Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Costa Rica changed over time?

Public availability of budget documents from 2006 to 2017

How comprehensive and useful is the information provided in the key budget documents that Costa Rica publishes?

Costa Rica’s score of 56 out of 100 is substantially higher than the global average score of 42.
Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency’s new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

Costa Rica’s score of 7 out of 100 indicates that it provides few opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

To what extent do different institutions in Costa Rica provide opportunities for public participation?

Costa Rica has failed to make progress in the following ways:

- Not producing a Pre-Budget Statement or Mid-Year Review and publishing them online.
The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Costa Rica provide budget oversight?

The legislature provides adequate oversight during the budget cycle. This score reflects that the legislature provides limited oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle. The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget proposal.
- Legislative committees do not examine and publish reports on their analyses of the Executive’s Budget Proposal online.
- A legislative committee does not examine in-year budget implementation and does not publish a report with recommendations online.

Oversight by an Independent Fiscal Institution

Costa Rica does not have an independent fiscal institution (IFI). While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils.


RECOMMENDATIONS

How can Costa Rica improve transparency?

Costa Rica should prioritize the following actions to improve budget transparency:

- Produce and publish a Pre-Budget Statement and Mid-Year Review.

- Increase the information provided in the Executive’s Budget Proposal by providing more detail on budget performance measures, linking the budget more closely to policy, and providing more information on the macroeconomic forecast and its potential effect on the budget.

- Increase the information provided in the Year-End Report by providing more detail on budget performance measures and on comparisons between borrowing estimates and actual outcomes.
How can Costa Rica improve participation?
Costa Rica should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which any member of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program.

How can Costa Rica improve oversight?
Costa Rica should prioritize the following actions to make budget oversight more effective:

- Ensure the legislature holds a debate on budget policy prior to the tabling of the Executive’s Budget proposal and approves recommendations for the upcoming budget.
- Ensure a legislative committee examines in-year budget implementation and publishes reports with recommendations online.
- Consider setting up an independent fiscal institution.

METHODOLOGY

The survey is based on a questionnaire that is completed for each country by independent budget experts who are not associated with the national government.

The draft responses to each country’s questionnaire are then independently reviewed by an anonymous expert who also has no association with the national government.

In addition, IBP invites nearly all national governments to comment on the draft responses and considers these comments before finalizing the survey results.

Researchers respond to comments from peer reviewers and their government, if applicable, and IBP referees any conflicting answers in order to ensure consistency across countries in selecting answers.

The government of Costa Rica provided comments on the draft Open Budget Questionnaire results.

Further Information
Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire

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