



Costa Rica Fiscal Management Improvement Project (P172352)

LATIN AMERICA AND CARIBBEAN | Costa Rica | Governance Global Practice |
IBRD/IDA | Investment Project Financing | FY 2020 | Seq No: 1 | ARCHIVED on 22-Jun-2020 | ISR42162 |

Implementing Agencies: Ministry of Finance, Republic of Costa Rica

Key Dates

Key Project Dates

Bank Approval Date: 26-Mar-2020

Effectiveness Date: --

Planned Mid Term Review Date: 27-Mar-2023

Actual Mid-Term Review Date:

Original Closing Date: 31-Mar-2026

Revised Closing Date: 31-Mar-2026

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve efficiency, effectiveness and client orientation of tax and customs administration, and public expenditure management.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Strengthening public expenditure management:(Cost \$44.44 M)
Enhancing efficiency and client orientation of tax administration:(Cost \$28.46 M)
Enhancing customs controls and services:(Cost \$52.34 M)
Strengthening the technological, institutional and operational environment:(Cost \$23.00 M)
Project Management & Capacity Building:(Cost \$8.40 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	--	<input type="checkbox"/> Satisfactory
Overall Risk Rating	--	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

The project was approved by the Board on March 26, 2020. On April 30 the Steering Committee was established as determined in the Loan Agreement as a condition of effectiveness. Through regular meetings and communication with the counterparts the team is working towards the creation of the PIU and the finalization of the project operations manual to ensure project effectiveness within the effectiveness deadline.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	High	--	Moderate
Macroeconomic	Moderate	--	Moderate
Sector Strategies and Policies	Moderate	--	Moderate
Technical Design of Project or Program	High	--	High
Institutional Capacity for Implementation and Sustainability	High	--	High
Fiduciary	Moderate	--	Moderate
Environment and Social	Moderate	--	Moderate
Stakeholders	High	--	Moderate
Other	Low	--	Low
Overall	High	--	Moderate

Results

PDO Indicators by Objectives / Outcomes

Improved Efficiency				
► Reduction of operating costs of the tax and customs administration relative to revenue (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.77	--	1.77	1.67
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	Current tax and customs budget of MOF (Colones) in period N / total revenues in period N (Colones)			
► Reduction in the time to produce consolidated financial statements (Days, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	--	30.00	7.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the time reduction, in number of days, in having internally available consolidated financial statements of the central government, legislative and judicial			



Improved Effectiveness				
► Reduction in evasion of Value Added Tax as percent of GDP (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.36	--	2.36	1.50
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures non-compliance with the Value Added Tax (VAT).			
► Reduction in evasion of Corporate Income Tax as a percent of GDP (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.86	--	5.86	3.72
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures non-compliance with Income Tax (ISR).			
► Share of the General Government budget executed directly through the new IFMIS (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	100.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	Percentage of budget that is directly executed including payment to final beneficiary through the Integrated Financial Management Information System (IFMIS)			
Improved client orientation				
► Reduction in the time taken to pay Value Added Tax (Hours, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	74.00	--	74.00	24.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	The indicator measures the time taken to prepare, file and pay value added or sales tax.			
► Reduction in the time taken for customs clearance (Hours, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	72.00	--	72.00	36.00



Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	Time for clearance and inspections required by customs authorities			

Intermediate Results Indicators by Components

Strengthening public expenditure management				
▶ Proportion of institutions from the national budget that have undertaken evidence-based methodologies for improving expenditure effectiveness (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.00	--	16.00	100.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	Proportion of institutions from the national budget (Central government, Legislative, Judicial, Ombudsman Office, and Comptroller's Office) that undertake evidence-based methodologies for improving expenditure effectiveness			
▶ Institutions executing budget through IFMIS (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	23.00	--	23.00	73.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	Number of institutions that are executing budget through IFMIS			
▶ Share of institutions using IFMIS to generate consolidated financial statement complying with International Public Sector Accounting Standards (IPSAS) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	--	10.00	100.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures institutions that are generating consolidated financial statements complying with International Public Sector Accounting Standards (IPSAS)			
▶ Electronic payments made to beneficiaries through TSA (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	--	85.00	100.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	Percentage of payments (value) registered using TSA			



► Integrated debt management system (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4 different systems of internal and external debt are operating without integration	--	4 different systems of internal and external debt are operating without integration	Integrated debt management system inter-operable with IFMIS
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the integration of the 4 debt management systems inter-operable with IFMIS, so that generate consolidated internal and external debt reports			
► Reduction in time for generation of debt statistics (Days, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	--	45.00	7.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the time reduction, in number of days, in having consolidated statistics of debt			

Enhancing efficiency and client orientation of tax administration				
► Increase in Taxpayers that are satisfied with tax services (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No perception satisfaction measured	--	No perception satisfaction measured	Increase baseline by 20%
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the perception by taxpayers on the timeliness, effectiveness and client orientation of tax services			
► Share of calls attended by the call center (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	--	25.00	90.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the level of citizen attention by phone			
► Taxpayer services available on mobile applications (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	25.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026



Comments:	Number of services made available to taxpayers through mobile apps			
► Proportion of tax audits that generate tax revenues (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	66.00	--	66.00	75.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the impact of audits on revenue collection			

