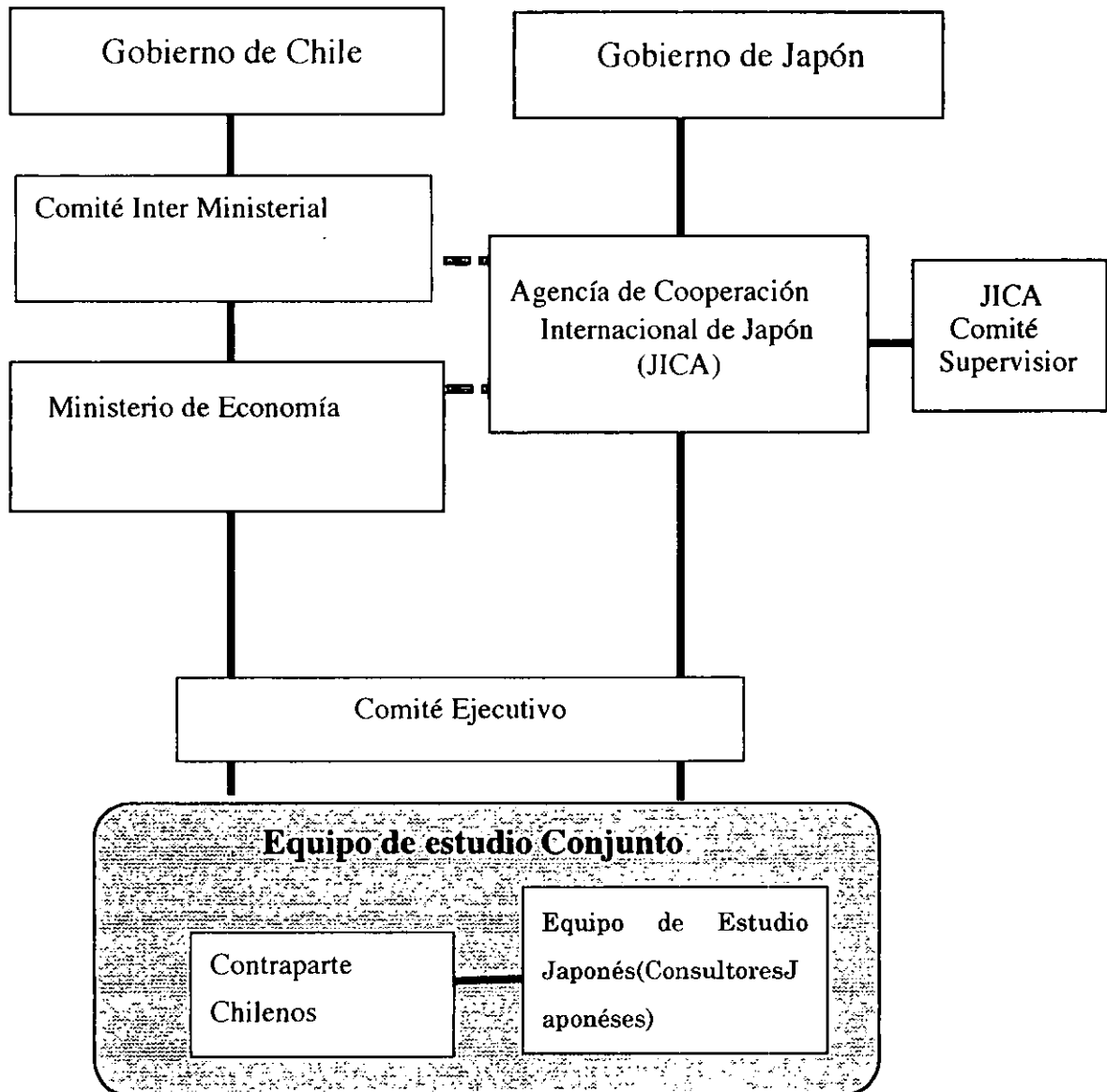
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ANNEX 2-1 ORGANIZATION CHART OF THE STUDY



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ANNEX 2-2 ORGANIGRAMA DEL ESTUDIO



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ANNEX 3 MEMBER OF THE STUDY ORGANIZATION

Study Implementing Body

Counterparts Professionals of CORFO
Japanese Team Listed in the inception report.

Executive Committee

Chilean Members

Ministry of Economy, Development and Reconstruction (MOE)

Mr. Juan Carlos SCAPINI Chief of Productive Development
Division

CORFO

(Coordinator) Mr. Mario CASTILLO Deputy Director, Productive
Modernization Program

Mr. Andres PARKER G. Investment Promotion Director

Mr. Carlos ALVAREZ Director, Division of Program
Strategy

Japanese Member

JICA Study Team

Dr. Norimichi TOYOMANE Team Leader

Mr. Naoya TAKEBE Export and Investment Promotion 1

Ms. Satoko EMOTO Export and Investment Promotion 2

(Coordinator) Mr. Hiroshi YOSHIMURA Economy of South Zone

Steering Committee

Decided later.

