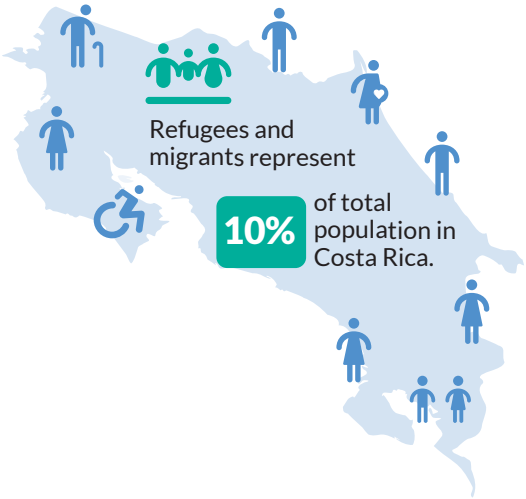
UNHCR
The UN Refugee Agency

FACTSHEET: LINKS WITH DEVELOPMENT

COSTA RICA: Why is it important to include refugees to enhance development?

KEY FIGURES

As of June 2024

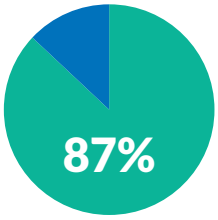


Costa Rica hosts **>218,000** people in need of international protection,

including **>16,700** refugees,

>201,900 asylum-seekers and

347 stateless people (as of June 2024).



87% of asylum-seekers are nationals from Nicaragua.

From **January 2023** to **June 2024,**

>655,300 refugees and migrants in mixed movements heading North America have transited through Costa Rica.

COSTA RICA'S SCENARIO FOR INCLUSION

Long tradition of protection

Costa Rica keeps a long tradition of **commitment to promote, respect and guarantee human rights** and protection for people forced to flee. The State has adopted multiple **international instruments** in this regard: the International Covenant on Civil and Political Rights (1966), the American Convention on Human Rights (1969), and the Convention on the Status of Refugees (1951) and its Protocol (1967).

The country has maintained **open borders for those in need of international protection** and an inclusive policy agenda, as defined under the **Comprehensive Regional Protection and Solutions Framework (MIRPS),** a regional mechanism supporting the implementation of the **Global Compact on Refugees.**

Contributions by asylum-seekers and refugees

Refugees, asylum seekers and migrants complement natives' labour market participation and boost economic activity and tax revenue collection at a relatively low fiscal cost (IMF, 2024). Nicaraguans in general, also **contribute to reducing the demographic dependency ratio** due to their higher proportion of persons at working age.

Having a **regular status** facilitates social and economic inclusion of asylum seekers and refugees, allowing access to social services, engaging in productive work, creating new jobs as business owners, paying taxes, and contributing to the social security system.

A **national economic inclusion strategy for refugees and migrants** is yet to be defined. Efforts to concretely integrate Nicaraguans and other refugees into local development plans would help ensure a **comprehensive response** from the government, development actors, and international cooperation partners that account for this population's needs in social security, proper housing, financial services, jobs of quality, training, and health.

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UNHCR'S CONTRIBUTIONS

UNHCR contributed, together with **the International Monetary Fund (IMF)** and the Inter-American Development Bank (IDB), **to the study published by the IMF in December 2023,** which describes the sociodemographic characteristics of the refugee and migrant population in Costa Rica, as well as their role in **complementing the labor market** while boosting the economic activity and tax revenue collection at a **relatively low fiscal cost.**

Estimations suggest that **foreign-born workers directly contributed to about 6.5 percent of Costa Rica's GDP** on average during 2017-21. This contribution is **significantly above the average for emerging and developing economies** (1.2 percent of GDP) **but aligned with the average for advanced countries** (**6.9** percent of GDP).The result of this joint effort generated **evidence on the socioeconomic contribution of refugees in the country** and provided data-based recommendations towards a better inclusion.

