

**Table 0.1. Georgia: Summary Assessment**

Phase/Institution		Institutional Design	Effectiveness	Reform Priority	
A. Planning	1	<b>Fiscal principles or rules</b>	<b>High:</b> There are permanent legal limits for general government fiscal aggregates.	<b>Medium:</b> Fiscal policy is insufficiently predictable. The expenditure ceiling has been breached 3 years out of 4.	Medium
	2	<b>National and sectoral plans</b>	<b>Low:</b> The only national and sectoral strategies are not comprehensive and only cover new initiatives.	<b>Low:</b> The strategies' definitions of public investment objectives are not consistent with efficient investment.	High
	3	<b>Coordination between entities</b>	<b>Medium:</b> Capital transfers from CG to SNGs are on a project-by-project basis, but with a high degree of co-ordination. No formal reporting process of contingent liabilities to central gov.	<b>Medium:</b> Estimated contingent liabilities are disclosed with central gov. budget documents. Contingent liabilities of PCs (20.6% GDP) and PPAs (33.7% GDP).	Low
	4	<b>Project appraisal</b>	<b>Low:</b> Projects not funded by donors are not subject to a standard appraisal process or methodology.	<b>Low:</b> On average, 60% of projects are domestically funded. The new PIM methodology has not yet been implemented.	High
	5	<b>Alternative infrastructure financing</b>	<b>Medium:</b> There is limited or no competition in most infrastructure markets. Monitoring of PCs fragmented.	<b>Medium: PPP law approved, but regulatory framework not completed.</b> PCs monitoring improving, but investment not addressed.	High
B. Allocation	6	<b>Multi-year budgeting</b>	<b>Medium:</b> Multi-year capital ceilings are not identified separately, and total construction costs are not published.	<b>Low:</b> Total construction costs beyond the BDD framework for major projects are not actively provided or updated in the system.	Medium
	7	<b>Budget comprehensiveness and unity</b>	<b>Medium:</b> Investments undertaken through extra-budgetary entities without disclosure or legislative authorization.	<b>Medium:</b> Investments outside of the budget process are significant, but information reported in FRS.	Low
	8	<b>Budgeting for investment</b>	<b>Medium:</b> There are no mechanisms to give priority to on-going capital projects in the budget process.	<b>Medium:</b> informally, ministries inform MOF of on-going capital project expenditures for future budget years.	Medium
	9	<b>Maintenance funding</b>	<b>Low:</b> No standard methodology for maintenance requirements or to track maintenance funding.	<b>Medium:</b> Maintenance in the roads sector has a methodology, which has led to increased maintenance budgets.	High
	10	<b>Project selection</b>	<b>Low:</b> No standard project selection procedures and there is no project pipeline in place.	<b>Low:</b> there is no evidence that the new PIM selection procedures are getting ready to be implemented soon.	High
C. Implementation	11	<b>Procurement</b>	<b>High:</b> procurement system is open and transparent. E-procurement system enables monitoring and tracking of complaints.	<b>Medium:</b> Complaint review board not independent and analytical reports can be improved.	Medium
	12	<b>Availability of funding</b>	<b>High:</b> Flexible commitment rules and good cash management for domestic and donor funds.	<b>High:</b> No case in recent years of payments being delayed due to lack of funds.	Low
	13	<b>Portfolio management and oversight</b>	<b>Medium:</b> Physical and financial monitoring not performed systematically; no ex post reviews; flexible re-allocation.	<b>Medium:</b> Project reallocations of all types (incl. econ class) were 43 percent of MRDI's capital budget in 2016.	High
	14	<b>Project implementation</b>	<b>Low:</b> No implementation plans prepared; no guidance on project adjustments; ex-post audits irregular.	<b>Low:</b> No individual project audits were completed by SAO during 2015-2017.	High
	15	<b>Management of public assets</b>	<b>Medium:</b> Assets registered but without revaluation; non-financial assets and depreciation in financial statements.	<b>Medium:</b> SAO verifies ministry asset records on sample basis.	Medium