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Minutes of Meeting
of
The First Steering Committee
on
The Study for Promotion of Investments and Exports
for the Balanced Economic Development
in the Republic of Chile

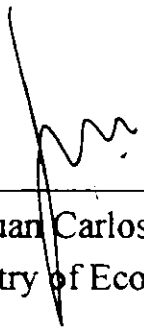
Agreed upon between
Ministry of Economy, Development and Reconstruction

and

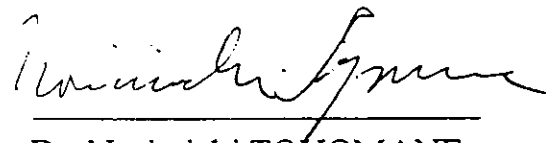
The Study Team
Japan International Cooperation Agency

Santiago

3 May 2000



Mr. Juan Carlos SCAPINI
Ministry of Economy




Dr. Norimichi TOYOMANE
Team Leader
JICA Study Team

The JICA Study Team for the Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of Chile (hereinafter referred to as the "Study") prepared the Inception Report and submitted it to the Ministry of Economy, Development and Reconstruction (hereinafter referred to as the "Ministry") in March 2000. Subsequently the Ministry, in close cooperation with JICA, convened the first meeting of the Steering Committee for the Study on May 2, 2000 in Santiago. The Steering Committee consists of the following Chilean authorities: Ministry of Economy, Development and Reconstruction; Ministry of Public Works; MIDEPLAN; SUBDERE; CORFO; Foreign Investment Committee; ProChile; SERNATUR; ODEPA; SERNAPESCA; and AgCI. The Steering Committee meeting, which at the same time served as the First Workshop for the Study, was attended by the representatives of the above-mentioned Chilean authorities as well as of the Japan International Cooperation Agency (JICA), the Advisory Committee for the Study and the JICA Study Team. During the meeting, participants discussed the contents of the Inception Report and the course of the Study. Main discussions are summarized as follows:

- 1 The Ministry stated that the Study would complement its official duties of regional development and that it would lend full support to the Study.
- 2 Dr. Hosono of the Advisory Committee, on behalf of JICA, expressed his gratitude to the Ministry for its extensive cooperation in initiating the Study.
- 3 In its relation, he made following points to be noted in the Study:
 - 1) The Scope of Work for the Study is in line with the new government's strong concern with the imbalance in regional development.
 - 2) As economic globalization deepens, new opportunities are emerging for Chile as the gateway between South America and Asia and the Pacific.
 - 3) Sub-national areas are showing new dynamism of cross-border economic integration as exemplified by the North Zone.
 - 4) Actors other than the state have newly begun playing important parts in development sharing the same new vision of future. They include civil organizations, small- and medium-size enterprises, local governments, NGOs and

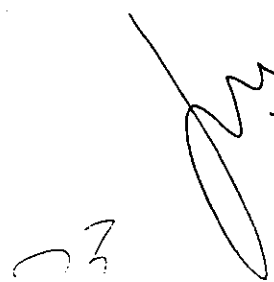
transnational companies.

- 5) Japanese experiences may prove useful for Chile in the context of globalization. As a pioneering project, the Study will create new value with the collaborative efforts by the Chilean and the Japanese teams.
- 4 ODEPA welcomed the Study and offered to provide information about agricultural investment as well as a study report done jointly with FAO on Regions VII to X. The JICA Study Team appreciated the offer.
- 5 MIDEPLAN also expressed support for the Study and indicated various data and information available in MIDEPLAN. The JICA Study Team was grateful for the offer and asked for further cooperation.
- 6 Foreign Investment Committee expressed its high expectations of the Study's outcome. It raised a question as to how the long-term strategies can be agreeable with Asian countries' perceptions and expectations. The JICA Study Team replied that the strategies would fully reflect Asian views, incorporating the results of company surveys to be done in Japan, South Korea and China.
- 7 SERNAPESCA expressed its strong interest in the Study and offered its support particularly in the three model Regions where its Regional offices are located. The JICA Study Team appreciated the assistance.
- 8: CORFO reiterated its strong commitment to the Study, referring to the close similarity of the Study's intention to that of the TodoChile program initiated and implemented by CORFO. It stressed CORFO's role as the joint partner of the Study and observed that its full support to the JICA Study Team made the Regional visits particularly successful. The JICA Study Team expressed its deep gratitude for CORFO's very effective partnership.
- 9 The Ministry indicated that improving productivity would still be needed to address the poverty problem and that the Study should also refer to other programs



under the Ministry that are intended to improve productivity.

- 10 Answering questions raised by the Chilean side, the JICA Study Team clarified that for the later Workshops, people from the private sector and academic circles might also be invited to attend and that the next Workshop scheduled in August 2000 would be particularly important because its main agenda would be the selection of target sectors and products for promotion. The Chilean participants agreed with those ideas.
- 11 The JICA Study Team greatly appreciated the Ministry's and CORFO's efforts to secure the Team's office space and arrange necessary appointments for the Team's extensive interviews. It expressed its deepest gratitude for their attention and collaboration.
- 12 In concluding the Workshop, the Ministry once again emphasized the timeliness of the Study in view of the new Chilean government's policy of "growth with equity." It indicated its keen interest in the Japanese experiences in coping with the regional disparities and was grateful to JICA and the Advisory Committee for their efforts to make the Study possible.

