1. The authors make a number of interesting findings and contributions:
    a. LAC is characterized by very large output volatility, which makes the estimation of output gaps especially challenging. In this regard, the authors make a methodological contribution.
    b. Primary budget balances in LAC are, on average, half as procyclical than in OECD. I could not find in the text how this conclusion was reached. Maybe the authors refer to the procyclicality of revenues. Either way, it would be interesting to make this comparison separating the two phases of the cycle.
    c. In LAC, discretionary fiscal policy (adjusted primary balance) tend to be procyclical but, importantly, mainly due to lack of credit in bust times.
    d. The average primary balance in the last decade generally exceeds the balance required for debt sustainability (with the exception of Argentina in the sample). However it should be taken into account that the present value of Argentinean debt is substantially lower that its face value due to below-market debt exchange.
2. The authors use the OECD approach to estimation of cyclically-adjusted fiscal revenues. Such approach has the advantage of explicitly using the tax code to estimate cyclical variations, thus controlling for changes in it. However, such approach may be inapplicable in the Latin American context and underestimate the cyclical component of revenues:
    a. High and pro-cyclical informality in LAC may render the tax code inapplicable for estimation purposes
    b. Related, high and pro-cyclical tax evasion in LAC may render the tax code inapplicable for estimation purposes
    c. A unit elasticity of the indirect tax base probably underestimates the elasticity in LAC. First, indirect taxation is concentrated in consumption, which is procyclical. Second, consumption taxes are further subject to procyclical evasion in the downturn. Since consumption taxation is a prevalent revenue source in many LAC countries, this inaccuracy may materially affect the estimations.
    d. For many countries in LAC, the evolution of commodity prices is of first order importance to estimating structural balances. The authors rightly take into account this dimension but do not integrate it within the OECD approach based on using the tax code and the elasticity of the tax base, which is assumed constant. Perhaps the method of taking the 10-year moving average price as the structural price and assuming no cyclical quantum variation can be improved upon considering the importance of this item.
3. There are a number of questions concerning the title of the paper, i.e. whether fiscal policy in Latin America is better after all, that are left unanswered. Some of them could be answered with the work already done, others would require more work, perhaps other papers.
    a. Why is a neutral or countercyclical fiscal policy better fiscal policy, as the paper presumes? It behooves to the authors to answer this question and explain why their evidence is the relevant one to answer the question. If the reason is efficiency, say more efficient fiscal expenditure, then the authors should look beyond aggregate expenditures adjusted by unemployment benefits (which are assumed away for lack of data). There may be other cyclical expenditures that are not discretionary or are good.

In the case of Uruguay for example there are constitutionally mandated indexed pension payments or smoothing of the price impact of oil imports.

   b. Alternatively, if the reason is fiscal sustainability, then a focus on cyclicality (a second moment) is not enough. The cyclical behavior is illuminating concerning prudential matters and the authors do a good job analyzing it, but it is key to look at the level of the adjusted balances (first moment). Better fiscal policies would mean that adjusted balances are less procyclical and lower. The authors have all the information needed to analyze the degree to which fiscal policy in LAC is getting better over time in this connection. They should tackle it.
   c. Finally, concerning debt sustainability, it would be important to analyze whether fiscal policy reacts to the degree of indebtedness, that is to say, whether fiscal policy adjusts to endogenously stabilize debt. The analysis of Table 5 implicitly assumes that it does not. That is an extreme assumption of myopia which can be tested empirically.

4. The paper could have some additional methodological improvements:
   a. The paper lacks a comparison of the proposed methodology to estimate the output gap to existing methods different to the Hodrick-Prescott filter. The authors should compare their method to the array of methods used in Vladoka-Hollar and Zettelmeyer (2008)
   b. Oil prices might also play a role in public finances, especially for Colombia. The authors could implement a commodity prices adjustment for oil in this case.