Costa Rica

Indicators of Regulatory Policy and Governance 2021









Overview and recent developments

Regulatory policy in Costa Rica continues to focus on improving the business environment by reducing administrative burdens for citizens and business. This includes several strategies to intensify administrative simplification efforts, for instance streamlining the stock of government formalities.

Costa Rica has introduced several changes to expand stakeholder engagement in the development of regulations, such as forward planning and a more intensive use of the SICOPRE, a centralised webpage that makes regulatory impact assessments (RIAs) and public consultations available and allows for comments by the public, to which regulators respond. RIA is employed in the development of technical regulations. However, for the rest of the subordinate regulations, it is only required when the draft regulation includes the creation of government formalities. Building on the progress achieved in enhancing public consultation in rule making, Costa Rica should enlarge the use of RIA to all types of subordinate regulation. Pilot programmes on selected ministries could help identify key lessons in the implementation of a whole-of-government RIA system.

Two bodies within the Ministry of Economy, Industry and Trade are in charge of regulatory oversight functions in Costa Rica. The Better Regulation Unit is in charge of RIA quality control of technical regulations and administrative formalities, as well as of co-ordinating and promoting regulatory policy through the provision of training and advice. The Quality Unit oversees the development of technical regulation, including verification of compliance with RIA requirements. This unit performs stakeholder consultation and analysis of the technical regulation stock to identify reform needs.

Indicators presented on RIA and stakeholder engagement for primary laws only cover processes carried out by the executive, which initiates approximately 17% of primary laws in Costa Rica. The Legislative Assembly has put in place processes different from those used by the executive by which public consultation is sought. There is no formal requirement in Costa Rica for conducting RIAs to inform the development of primary laws initiated by parliament.

Indicators of Regulatory Policy and Governance (iREG): Costa Rica, 2021



Notes: The more regulatory practices as advocated in the <u>OECD Recommendation on Regulatory Policy and Governance</u> a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (17% of all primary laws in Costa Rica).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, http://oe.cd/ireg.

Costa Rica: Transparency throughout the policy cycle







| A public consultation is planned to take place | Some |
|---|-------|
| Regulatory impact assessment (RIA) is due to take place | No |
| Ex post evaluations are planned to take place | Never |

Inform the public in advance that:

| Draft regulations | All |
|-------------------------------------|------|
| Evaluations of existing regulations | Some |



Publish online:

| Ongoing consultations* | Some |
|---|------|
| Views of participants in the consultation process | Yes |
| RIAs | All |
| Evaluations of existing regulations | No |





Policy makers use:

| Interactive website(s) to consult with stakeholders | Yes |
|---|-----|
| Website(s) for the public to | |
| make recommendations on | Yes |
| existing regulations | |

Policy makers provide a public response to:

| Consultation comments | Yes |
|-------------------------|--------|
| Recommendations made in | Never |
| ex post evaluations | INCACI |

^{*} Publish on a single central government website.

Note: The data reflects Costa Rica's practices regarding subordinate regulations initiated by the executive, since in Costa Rica primary laws are rarely initiated by the executive. Source: Indicators of Regulatory Policy and Governance Survey 2021, http://oe.cd/ireg.



THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- Systematic adoption comprises formal requirements and how often these requirements are conducted in practice;
- Methodology presents information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- Oversight and quality control reflects the role of oversight bodies and publicly available evaluations; and
- Transparency comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (http://oe.cd/ireg).

Related links:

- Regulatory Policy Outlook 2021
- Indicators and underlying data and methodology
- 2012 Recommendation of the Council on Regulatory Policy and Governance
- OECD Measuring Regulatory Performance Programme
- OECD work on regulatory policy

Contact:

Measuring Regulatory Performance programme mrp@oecd.org