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ANNEX

LIST OF ATTENDANTS

Chilean Side

Mr. Francisco Javier MENESES	Chief, Productive Development Division, Ministry of Economy
Mr. Juan Carlos SCAPINI Sarradell	Executive Secretary for Small Industry, Ministry of Economy
Ms. Maria Elisa PRADO	Regional Planning Division, MIDEPLAN
Mr. Carlos ALVAREZ Voullieme	Director, Division of Program Strategy, CORFO
Mr. Mario CASTILLO A.	Deputy Director, Production Modernization Program, CORFO
Ms. Daisy KOHAN G.	Technical Advisor, Foreign Investment Committee
Ms. Rosita FEIJOO Guzman	Economic Advisor, Foreign Investment Committee
Mr. Fabio VILLALOBOS R.	Deputy Director for Internal Affairs, ODEPA
Mr. Sergio MUJICA	Director, SERNAPESCA
Mr. Ivan MERTENS Galle	Coordinator, Environment and Technology Transfer Area, AgCI

Japanese Side

Dr. Akio HOSONO	Head, Advisory Committee for the Study
Mr. Kazuchika SATO	Advisory Committee for the Study
Mr. Hideyuki YOSHIDA	Assistant Resident Representative, JICA Chile
Ms. Tazuko ICHINOHE	Assistant Representative, JICA Chile
Ms. Masami NAKANISHI	Coordinator, JICA Chile
Dr. Norimichi TOYOMANE	Leader of the Study Team
Mr. Yoshinari YAMAMOTO	Member of the Study Team
Mr. Norihiro OKUMURA	Member of the Study Team
Ms. Luz Maria SERRANO	Interpreter of the Study Team

Minutes of Meeting
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The Second Steering Committee
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The Study for Promotion of Investments and Exports
for the Balanced Economic Development
in the Republic of Chile

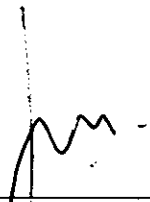
Agreed upon between
Ministry of Economy

and

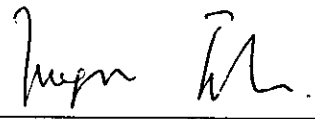
The Study Team
Japan International Cooperation Agency

Santiago

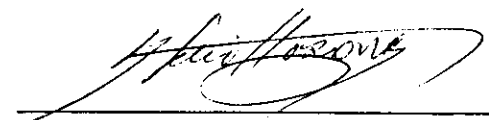
24 August 2000



Mr. Juan Carlos SCAPINI
Ministry of Economy



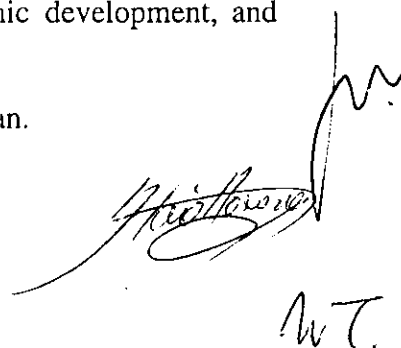
Mr. Naoya TAKEBE
Deputy Team Leader
JICA Study Team



Witnessed by
Dr. Akio HOSONO
Chairman
Advisory Committee for the Study

The JICA Study Team for the Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of Chile (hereinafter referred to as the "Study") prepared the Progress Report 1 and submitted it to the Ministry of Economy (hereinafter referred to as the "Ministry") in August 2000. Subsequently the Ministry, in close cooperation with JICA, convened the second meeting of the Steering Committee for the Study on August 23, 2000 in Santiago. The Steering Committee consists of the following Chilean authorities: Ministry of Economy; Ministry of Public Works; MIDEPLAN; SUBDERE; CORFO; Foreign Investment Committee; ProChile; SERNATUR; ODEPA; SERNAPESCA; and AgCI. The Steering Committee meeting was attended by the representatives of the above-mentioned Chilean authorities as well as of the Japan International Cooperation Agency (JICA), the Advisory Committee for the Study, and the JICA Study Team. The list of attendants is presented in Annex I. During the meeting, participants discussed the contents of the Progress Report 1, the strategic plans to be formulated in Phases II and III, and the work schedule for the said phases. Main discussions are summarized as follows:

- 1 The Ministry approved the Progress Report 1 and will send the comments of the members of the Steering Committee to the JICA Chile office by September 10, 2000.
- 2 The Ministry stated that it was very satisfied with the results of the Phase I study and very positive about the strategic plans proposed by the JICA Study Team for the Phase II and III study.
- 3 The Ministry also appreciated the Study in the following aspects.
 - 1) The Study helps the regions to formulate their strategic development plans.
 - 2) The Study defines favorable factors that could help marketing and develop a strategy for productive development in the private sector.
 - 3) The Study complements with the program of TodoChile in the regions.
 - 4) The Ministry has a similar scenario. That is, President Lagos is looking to find more opportunities, realize more balanced economic development, and give more opportunities to SMEs.
 - 5) The Study is very important for expanding trade with Japan.



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4 CORFO expressed that the Study was very interesting and useful for them and reiterated its strong support for the following four proposed strategic plans:

- 1) Strengthen the gateway functions and develop industries targeting the macro-regional market in the North Zone.
- 2) Development of an integrated gateway by effective function sharing in the Central Zone.
- 3) "Eco-region" promotion in the South and Austral Zones.
- 4) Identify types of competitive non-natural-resource-based manufactures in multi-zones.