Enhancing customs controls and services				
► Traders that are satisfied with customs services (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No perception satisfaction measured	--	No perception satisfaction measured	Increase baseline by 20%
Date	01-Jan-2020	--	01-Jun-2020	30-Nov-2027
Comments:	This indicator measures the perception by traders on the timeliness, effectiveness and client orientation			
► Percentage of inspections carried out by Customs (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	--	10.00	6.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the level of control that Customs exerts on the entry of goods through the physical review of import declarations			
► Use of advance declarations (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	13.00	--	13.00	30.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the level of facility granted by Customs and the willingness of operators to comply with the requirements required for the application of the advance declaration			
► Proportion of customs audits that generate tax revenues (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	--	25.00	70.00



Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the impact of audits on revenue collection			

Strengthening the technological, institutional and operational environment				
▶ Interoperability of MOF and other external systems (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	20.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the number of systems in the MOF that are connected via the interoperability bus using web services or other similar and appropriate mechanisms that permit these systems to share data within the MOF and potentially externally.			
▶ Availability of Information Management Systems (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	95.00	--	95.00	99.90
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the level of stability of PFM, Tax and Customs information systems, as the lowest daily information systems' up-time measured during the last month.			
▶ Reduction of staff payments overpaid (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10,000,000.00	--	10,000,000.00	5,000,000.00
Date	01-Jan-2020	--	01-Jun-2020	31-Mar-2026
Comments:	This indicator measures the amount of payments paid by mistake on payroll incurred as a result of delay of information regarding changes on employee's appointments (e.g. layoffs)			

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

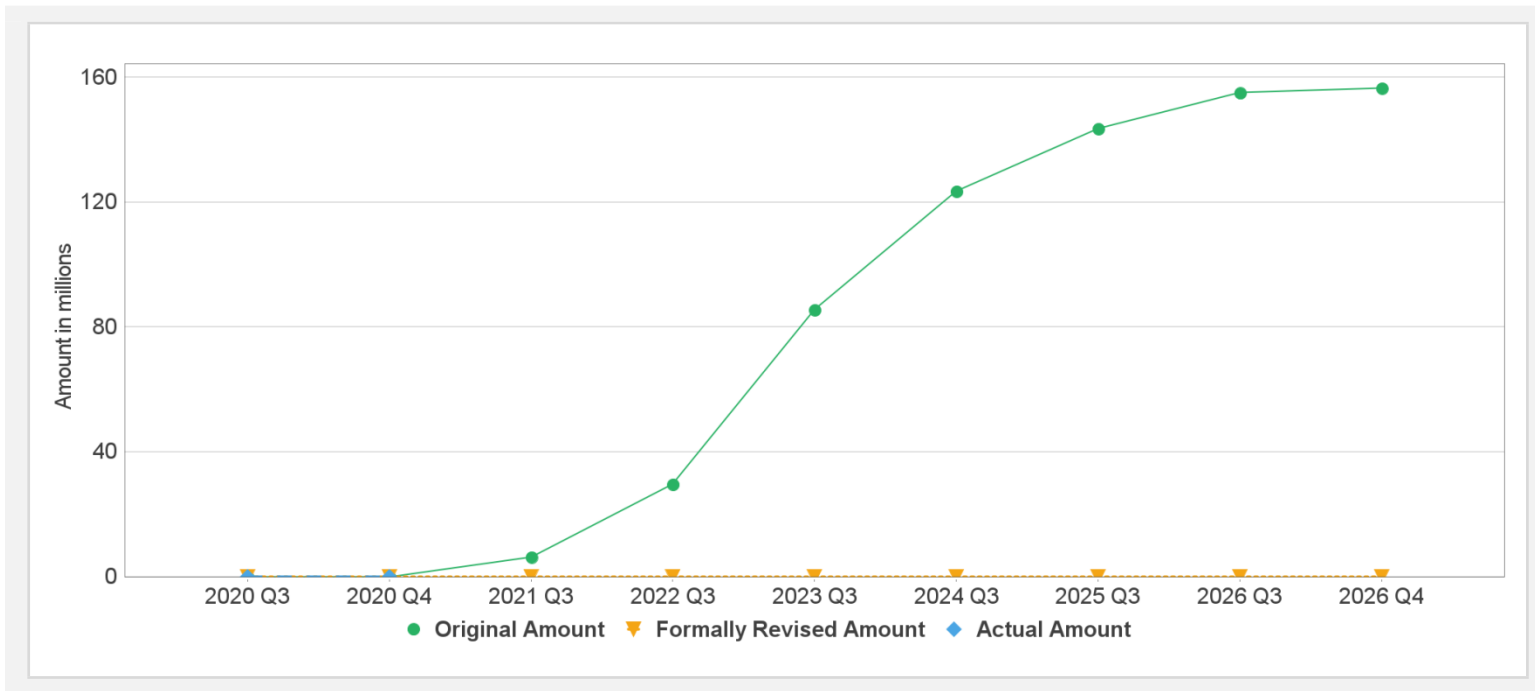
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P172352	IBRD-90750	Not Effective	USD	156.64	156.64	0.00	0.00	156.64	0%



Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P172352	IBRD-90750	Not Effective	26-Mar-2020	06-Apr-2020	--	31-Mar-2026	31-Mar-2026

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.