UNHCR connects local health authorities from the Southern area with the World Bank to identify joint opportunities. © *Norberto Girón / UNHCR*

FISCAL SITUATION

Nicaraguans' fiscal contributions to Costa Rica exceed the direct fiscal costs associated with their integration. Spending on social assistance is offset by value-added tax and income revenue collection, as well as health and pension contributions. **Social security contributions, value-added and income taxes increase alongside their integration** into the economy and, particularly, into the formal labor market. From 2017-21, the **net contribution** of Nicaraguans to the public budget reached an **annual average of 0.08% of GDP.**

LABOR MARKET

Nicaraguan refugees and migrants in Costa Rican **labor** market mainly **complement** natives' participation and wages. Labor **complementarity** is **stronger than labor substitution,** which is more prevalent among low-skilled workers. High-skilled Costa Rican women and low-skilled Nicaraguan women **complement** each other in terms of earnings and employment. Nicaraguan also help to mitigate the country's aging population **(87% are working-age vs 67% nationals).**

Labor skills

Working-age Nicaraguans participate in a segmented labor market. In urban areas, **30%** of men work in construction, while in rural areas, they mostly work in agriculture **(56%).** Nationwide, **34%** of women work in paid domestic jobs, while in rural areas, they also work in accommodation **(24%).**

30% Construction

56% Agriculture

34% Paid domestic

24% Accommodation

EDUCATION

Nicaraguan children face a higher rate of education year lags (32% vs 12% nationals of 7-17 years old). Students are more likely to be enrolled in primary schools with short curricula.

LOCAL INTEGRATION

Nicaraguans participate in the labour market at a **higher proportion than nationals** (64% vs 53%, of persons 15 years/+), some are integrated in social protection programs, and children and young are enrolled in the education system.

However, in general, **Nicaraguan's socioeconomic conditions tend to be disadvantageous** as they face **higher poverty rates** than locals (32% vs 25%), and like other **low-skilled** working-age asylum seekers and refugees, **face significant challenges in obtaining work permits and having formal jobs.**

As compared to nationals, Nicaraguans:

- **55%** Are informally employed **(42%** nationals)
- **63%** Ages 18-34 have not completed secondary educ. **(33%** nationals)
- **56%** Lack public health insurance **(28%** nationals)

HOST COMMUNITIES

Although **59%** of the Nicaraguan population resides in the **Central region** of the country, the cantons with a higher proportion of refugees among their population are the **border** ones (e.g., Huetar North region, with **18% of the Nicaraguan population**, mainly rural). Cantons that concentrate Nicaraguans in the **Central region** are densely populated and have a higher proportion of informal settlements. At the **borders,** the development social index is low, public infrastructure (connectivity, water, sanitation), and waste management are poor, and formal employment is scarce.

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UNHCR'S CONTRIBUTIONS

TECHNICAL ADVICE TO NATIONAL AND LOCAL AUTHORITIES ON REFUGEE-INCLUSIVE POLICY

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Technical assistance to the **Migration Authority (DGME)** towards its strategy to **enhance the asylum system** to provide a **more efficient, accessible, and fair** refugee status determination process. This strategy, which provides continuity to the **digitization project,** includes **two stages:**

(1) DGME's cases self-verification process and

(2) UNHCR's technical advisory on case management according to international standards

Emergency preparedness and response. UNHCR works, jointly with other UN agencies to support the Costa Rican government's response to mixed movements. This includes technical advisory to design and implement the **Government's Emergency Plan** and local operational support in the Migratory Station South (EMISUR). This also entails work with local authorities among **interinstitutional coordination worktables.**

Support of Costa Rica participation in the **Regional Protection and Solutions Framework (MIRPS).** Its national expression **(MINARE)**, the interinstitutional scenario on displaced populations supported by UNHCR, presented **nine pledges at the Global Refugee Forum (GRF)** to enhance response and solutions for forcibly displaced persons. UNHCR also supports **Costa Rica participation in international fora** on people forced to flee.

Capacity development on international protection and human rights with key actors who interact with people forced to flee country-wide, such as the **Judiciary,** the **National Police Academy** and **Universities.**

MULTI-SECTOR AND MULTI-PARTNER COORDINATION FOR THE DELIVERY OF SERVICES AND INTERVENTIONS

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Protection services for the most vulnerable. We collaborate with the Government to promote **safe access to territory,** non-refoulement, effective **registration and documentation,** access to a fair and efficient asylum system, **prevention of and response to statelessness,** and access to basic rights.

Enhance **access to justice** by providing **legal information, legal assistance, and legal representation to individuals, on** the refugee status determination procedure and access to rights in San Jose and in the Northern and Southern borders.