However, CORFO was not certain about the feasibility of final implementation of the long-term value added enhancement plan for the forestry industry in the South Zone. Instead of this plan, CORFO proposed to include the organic product development plan for the South Zone.

CORFO also expressed that all strategic plans selected above should contain policies for strengthening small and medium sized enterprises (SMEs).

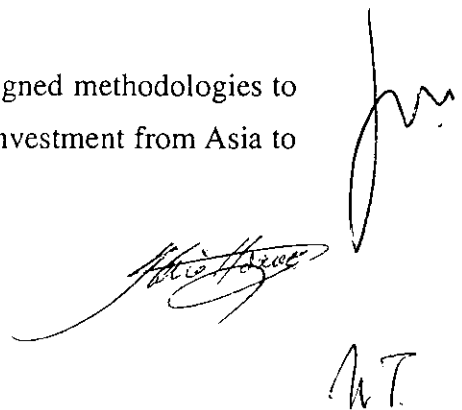
Finally, CORFO requested JICA to include the promotion of the information technology industry as one of the strategies in the Study.

5 Responding to the request made by CORFO, JICA stated that it was aware of the importance of information technology in Chile and, therefore, would consider the possibility.




6 MIDEPLAN pointed out that the proposed strategic plans coincided with their development plans and supported the proposal of the JICA Study Team, and also requested that the JICA Study Team should take into account the revised version of the regional development strategy of MIDEPLAN.

7 CORFO mentioned that it was very important in Phase II to assess some concrete cases of actual investment that serves as an element of the Study.

8 ProChile questioned whether the JICA Study Team had designed methodologies to reach the proposed target, to access markets, and to attract investment from Asia to Chile.

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- 9 Answering the question raised by ProChile, the JICA Study Team explained how it intended to proceed with the proposed strategic plans by using the strategic plan proposed for the North Zone, namely, "Strengthen the gateway functions and develop industries targeting the macro-regional market," as an example. The JICA Study Team also clarified that the Study was to formulate long-term strategies as well as to develop short-term action plans to achieve these strategies but not to bring investors from Japan to Chile.
- 10 The Chilean participants agreed that the JICA Study Team should study the following four strategic plans:
- 1) Strengthen the gateway functions and develop industries targeting the macro-regional market in the North Zone.
 - 2) Development of an integrated gateway by effective function sharing in the Central Zone.
 - 3) "Eco-region" promotion in the South and Austral Zones.
 - 4) Identify types of competitive non-natural-resource-based manufactures in multi-zones.
- 11 The Chilean participants expressed that the work schedule should be modified, taking into account the Chilean summer vacation in February, when Chile-Japan collaboration is not possible. The tentative work schedule for Phases II, III, and IV is shown in Annex II. According to the modification, the JICA Study Team will not need to prepare the Interim Report and hold workshops in January 2001 but will prepare the Progress Report 2 in Japan in February 2001 and present it to the Ministry in March 2001.

LIST OF ATTENDANTS

Chilean Side

Mr. Juan Carlos SCAPINI Sarradell	Executive Secretary for Small Sized Enterprises, Ministry of Economy
Mr. Carlos ALVAREZ Voullieme	Manager, Strategic Programs Division, CORFO
Mr. Carlos TONDREAU	Production Modernization Program, CORFO
Mr. Francisco J. TRONCOSO	International Relations Director, CORFO
Mr. Raúl DÍAZ N.	Executive Officer, Strategic Programs Division, CORFO
Mr. Juan Carlos KONG	Advisor, Investment Promotion Division, CORFO
Ms. Daisy KOHAN	Technical Advisor, Foreign Investment Committee
Mr. Felipe ORTEGA M.	Regional Manager, ProChile
Ms. Ema LAUDI	Department of Agricultural Policy, ODEPA
Mr. Sergio EILANDREU	Advisor, SERNAPESCA
Mr. Marcelo RAMÍREZ	Chief, Regional Division, MIDEPLAN
Mr. Hernán ACUÑA	Regional Manager, MIDEPLAN
Ms. María Eugenia MORAGA	Chief, Department of Coordination, AGCI

Japanese Side

Dr. Akio HOSONO	Chairman of Advisory Committee for the Study
Mr. Kazuchika SATO	Member of Advisory Committee for the Study
Mr. Shu SAKURAI	Staff, First Development Study Division, Social Development Study Department, JICA
Mr. Hideyuki YOSHIDA	Assistant Resident Representative, JICA Chile
Ms. Tazuko ICHINOHE	Assistant Representative, JICA Chile
Ms. Masami NAKANISHI	Coordinator, JICA
Mr. Naoya TAKEBE	Deputy Leader of the Study Team
Ms. Satoko EMOTO	Member of the Study Team
Ms. Jaqueline ROMANO	Research Assistant of the Study Team
Ms. Maria Constanza SOTOMAYOR	Interpreter of the Study Team





Annex II

TENTATIVE WORK SCHEDULE FOR PHASES II, III, AND IV

	Phase II			Phase III			Phase IV						
	2000			2001									
	10	11	12	1	2	3	4	5	6	7	8	9	10
Strategy Development	■												
Action Plan Formulation (1)	■												
Action Plan Formulation (2)					□	■							
Progress Report (2)						△							
Preparation of Draft Final Report									□				
Seminars										■			
Final Report												□	△

