

Table 1. Summary Assessment

Phase/Institution		Institutional Strength	Effectiveness	Reform priority	
A. Planning	1	Fiscal targets and rules	Medium. Fiscal rules targeting the deficit and expenditures are in place. They do not cover general government and there is no debt target or limit.	Medium. Only limited medium-term focus, the PSBR focuses on an annual target. The escape clause has been used a number of times over the last decade.	High
	2	National and sectoral planning	Medium. A clear national and sectoral planning framework is in place but does not really guide ministries' investment planning.	Low. Strategies are not based on likely resource availability, costing information is very limited, and investment budget allocations are made project by project.	High
	3	Coordination between entities	Low. There are no coordination mechanisms to ensure Federal and subnational plans are shared and used to guide planning decisions at each level	Low. Information on the value of transfers from Federal government to individual subnational levels comes very late for efficient subnational planning.	High
	4	Project appraisal	High. A standard methodology for project appraisal is in place, and proposed projects are legally required to be registered in the <i>cartera</i> and must undergo financial and socio-economic analysis, including risks.	High. The socio-economic analyses for projects registered in the <i>cartera</i> are published and they show a good level of detail and in some cases include risk mitigation plans.	Low
	5	Alternative infrastructure financing	Medium. Competition in some infrastructure markets is required, regulators were recently established, and a PPP framework was established. Some PCs and trust funds are legally allowed to plan and implement projects with minimum oversight by the SHCP.	Medium. Reforms have improved access to infrastructure markets and promoted competition but need further implementation. The PPP Unit faces a conflict of interest, operating as both PPP promoter and PPP filter. Investment plans of some PCs and trust funds are not systematically monitored.	Medium
B. Allocation	6	Multi-year budgeting	Medium. Projections over the life of projects are set out, but there are no multi-year budgets or ceilings for capital expenditure by ministry or program.	Low. Project details are broken down by year, but the multi-year nature of capital projects is not recognized in budget decisions.	High
	7	Budget comprehensiveness and unity	Medium. The information on capital investment is generally comprehensive, but current and capital spending decisions are not integrated.	Medium. The budget does not present comprehensive tables showing capital spending from all sources of funding.	Low
	8	Budgeting for investment	Medium. Funding requirements for some on-going capital projects are given priority and transfers from capital to current spending is limited.	Medium. Multi-year capital projects are subject to annual appropriations but future funding requirements for on-going programs are prioritized in budget formulation.	Low
	9	Maintenance funding	Low. There are no standardized requirements for maintenance, but some agencies establish and monitor maintenance requirements.	Medium. Some agencies budget for routine maintenance and capital improvements, but improvements compete with new projects for funding.	High
	10	Project selection	High. Procedures for project selection are set out in legislation and in guidelines, and projects using budget funds are subject to these procedures, including those added by Congress.	Medium. While a pipeline of good quality-assessed projects is in place and active projects in the pipeline are eligible for funding for 3 years, the funding focus is on the coming budget year, not a forward focus for project planning. Coverage is limited to Federally-funded projects.	Low
C. Implementation	11	Procurement	High. The law requires all projects to be tendered competitively, and relevant information is required to be provided to the public through CompraNet. Complaints follow an independent and transparent review process.	Medium. Major projects are tendered competitively. Those subject to public tender face some restrictions to effective competition. Most non-major projects are not competitively procured, due to the frequent use of exemption clauses.	High
	12	Availability of funding	Medium. Monthly cashflow forecasts are prepared, and donor funding is integrated into the TSA, but annual commitments ceilings are not provided.	Medium. Ongoing projects are not protected from unscheduled cutbacks, and although the Treasury strives to pay invoices within 48 hours, there is no systematic monitoring of payment delays.	Medium
	13	Portfolio management and oversight	Medium. Financial and physical project implementation monitoring is centralized, reallocation procedures within projects are well-defined; and ex-post reviews of some major projects are conducted.	Medium. Data on cost over/underruns, as well as on implementation delays, is not readily available, nor used for decision-making or learning purposes.	Medium
	14	Management of project implementation	Medium. Detailed financial plans are prepared prior to budget approval, but implementation plans are prepared only after budget approval.	Medium. Preparation of implementation plans after budget approval by Congress can lead to delays in project implementation.	Medium
	15	Monitoring of public assets	Medium. Non-financial assets reported in the government financial statements exclude large assets such as airports and highways.	Low. The mechanisms to value and revalue government assets are not integrated with government accounting, which only uses historical cost, with no depreciation.	Medium