Advocacy for inclusion of refugees and asylum-seekers in **national social protection systems.** Through partnership with the **Joint Social Assistance Institute (IMAS),** people with specific vulnerabilities connect with the **State's social programmatic offer** on childcare, education, cash transfers and support to female household leads. Complementarily, we support **temporary cash assistance** for targeted vulnerable families.

Regarding **health,** UNHCR and the Costa Rican Social Security Fund (CCSS) have an agreement to provide **up to 5,000 health insurance places** for particularly vulnerable refugees and asylum-seekers. Also, UNHCR implements a partnership between CCSS, the Planning Ministry (MIDEPLAN) and the University of Costa Rica Foundation for **+3,375 additional health insurance places.**

Support to refugee-led initiatives on employment and entrepreneurship, through job skills training, job placement, high-school degree validation, access to financial services, and support to entrepreneurs. Through **Living Inclusion** (Vivir la Inclusión) collaboration framework, UNHCR has formed a **network of public, private, academia and institutional actors** who favor refugees' socioeconomic inclusion.

SOCIAL COHESION INITIATIVES FOR REGIONS WITH HIGHER PRESENCE OF DISPLACED POPULATIONS

Training to empower **multipliers of information, guidance and assistance** among communities. This includes capacity-building with the **System of Judicial Facilitators,** as well as the creation of community networks on human rights and integration **(Young Refugee Network)** and against GBV (female **Community Promoters**).

Work with key entities such as the Ombudsperson's office, the Health Comptroller's Office, the National Registry and the Ministry of Foreign Affairs to **bring institutions and communities closer,** which facilitates dialogue and enhances **displaced population's knowledge and exercise of rights.**

Locally tailored strategies for socioeconomic empowerment (Mercaditos Locales), community cohesion of the rural youth through sports **(Somos Una Comunidad)** and support to agriculture-based initiatives by the **RLO Movimiento Campesino** at the North border, promoting economic self-reliance.

Implementation, jointly with IOM and UNDP, of an **interagency project** in Upala and Los Chiles under the **United Nations Peacebuilding Fund (PBF)**, in coordination with national and local authorities. This 2-year project seeks **peaceful coexistence and healthy conflict resolution** among refugees and host communities.

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As of June 2024

OUR WORK WITH DEVELOPMENT ACTORS AND IFIS

UNHCR works closely with development actors and International Financial Institutions (IFIs) to:

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Promote the inclusion of refugees and asylum seekers through concessional financing, which combine low-interest loans with long grace periods and grants. An example of this, the **Global Concessional Financing Facility (GCFF)** with the **World Bank;** which helps middle-income countries access concessional financing to cover the costs of hosting refugees. **Costa Rica is one of the six countries** globally to benefit from these funds.

Foster coordination efforts among the development actors in their dialogue with national and local authorities, as a **key technical advisor** in key matters for refugees (e.g. enhancing of the asylum system).

Provide evidence to jointly analyze the impact of refugees and asylum-seekers in Costa Rican society at a macro level, in the **labor market**, and in **specific sectors:**

- In December 2023 the **IMF,** published the study: **Characteristics and Economic Impact of Migrants and Refugees in Costa Rica**, with contributions from the Inter-American Development Bank (IDB) and UNHCR.
- Provide **technical assistance** to IDB and WB on data sources and variables to analyze relevant information, as well as **technical analysis on displaced populations**, promoting data-driven decision-making, using statistical studies and primary data collection (e.g. needs assessments).
- UNHCR participates in regular forums from the Joint Data Center by the **World Bank** (**WB**) in which relevant evidence is shared.

Identify **challenges and opportunities for displaced population's local integration** in the communities, the labor market, and the services offered by the country:

- **Coordinate field visits with IFIs**, for **first-hand field information** from local governments, refugees and host communities, and national-level actors at regions.
- Provide technical advice on **opportunities and challenges** for proper inclusion of forced displaced **sectors** such as education, health, and social security.
- Provide technical support about **legal protection opportunities** and **challenges** and on **normative design.**

UNHCR appreciates the contributions of donor countries that contribute to Costa Rica and global programs with unearmarked funds:
As of 31 July 2024

UNHCR Costa Rica also appreciates the contributions of our private donors globally:
Republic of Korea and Japan

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