■ Assignment in Chile
 □ Assignment in Japan

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[Signature]

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Minutes of Meeting
of
The Third Steering Committee
on
The Study for Promotion of Investments and Exports
for the Balanced Economic Development
in the Republic of Chile

Agreed upon between

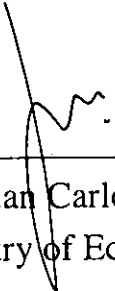
Ministry of Economy

and

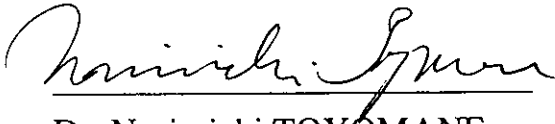
The Study Team
Japan International Cooperation Agency

Santiago

24 January 2001



Mr. Juan Carlos SCAPINI
Ministry of Economy



Dr. Norimichi TOYOMANE
Team Leader
JICA Study Team

The JICA Study Team for the Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of Chile (hereinafter referred to as the "Study") prepared Preliminary Progress Report 2 and submitted it to the Ministry of Economy (hereinafter referred to as the "Ministry") in January 2001. Subsequently the Ministry, in close cooperation with JICA, convened the third meeting of the Steering Committee for the Study on January 23, 2001 in Santiago. The Steering Committee consists of the following Chilean authorities: Ministry of Economy; Ministry of Public Works; MIDEPLAN; SUBDERE; CORFO; Foreign Investment Committee; ProChile; SERNATUR; ODEPA; SERNAPESCA; and AgCI. The Steering Committee meeting was attended by the representatives of the above-mentioned Chilean authorities as well as of the Embassy of Japan, the Japan International Cooperation Agency (JICA), the Advisory Committee for the Study, JETRO and the JICA Study Team. The list of attendants is presented in Annex. During the meeting, participants discussed the contents of Preliminary Progress Report 2. Main discussions are summarized as follows:

- 1 The Ministry stated that it was very satisfied with the interim results of the Phase II study and hoped that the JICA Study Team would appropriately finalize Progress Report II based on the results.
- 2 The Ministry commented that it would require caution particularly for the government sector to select a "strategic partner" as recommended in the Report. It nonetheless agreed with the Team that a "public-private committee" is a good idea to be promoted by the public initiative of, e.g., CORFO. The JICA Study Team responded that it would elaborate further on the specific ways to organize public-private partnership taking this comment into consideration.
- 3 The Ministry also commented that the JICA Study Team's proposition to create and promote a national image of Chile was very appropriate. With this regard, it stated, Chileans' naive notion that such an image would evolve for itself should be changed.
- 4 Some participants questioned whether it would be recommendable to focus much on the GM plant alone in Arica when formulating the action plans for the North



Zone. The JICA Study Team responded that it was because in reality the GM plant was the backbone of Arica's economy and it should be a crucial part of the basis for the Zone's economic development. Other possibilities, the Team observed, to develop local industries or attract other auto makers/auto parts makers seemed to be low.

- 5 MIDEPLAN pointed out that the mechanisms proposed in the action plans might not be workable in the Chilean system of public or business administration. The JICA Study Team, while admitting its limited knowledge of the Chilean systems, responded that the Working Groups created in the three zones during Phase II were in fact experiments of new mechanisms workable in the Chilean system and that the proposals were based on the results of the experiments some of which proved promising.
- 6 The Ministry observed that the study on the IT industry was done in a very limited time but it considered that the importance of the subject was very high. The Ministry therefore requested JICA to send the two experts in charge of the IT industry to Chile to continue their study further. The JICA Study Team agreed to deliver the request to JICA for its consideration.
- 7 The Ministry closed the meeting expressing its appreciation of the results and its hope that Japanese companies' interest would grow after this Study.



ANNEX LIST OF ATTENDANTS

Chilean Side

Mr. Juan Carlos SCAPINI Sarradell	Executive Secretary for Small Sized Enterprises, Ministry of Economy
Mr. Andrés GONZÁLEZ	Productive Development Division, Ministry of Economy
Mr. Carlos RIOS	Ministry of Economy
Ms. Marisela PARRAGUEZ	Division of Technology Investment, CORFO
Mr. Andrés VIVEROS	TODOCHILE, CORFO
Mr. Cristian MORENO	TODOCHILE, CORFO
Mr. Danilo STURIZA	TODOCHILE, CORFO
Ms. Daisy KOHAN	Technical Advisor, Foreign Investment Committee
Ms. Ema LAVAL	Department of Agricultural Policy, ODEPA
Mr. Sergio ERLANDSEN	Advisor, SERNAPESCA
Mr. Pedro RAMÍREZ	Regional Division, MIDEPLAN
Mr. Jose Ramon LETELIER	Regional Division, MIDEPLAN
Mr. Javier DÍAZ	MIDEPLAN
Mr. Fernando MERINO	SERNATUR
Mr. Iván MERTENS	Coordinator, Environment and Technology Transfer Area, AgCI

