

Table 0.1 Summary Assessment

Phase/Institution		Institutional Strength	Effectiveness	Reform priority	
A. Planning	1	Fiscal targets and rules	HIGH. There are fiscal rules related to the debt and deficit, but MTFE does not distinguish between planned and projects in the implementation.	HIGH. The fiscal rules are almost always respected, but MTFE does not include all necessary information.	Low
	2	National and sectoral planning	MEDIUM. There are entity and BiH sector strategies with costings for major projects and output targets. Resources and outcomes are not included consistently.	MEDIUM. Many strategic projects in PIP, output/outcome data used, but significant differences between plan estimates and budgeted costs.	Medium
	3	Coordination between entities	MEDIUM. Budget and PIP process both include SNGs. A rule based system in place for transfers to municipalities. No legal provision for CLs reporting.	MEDIUM. Coordination is effective but room for improvement in the data and methods informing the coordination. Going forward CLs require close monitoring.	Medium
	4	Project appraisal	LOW. There is no legally mandated mechanism, methodology or support for systematic appraisal of major projects.	MEDIUM. Major projects financed by IFIs are subject to rigorous analysis, but this does not cover all major projects.	High
	5	Alternative infrastructure financing	MEDIUM. Regulatory framework support competition. PPP law and regulations in place. No regulatory framework for effective PC oversights.	MEDIUM. Few private companies active in market. No PPP projects in place. No consolidated report on financials of PCs	Medium
B. Allocation	6	Multi-year budgeting	MEDIUM. MT (3-year) aggregate capital spending projections are published (indicative for outer years), but not total project costs	LOW. Large deviations between MT aggregate capital projections and approved spending for same years. No disaggregated multi-year capital ceilings	High
	7	Budget comprehensive-ness and unity	MEDIUM. Capital budget disclosure by main sources except PCs explicitly legally required. Unified budget preparation and presentation based on functional classification.	MEDIUM. Projects by all funding sources disclosed; EBEs insignificant. On-going current costs not reviewed by central budget authority during preparation.	Low
	8	Budgeting for investment	MEDIUM. Multi-annual appropriations not required; capital to current virement requires NA approval, project appropriation carryovers permitted.	MEDIUM. Few issues with project funding or virement from capital to current but total costs not included in budget	Medium
	9	Maintenance funding	MEDIUM. Routine and major maintenance methodologies in some sectors. Not included in sectoral plans. Routine maintenance not required to be visible in budget	MEDIUM. Some entities conduct systematic maintenance, some only reactive maintenance. Routine maintenance numbers not visible in budget.	Medium
	10	Project selection	HIGH. A stringent process defined in regulation, stipulating central review, use of criteria, and the creation of a pipeline of projects, but no independent input.	MEDIUM. Majority of projects selected in accordance with defined process, criteria; some are returned, but no independents inputs and a few are 'parachuted'.	low
C. Implementation	11	Procurement	MEDIUM. Major projects are required to be tendered through competitive process, but the public has only limited access to procurement information	LOW. There are important weaknesses in the BiH level procurement framework.	Medium
	12	Availability of funding	MEDIUM. Legal framework supports cash forecasting and quarterly fund allocations. However, donor accounts are not incorporated in TSA.	MEDIUM. Cash flow forecasting exists. No delays at the payment stage but some delays occur in budget releases causing uncertainties.	Medium
	13	Portfolio management and oversight	LOW. No portfolio management of major projects required. Funds can be re-allocated. No fundamental review. No requirement for ex-post reviews.	LOW. No oversight of major projects. No effectiveness of re-allocations could be observed. No ex-post reviews conducted.	High
	14	Management of project implementation	MEDIUM. Project management arrangements required. Rules in place for project cost adjustment, no limits set. Ex-post audits are required, as well as publication.	MEDIUM. PMU and PIU in place in major entities. Limited information on cost adjustments. Limited performance audits of some small projects.	Low
	15	Monitoring of public assets	MEDIUM. Legal requirements cover asset register updating, AFS asset coverage, and asset-specific depreciation but do not specify regular revaluations or comprehensive AFS.	MEDIUM. Decentralized asset registers regularly updated and centrally consolidated, full revaluations not systematic, and 1-2% depreciation provision.	Low