

Table 1. Summary Assessment

Phase/Institution		Institutional Strength	Effectiveness	Reform priority	
A. Planning	1	Fiscal rules	Medium. Fiscal policy is guided by the FRL EC95 and the Golden Rule but there is no public debt anchor.	Low. Due to collapse of revenues, debt has increased and cuts were applied to investment to comply with primary targets.	High
	2	National and sectoral planning	High. A large number of national and sectoral strategies coexist with information on costs and a focus on outputs.	Low. Weak prioritization, unrealistic costing and congressional amendments have undermined the potential for planning.	High
	3	Central-local coordination	Medium. The federal government oversees local borrowing operations and capital transfers, but federal and local investment are largely not coordinated.	Low. Capital transfers are fragmented and federal government has a large role in planning projects that could be devolved to local governments.	High
	4	Public-private partnerships	Low. There is a legal framework for PPPs and concessions, but no published strategy nor standard criteria for selection and no recording of contingent liabilities.	Medium. Recent reforms have centralized the selection of major concessions to help remove bottlenecks in the project cycle.	Medium
	5	Regulation of infrastructure companies	High. The legal framework is intended to promote competition and there are economic regulators in most infrastructure markets.	Low. There are barriers to effective market access. Regulatory agencies are both regulators and contract managers and could be more independent.	Medium
B. Allocation	6	Multi-year budgeting	Medium. Projections over the four-year period of the PPA are set out by ministry and program, but there are no multi-year budget ceilings on capital expenditure.	Low. PPA's four-year projections are not broken down by year and they are not updated. There are no full life cycle costs.	High
	7	Budget comprehensive-ness	High. The information on capital investment is comprehensive in the LOA.	High. Comprehensiveness could be improved by including more information on concessions with LOA.	Low
	8	Budget unity	Medium. Capital and recurrent budgets are prepared by a single ministry and presented in a single document but not by program.	Medium. There is no process by which the budget can systematically incorporate the future recurrent costs associated with investment projects.	Medium
	9	Project appraisal	Low. There are no standardized guidelines for project appraisal in place and no requirement for financial/economic analysis.	Low. Project proposals are not systematically subject to financial feasibility or economic analyses.	High
	10	Project selection	Low. There are no standardized criteria or a common process for project selection.	Low. There is not an effective gatekeeping process for inclusion of projects in the budget.	High
C. Implementation	11	Protection of investment	Low. Formal rules provide little protection of capital spending during budget implementation.	Low. Actual budget practices do not provide predictability of capital budget funding.	Medium
	12	Availability of funding	Medium. Cash forecasts are prepared regularly and donor funding is well integrated into cash management.	Low. Sequestration and cash rationing are applied regularly and hinder efficient capital project implementation.	High
	13	Transparency of execution	Medium. PAC projects are subject to monitoring but the transparency of capital budget execution is variable.	Low. There is no systematic <i>ex post</i> audit, and weak procurement practices further reduce the effectiveness of capital budget execution.	Medium
	14	Project management	Low. There are no standardized approaches to management of major capital projects.	Low. Major capital projects have generally had significant cost overruns and delays.	High
	15	Assets accounting	Medium. Non-financial assets are accounted for and reported in financial statements.	Medium. New regulations on accounting reform have been produced to support enhanced scope and consistency of accounting.	Low