Japanese Side

Dr. Akio HOSONO	Chairman of Advisory Committee for the Study
Ms. Tazuko ICHINOHE	Assistant Representative, JICA Chile
Mr. Kengo YAMADA	Project Formation Advisor, JICA Chile
Mr. Shigeru MAEDA	First Secretary, Embassy of Japan
Mr. Yusuke UCHIO	Representative, JETRO Santiago
Dr. Norimichi TOYOMANE	Leader of the Study Team
Mr. Naoya TAKEBE	Deputy Leader of the Study Team
Dr. Satoko EMOTO	Member of the Study Team
Mr. Norihiro OKUMURA	Member of the Study Team



Mr. Yoshinari YAMAMOTO	Member of the Study Team
Ms. Michiko IIZUKA	Member of the Study Team
Mr. Marcelo ORTUZAR	Research Assistant of the Study Team
Ms. Jacqueline ROMANO	Research Assistant of the Study Team
Mr. Miguel TORRES	Research Assistant of the Study Team
Ms. Luz María SERRANO	Interpreter of the Study Team
Ms. María Constanza SOTOMAYOR	Interpreter of the Study Team

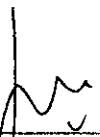


Minutes of Meeting
of
The Fourth Steering Committee
on
The Study for Promotion of Investments and Exports
for the Balanced Economic Development
in the Republic of Chile

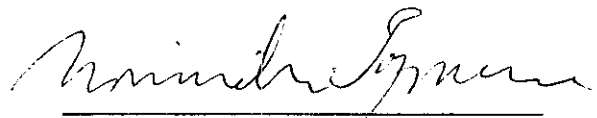
Agreed upon between

Ministry of Economy
and
The Study Team
Japan International Cooperation Agency

Santiago
6 June 2001

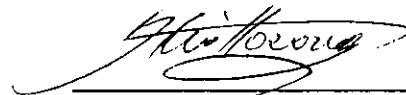


Mr. Juan Carlos SCAPINI
Ministry of Economy



Dr. Norimichi TOYOMANE
Team Leader
JICA Study Team

Witnessed by



Dr. Akio HOSONO
Chairman
JICA Advisory Committee

The JICA Study Team for the Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of Chile (hereinafter referred to as the "Study") prepared Progress Report 2 and submitted it to the Ministry of Economy (hereinafter referred to as the "Ministry") on May 31, 2001. Subsequently the Ministry, in close cooperation with JICA, convened the fourth meeting of the Steering Committee for the Study on June 5, 2001 in Santiago. The Steering Committee consists of the following Chilean authorities: Ministry of Economy; Ministry of Public Works; MIDEPLAN; SUBDERE; CORFO; Foreign Investment Committee; ProChile; SERNATUR; ODEPA; SERNAPESCA; and AgCI. The Steering Committee meeting was attended by the representatives of the above-mentioned Chilean authorities as well as of the Japan International Cooperation Agency (JICA), the Advisory Committee for the Study and the JICA Study Team. The list of attendants is presented in Annex. During the meeting, participants discussed the contents of Progress Report 2. Main discussions are summarized as follows:

- 1 The Ministry first stated that the Study's proposals were fully in line with and integrated into the policy of the Chilean government. It therefore urged the Steering Committee members to comment on the action plans so that each action plan should integrate the comments from the relevant governmental bodies concerned.

North Zone

- 2 The Ministry of Public Works commented that the gateway strategy corresponded with the vision of the Ministry and agreed with the action plans for the Arica port, the bi-oceanic corridor and the streamlining of the customs procedure.
- 3 CORFO pointed out that Arica development was also a political and social matter which requires some caution to deal with. Regarding the Arica port, it suggested another option allowing the port company to reinvest its profit in the port. It also suggested mentioning other projects going on in the region like the agricultural project in the Azapa Valley.
- 4 Some participants pointed out that some of the action plans or similar projects were already underway like the Center of Excellence for SMEs and the Health Complex.

A. H.

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- 5 The Ministry questioned whether the implementing bodies identified in the action plans agreed and that they had budget to carry out the actions. It also requested the JICA Study Team to include ProChile as an implementing body of the Business Roundtable action plan.

Central Zone

- 6 ProChile pointed out that a joint delegation was recently sent by ProChile and the Cuyo region of Argentina to Malaysia, Singapore, Hong Kong and Shanghai, which was an indication that one of the action plans was already in progress.
- 7 The Ministry of Public Works agreed with the action plans and noted that some of them were already being carried out.
- 8 CORFO observed that it had been working since 1999 on the tourism development linking it to the improvement of Valparaíso's image and that the action plan would complement this effort. In this relation, the Ministry asked the JICA Study Team to include CORFO as an implementing body of the action plan on tourism development.
- 9 CORFO also emphasized the importance of the logistics sector and stated its intention to modify its instruments like PROFO particularly to help develop this sector.
- 10 ProChile pointed out that the city of Valparaíso together with ProChile had started its image development.

South Zone

- 11 The Ministry pointed out that the action plans, while listing a number of implementing bodies, did not specify the government agency that should bear the central responsibility for their implementation.
- 12 ProChile observed that it had been working to facilitate environmental protection: One was the training seminar on packaging and another was the clean production project.

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- 13 SERNATUR commented that tourism was priority for Region X and the eco-region concept was very relevant to the development but asked if the JICA Study Team had discussed the action plans with the regional office of SERNATUR. The JICA Study Team responded that it had contacted the regional office of SERNATUR and developed the action plans jointly with the office.

