

Table 1. PIMA Summary Assessment for Kosovo

Phase/Institution		Design	Effectiveness	Reform priority	
A. Planning	1	Fiscal targets and rules	<b>HIGH.</b> Debt limit, fiscal deficit limit and MTEF support fiscal planning and sustainability.	<b>HIGH.</b> Budgets have been consistent with fiscal rules and MTEF.	Low
	2	National and sectoral planning	<b>HIGH.</b> National and sector strategies prepared with comprehensive performance indicators.	<b>MEDIUM.</b> National Strategy is published with only a few sector strategies and inadequate costing.	Medium
	3	Coordination between entities	<b>HIGH.</b> Budget process helps coordination. A rule-based system used for municipal grants. Contingent liabilities reported in budget.	<b>MEDIUM.</b> Coordination is partially effective. Outdated parameters used in the calculation of grants.	Low
	4	Project appraisal	<b>LOW.</b> Major projects are seldom appraised, there is no legal requirement for appraisal. No central support.	<b>LOW.</b> Appraisal is not done uniformly, no standard methodology for appraisal. Risks are not taken into account.	High
	5	Alternative infrastructure financing	<b>MEDIUM.</b> Independent regulators promote competition through laws for PPPs and PCs.	<b>LOW.</b> PCs dominate infrastructure services with no scrutiny of their investment plans and few PPPs.	High
B. Allocation	6	Multi-year budgeting	<b>HIGH.</b> Multi-year capital spending projections are prepared and included in the annual budget.	<b>MEDIUM.</b> Multi-year indicative ceilings are increasingly consistent with actual allocations, forecast changes are explained.	Low
	7	Budget comprehensiveness and unity	<b>HIGH.</b> Capital spending of general government budget organizations are presented together in the budget irrespective of funding source.	<b>HIGH.</b> Requirements are followed and together present a comprehensive picture of capital spending.	Low
	8	Budgeting for investment	<b>HIGH.</b> Capital is appropriated annually. 3 year and total costs are disclosed. Ongoing projects are protected but some transfers are allowed.	<b>HIGH.</b> Ongoing projects are protected but flexibility to make reallocations for projects that progress slowly.	Medium
	9	Maintenance funding	<b>LOW.</b> No standard methodology for routine maintenance or major improvements. Routine maintenance not seen in budget.	<b>MEDIUM.</b> Some well-established asset management practices in part inform budgetary needs.	Low
	10	Project selection	<b>MEDIUM.</b> Projects are to be scrutinized by MoFLT. Guiding selection criteria are published. No combined project pipeline.	<b>LOW.</b> Projects can enter budget without selection process. Central review does not stop immature projects.	High
C. Implementation	11	Procurement	<b>MEDIUM.</b> Law supports competition, assigns responsibility for monitoring and establishes a complaints mechanism.	<b>MEDIUM.</b> Some competition exists, and system data is available in reports. Complaints can have long delays.	High
	12	Availability of funding	<b>HIGH.</b> Regulations support cash forecasting. Quarterly fund allocations and timely cash releases exist. Donor accounts are incorporated in the TSA.	<b>MEDIUM.</b> No cash flow forecasts. Current fund allocation mech.& issues in the earlier stages of expenditure cycle cause delays in capex.	Medium
	13	Portfolio management and oversight	<b>MEDIUM.</b> Monitoring is required by Law; funds can be reallocated. Ex-post reviews not required.	<b>LOW.</b> No monitoring of total portfolio. Reallocations are conducted. Ex-post reviews are not done.	High
	14	Management of project implementation	<b>HIGH.</b> Project management is required. Guidelines for cost adjustments are available. Ex-post audit required by law.	<b>MEDIUM.</b> Management complicated by design issues. Project cost adjustment rarely done. External audits published.	Medium
	15	Monitoring of public assets	<b>MEDIUM.</b> Assets required to be comprehensively reported in annual asset registers, reflecting condition, depreciation and revaluations.	<b>MEDIUM.</b> Total assets are reported indicating balances and depreciation, while detailed asset classes are reported in agency financial reports.	Low

**Table 2. Climate-PIMA Summary Assessment for Kosovo**

Phase/Institution		Institutional Strength	Reform priority	
Climate PIMA	C1	Climate-aware planning	<b>MEDIUM.</b> Public investment strategies are increasingly taking into account the factors needed to mitigate climate change and adapt to its consequences, but mainstreaming national climate goals into national, sectoral and spatial plans is incomplete.	High
	C2	Coordination between entities	<b>LOW.</b> Some institutional mechanisms and bodies introduced to facilitate the coordination across budget organizations from a climate-change perspective and often to meet donor requirements. Budget guidelines do not cover climate change with respect to public investment management.	Medium
	C3	Project appraisal and selection	<b>LOW.</b> No climate-related aspects are incorporated in project appraisal, nor as part of the project selection criteria. New PPP Guide does have a climate perspective but is yet to be rolled out.	High
	C4	Budgeting and portfolio management	<b>LOW.</b> There is no climate tagging of expenditure in the budget, nor are ex-post project reviews carried out. A few performance audits do cover climate related issues, but asset management policies are silent on climate.	High
	C5	Risk management	<b>MEDIUM.</b> Fiscal risks relating to climate change and infrastructure is generally not incorporated in budget planning and risk management. Integrating climate-related risk analysis in economic and fiscal planning and completing the national disaster risk management strategy should be a priority.	Medium

**Table 3. Summary of High Priority PIMA and Climate-PIMA Recommendations**

<b>Investment Planning</b>	
<ul style="list-style-type: none"> <li>Strengthen project appraisal guidelines, methodologies and reflect these in updated PFM Law. Establish a central support function in the MoFLT to support conduct of high-quality appraisals.</li> </ul>	MoFLT, 2024
<ul style="list-style-type: none"> <li>Establish a central project review function in MoFLT to provide expert review of project appraisals regardless of funding source.</li> </ul>	MoFLT, 2024
<b>Investment Allocation</b>	
<ul style="list-style-type: none"> <li>Improve the quality of project information in the PIP system.</li> </ul>	MoFLT 2024
<ul style="list-style-type: none"> <li>Strengthen the review of the estimates for capital expenditure provided by budget organizations in the annual budget process to improve the accuracy and reliability of budget estimates for capital expenditure.</li> </ul>	MoFLT 2024
<b>Investment Implementation</b>	
<ul style="list-style-type: none"> <li>Finalize and adopt the new draft law on procurement.</li> </ul>	MoFLT 2023
<ul style="list-style-type: none"> <li>Establish central monitoring of major projects covering all funding sources.</li> </ul>	MoFLT 2024
<b>Climate sensitive public investment</b>	
<ul style="list-style-type: none"> <li>Embed a climate perspective in the appraisal and selection of capital projects, including through amendments to the Administrative Instruction on project selection.</li> </ul>	MoFLT with Office of Prime Minister+ MoESPI – 2025
<ul style="list-style-type: none"> <li>Strengthen the linkages between the Climate Change Strategy and sectoral and spatial plans to inform public infrastructure investment.</li> </ul>	MoESPI and MoFLT, 2024