

Table 1. Slovakia: Summary Assessment

Phase/Institution		Institutional Design	Effectiveness	Rec.	
A. Planning	1	Fiscal principles or rules	High: Fiscal rules provide a strong basis for planning and executing public investment and ensure debt sustainability.	High: EU fiscal rules are effectively applied, but the MoF is working on improvements (e.g., an expenditure rule).	
	2	National and sectoral plans	Medium: Strategic framework for public investment is largely missing, except ESIF, which represents two thirds of capital spending.	Low: Lack of coordination between regional and sectoral strategies during the investment allocation decision; lack of systematic costing, measurable outcome/output targets, and an adequate monitoring framework.	1
	3	Coordination between entities	Medium: Coordination is good in negotiating EU-funded programs, but not for coordination of SNGs' own investment plans with the CG.	Medium: Overview of large projects and planned sources of funding is available, but implementation plans are lacking, and financing is uncertain.	1
	4	Project appraisal	Medium: Major projects appraised on standard methodology but results not published. Risk assessments are conducted but mitigation measures not costed.	Medium: Some estimates used in CBA (e.g., traffic data) unreliable, and project costs underestimated. Contingencies are budgeted (typically 10 percent of project costs).	
	5	Alternative infrastructure financing	Medium: There is a sound regulatory framework for economic infrastructure and PPPs but MoF's role as a gatekeeper for PPPs and monitoring of SOEs is weak.	Medium: SOEs account for nearly 50 percent of public investment and are subject to limited financial oversight. No monitoring of PPPs' financing and risks in the MoF's PPP unit	2
B. Allocation	6	Multi-year budgeting	Medium: Multi-year horizon exists for capital spending disaggregated by ministry. Rolling 3-year MTBF for spending units and programs, with indicative ceilings. Detailed projection cost information on EU-financed projects but not for budget funded projects	Medium: The ceilings have been changed substantially in recent years. EU financed investment numbers change as information on specific projects and co-financing firm up during the year. Limited data published on project costs.	3
	7	Budget comprehensiveness and unity	Medium: Significant spending undertaken by SOEs and social security funds. Capital and recurrent budgets prepared together.	Medium: Lack of detailed information in budget documents at project level.	3
	8	Budgeting for investment	Medium: Spending authorized annually. MoF makes substantial in-year budget changes without legislative approval.	Low: Budget execution is loose, with excessive use of carryovers that are not transparently reported. Large deviations between budgets estimates and outturns (40 percent on average for capital spending over 5 years).	3
	9	Maintenance funding	Medium: Sector methodologies used to determine routine and capital maintenance costs, which can be identified in the budget.	Medium: Resources allocated for maintenance are less than required. 10 percent of all bridges in the network in a very bad state.	4
	10	Project selection	Medium: Major projects are reviewed by a central ministry, but no independent review. No published criteria for project selection.	Low: No integrated pipeline of appraised and approved major projects. No PIM unit to implement the task.	5
C. Implementation	11	Procurement	High: Most large procurements follow open, transparent procedures. Comprehensive procurement database. Complaints are reviewed fairly.	Medium: Uncompetitive practices still prevail. 45 percent of GG procurement procedures have less than 3 bidders and 45 percent include non-compliance (mainly in SNGs).	6
	12	Availability of funding	High: Cash availability is managed through a TSA, credible cash plans, and good cash and debt management coordination.	High: Treasury ensures timely cash availability for capital spending.	
	13	Portfolio management and oversight	High: All major projects (mainly EU financed) are centrally monitored, funds can be re-allocated between projects, and systematic ex-post reviews exist for EU financed projects.	Medium: Ministries monitor the projects but no central monitoring and rare ex-post reviews for budget funded projects.	7
	14	Project implementation	High: Standardized rules for cost adjustment is in place and used. Some projects are subjected to external audit.	Medium: Cost overruns between 4-10 percent and time overruns average 12 months. External audits for projects are limited.	7
	15	Management of public assets	Medium: A central electronic asset registry system exists but the register excludes data on the cost or physical condition of assets. The carrying value of nonfinancial assets and their depreciation are reported in the GG financial statements.	Medium: Financial statements make no adjustments for changes in the market value of assets.	