Non-Natural Resource-Based Manufacturing

- 14 ProChile appreciated the JICA Study Team's contribution on this subject, particularly its recommendation to convert "spot" exporters into permanent exporters. It pointed out that ProChile was currently working with CORFO and Regions on a project to foster SME exporters in line with the strategy.
- 15 The Ministry pointed out that the title of this strategy was long and misleading. The JICA Study Team agreed to change the title to a more appropriate one.

Information Technology

- 16 The Ministry welcomed the JICA Study Team's suggestion that Valparaíso should become an IT city. It asked why the JICA Study Team recommended developing the export-oriented software industry. The JICA Study Team responded that the recommendation was based on the Chilean experience in the 1980s and 90s when many software businesses flourished in the 80s and later went bankrupt because of their lack of export orientation and inability to catch up with new technologies.
- 17 CORFO introduced that it was now initiating the first stage of development of technological parks with emphasis on the IT industry. It requested the JICA Study Team to further elaborate the study on the IT industry because the subject was added later in Phase II whereas it represents one of Chile's top priorities.
- 18 JICA urged the Chilean authorities concerned to take initiative to bring the proposed action plans into reality. CORFO, in its response, stated that it would initiate discussions with the relevant authorities to realize the action plans and that it would expect and appreciate JICA's continued cooperation and support in implementing the action plans.

A. H.

27

ANNEX LIST OF ATTENDANTS

Chilean Side

Mr. Juan Carlos SCAPINI Sarradell	Executive Secretary for Small Sized Enterprises, Ministry of Economy
Mr. Cristian OCAÑA	Coordinator of Internet Project, Ministry of Economy
Mr. Carlos ALVAREZ Voullieme	Manager, Strategic Programs Division, CORFO
Mr. Carlos TONDREAU	Production Modernization Program, CORFO
Mr. Raúl DIAZ	Executive Officer, Strategic Programs Division, CORFO
Mr. Danilo STURIZA	Executive Officer, Investment Promotion Division, CORFO
Mr. Oscar FIGUEROA	Advisor, Ministry of Public Works
Mr. Manuel LLANOS	Manager, Regional Development, ProChile
Mr. Pablo BALMACEDA	Manager, Asia-Pacific, ProChile
Mr. Rodrigo CARCAMO	Small and Medium Sized Enterprises Unit, ProChile
Ms. Claudia FERRADA	National Coordinator, SERNATUR
Ms. Ema LAVAI	Department of Agriculture Policy, ODEPA
Mr. Ivan MERTENS Galle	Coordinator, Environment and Technology Transfer Area, AgCI

Japanese Side


Dr. Akio HOSONO	Chairman of Advisory Committee for the Study Staff, First Development Study Division, Social Development Study Department, JICA
Mr. Shu SAKURAI	Assistant Resident Representative, JICA Chile
Mr. Hideyuki YOSHIDA	Assistant Representative, JICA Chile
Ms. Tazuko ICHINOHE	Coordinator, JICA
Ms. Masami IKUTA	Leader of the Study Team
Dr. Norimichi TOYOMANE	Member of the Study Team
Mr. Naoya TAKEBE	Member of the Study Team
Dr. Satoko EMOTO	Member of the Study Team
Mr. Norihiro OKUMURA	Member of the Study Team
Mr. Hiro OKUDA	Member of the Study Team
Mr. Atsushi TOKURA	Member of the Study Team
Ms. Michiko IIZUKA	Member of the Study Team
Ms. Vania GOMEZ	Research Assistant of the Study Team
Ms. Jacqueline ROMANO	Research Assistant of the Study Team
Ms. Luz Maria SERRANO	Interpreter of the Study Team
Ms. Maria Constanza SOTOMAYOR	Interpreter of the Study Team

Minutes of Meeting
of
The Fifth Steering Committee
on
The Study for Promotion of Investments and Exports
for the Balanced Economic Development
in the Republic of Chile

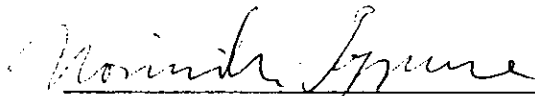
Agreed upon between

Ministry of Economy
and
The Study Team
Japan International Cooperation Agency

Santiago
28 August 2001

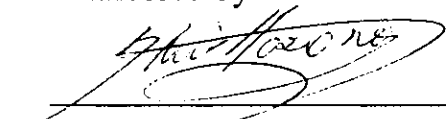


Mr. Juan Carlos SCAPINI
Ministry of Economy



Dr. Norimichi TOYOMANE
Team Leader
JICA Study Team

Witnessed by



Dr. Akio HOSONO
Chairman
JICA Advisory Committee

The JICA Study Team for the Study for Promotion of Investments and Exports for the Balanced Economic Development in the Republic of Chile (hereinafter referred to as the "Study") prepared the Draft Final Report and submitted it to the Ministry of Economy (hereinafter referred to as the "Ministry") on August 10, 2001. Subsequently the Ministry, in close cooperation with JICA, convened the fifth meeting of the Steering Committee for the Study on August 27, 2001 in Santiago. The Steering Committee consists of the following Chilean authorities: Ministry of Economy; Ministry of Public Works; MIDEPLAN; SUBDERE; CORFO; Foreign Investment Committee; ProChile; SERNATUR; ODEPA; SERNAPESCA; and AgCI. The Steering Committee meeting was attended by the representatives of the above-mentioned Chilean authorities as well as of the Japan International Cooperation Agency (JICA), the Advisory Committee for the Study and the JICA Study Team. The list of attendants is presented in Annex. During the meeting, participants discussed the contents of the Draft Final Report and the ways to implement and follow up the Study's results. Main discussions are summarized as follows:

