

Costa Rica: Technical Assistance Report-Upgrading the Rule-Based Fiscal Framework



COSTA RICA

TECHNICAL ASSISTANCE REPORT—UPGRADING THE RULE-BASED FISCAL FRAMEWORK

January 2023

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Upgrading the Rule-Based Fiscal Framework

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January 2023

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ABBREVIATIONS AND ACRONYMS

CCSS	Social Security Entity of Costa Rica
CG	Central Government
CGR	Office of the Comptroller General of the Republic
CNE	National Commission for Risk Prevention and Emergency Response
DGCP	Directorate General of Public Credit
DGPN	General Directorate of National Budget
EBE	Extrabudgetary Entities
FAD	Fiscal Affairs Department
GFSM	Government Finance Statistics Manual
ICE	Institute of Electricity of Costa Rica
ID	Decentralized Institutions
ICT	Institute of Tourism of Costa Rica
LA	Legislative Assembly
LGs	Local Governments
LSPF	Law on Strengthening Public Finance (Law 9635)
MFU	Macro Fiscal Unit
MoF	Ministry of Finance
MTFF	Medium-Term Fiscal Framework
NFPS	Nonfinancial Public Sector
PCs	Public Corporations
PIM	Public Investment Management
PPPs	Public-Private Partnerships
PROCOMER	Trade Promotion of Costa Rica
RECOPE	Costa Rican Oil Refinery
SIPP	Information System for Plans and Budgets of the CGR
STAP	Technical Secretariat of the Budgetary Authority
TA	Technical Assistance
WEO	World Economic Outlook

PREFACE

In response to a request from the Minister of Finance, a Fiscal Affairs Department (FAD) mission conducted hybrid discussions from October 31 to November 22, 2022 to provide technical assistance (TA) regarding the design and implementation of fiscal rules. The mission was led by W. Raphael Lam and comprised Virginia Alonso Albarran, Daniel Garcia-Macia (all FAD), and Carlos Herrero Garcia (FAD Short-term Expert).

At the Ministry of Finance (MoF), the mission held discussions with Finance Minister Costa Jaen, Marco Solera, Michael Contreras; Ana Miriam Araya, Jose Luis Araya, Carlos Oviedo, Kenneth Acuña, Néstor Chinchilla, Olman Cortés, Rafael Oviedo from STAP, DGPN, and *Grupo Regla Fiscal*. At the *Contraloría General de la República*, the mission held discussions with Amelia Jiménez, Daniel Sáenz, Karen Garro, Nancy Campos, María Salomé Murillo, Marilyn Zúñiga, Vivian Garbanzo, Fabiola Rodríguez, Sujey Montoya, Edwin Zúñiga. The mission also met with representatives from various agencies, including Gustavo Picado (Caja Costarricense del Seguro Social); Ing. Jorge Zapata, Mariela Solís, Natalia Vega (*Instituto Costarricense de Acueductos y Alcantarillados*); Guisella Morera, Silvia Mora, Marco Acuña, Jacqueline Hidalgo (*Instituto Costarricense de Electricidad*); Eddie Villalobos, Víctor Díaz, Mariela Calderón (Procomer); Rodolfo Fonseca (*Municipalidad de San José*); Ennio Rodríguez, Magda Brenes (Colegio de Ciencias Económicas); Ricardo Monge, Gloriana Ivankovich (*Academia de Centroamérica*); Ruth Andrade, Alberto López, Olga Espinoza, William Rodríguez, Mariela López, Alejandra Fernández, Rafael Soto, Wilson Orozco (*Instituto Costarricense de Turismo*); Jorge Vargas, Pamela Jiménez, Susan Rodríguez (*Estado de la Nación*); Betty Sanchez y Juan Carlos Quirós (BCCR); and Jose Luis Arce (Consejo Fiscal). The mission also presented the key findings to Kattia Cambronero Aguiluz, Pilar Cisneros Gallo, María Daniela Rojas Salas, Eli Feinzaig Mintz, Óscar Izquierdo Sandí, Jonathan Jesús Acuña Soto, Olga Lidia Morera Arrieta, and Rosaura Méndez Gamboa of the Legislative Assembly.

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