

Strengthening Governance of Public Infrastructure

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Public Investment Portfolio, PIMNIA

PIMNIA is a middle-income country that at the end of 2016 has a public investment portfolio comprising 28 projects (16 on-going and 12 new projects yet to be implemented). These projects belong to 5 economic sectors: agriculture, health, education, public works and transport, and water and sanitation. Details for each of the 28 projects comprising the overall PIP portfolio are included in the tab "The PIP portfolio"

The government has identified that the strategic planning priority for the country is improve transport connectivity and health outcomes.

The country has two fiscal rules: overall deficit cannot exceed 3.0% of GDP and public gross debt cannot exceed 50% of GDP. By the end of 2016, PIMNIA overall fiscal deficit is above the rule (-3.4% of GDP) while its gross debt is slightly lower than the ceiling (48.5% of GDP).

The macrofiscal projection done by the macroeconomic department of the MoF are presented in the tab "Macro Var". These include some historic information and projections for the budget and MTEF period (2017-2020) as well as long-term projections for the whole economy.

The government expects to converge to the overall fiscal deficit ceiling of 3.0% by the end of the MTEF (2020), for which is will extremely important to keep expenditures within the medium-term expenditure ceiling. In row 17 of tab "Macro Var", the nominal ceiling for capital expenditures is presented.

At the end of 2016, the ministry of finance is in the process of prioritizing and selecting infrastructure projects to be included in the 2017 budget and its medium-term expenditure framework (2018-2020).

The task

The government need to select which of the 28 projects of its portfolio can be included in the budget without exceeding the capital expenditure ceiling (row 17 in tab "Macro Var")

For that, government officials will input in tab "The PIP portfolio" column AP, a YES/NO answer (using a drop-down menu). With YES for selecting the project for inclusion in the budget, and NO for excluding it.

To check if projects selected are fiscally affordable, meaning they fit within the fiscal space assigned for capital spending, look at tab "Simulations of 2017 MTEF".

This tab automatically calculate whether the set of projects selected fit within the capital expenditure ceiling (red horizontal bar in charts).

Please discuss in your group:,

- Which are the projects that should be selected for inclusion in the budget in 2017-2020?
- What are reasons behind this selection?