- 1 The Ministry first acknowledged the receipt of 20 copies of the Main Report of the Draft Final Report and 30 copies of the Executive Summary as stipulated in the Scope of Work.
- 2 CORFO praised that the Study had achieved two principal requirements. First, the Study succeeded in reflecting the real interest of the Regions through the participatory approach. Second, the Study succeeded in incorporating the results into the Regions' development strategies. Given these Study results, CORFO would implement the action plans proposed in the Study even though it is a complex and difficult challenge to carry out multi-sectoral programs.
- 3 The Foreign Investment Committee also acknowledged that it was the task of the Chilean side to materialize the Study's results. It emphasized that the Study's results and lessons should be diffused from the model Regions to other Regions where the Report could be used as the manual for local governments. It further emphasized the importance of local initiatives and of close collaboration among the universities, government and private sector to implement the action plans.
- 4 The Ministry conveyed the comments by Intendente of Region I that he hoped to see the continued cooperation with Japan in three specific fields: study on the

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infrastructure in the neighboring countries particularly Bolivia; a project on electronic exchange of information between ports, customs, exporters, etc.; and a meeting for business people from Asia and South America. The JICA Study Team agreed to convey the requests to JICA for its consideration.

- 5 The Ministry also conveyed a proposal by ProChile to conduct a joint study with JICA on the trans-Andes railway between Region V, Chile, and Argentina. The JICA Study Team agreed to convey the request to JICA for its consideration.
- 6 The Ministry indicated the possibility of a study assisted by Japan on the IT industry. CORFO elaborated the idea by saying that it would appreciate JICA's further support in IT-related technical fields. It also raised a specific request for Japan to cooperate on the issue of digital gap utilizing a special fund aimed at APEC countries. The JICA Study Team agreed to convey the request to JICA for its consideration.
- 7 CORFO expressed its strong intention to promote export and investment in Japan, not only for IT industry but for other products as well, utilizing the Study's results. JETRO explained that it regularly organizes promotion seminars in Japan and this scheme would be available for Chile to disseminate the Study's results.
- 8 ODEPA expressed its full support of the Study's results. It suggested that the EPIE Monitoring Committee might include SEREMI Agriculture from Region X as a member.
- 9 ProChile expressed its appreciation of JICA's effort to carry out the Study. It commented that with respect to Chilean export, India would become a mega-market in the future and ProChile would be present in the country in one or two years.
- 10 Professor Hosono observed that even though the Chilean context for the Study had changed considerably since two years ago, the Study had successfully adjusted itself to the new context with flexibility and through the participatory approach, as typified by the case of IT. He further noted that there still remained two agenda for Chile to overcome: linking the national logic to the regional base and coordinating the public and the private sector. He expressed his optimism that Chile would overcome these difficulties because it had shown its excellent capacity for institutional innovation.

Noting the recent advancement in Chile-Japan relationship, he hoped that the Study would play a catalytic role not only for the bilateral relations but also for interregional relations between South America and East Asia. Finally, he stressed that the real task was now starting when the Study was nearing its end.

11 The Ministry, on behalf of the Chilean side, expressed its deep gratitude for the Japanese cooperation and full satisfaction with the Study's results, which exceeded the levels as agreed in the Scope of Work. The Ministry was particularly satisfied that the Study dealt with five strategies instead of three as stipulated in the Scope of Work and that the Study elaborated more action plans than originally expected. Given these satisfactory results, the Ministry stated that it would put the strategies and the action plans into reality while disseminating the Study's results as methodological models throughout the country. The Ministry summarized the Study's significance to the Chilean counterpart in four points: first, the Study emphasized the active participation of universities in various actions; second, it demonstrated in the course of the Study how to actually involve the private sector and universities through the participatory approach; third, it taught the importance of the long-term view and of the national image; and fourth, it suggested a institutional framework for the Study's implementation, which the Ministry appreciated very much and would put into consideration. The Ministry concurred with the Foreign Investment Committee in diffusing the results of the Study to all Regions and appropriating funds accordingly. The Ministry further commented that it was extraordinary that the strategies the Study proposed enriched and contributed to the Chilean government's policy on regional productive development. This was a clear indication, the Ministry maintained, that the Study was done as a true collaboration and that the JICA Study Team had thoroughly studied the Chilean situation.

12 Finally, the Ministry expressed its hope to continue cooperative relationship with Japan. It also clarified its intention to report to President of Chile and respective Intendente about the Study's results.

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ANNEX LIST OF ATTENDANTS

Chilean Side

Mr. Juan Carlos SCAPINI Sarradell	Executive Secretary for Small Sized Enterprises, Ministry of Economy
Mr. Carlos ALVAREZ Voullieme	Director, Strategic Programs Division, CORFO
Mr. Hernán GUTIERREZ	Advisor, Economic Affairs Division, Ministry of Economy
Mr. Carlos TONDREAU	CORFO
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