

Table 1. Armenia: Summary Assessment

Phase/Institution		Strength	Effectiveness	Rec. #	Reform Priority	
A. Planning	1	Fiscal principles or rules	High: There are permanent fiscal rules for the central government and separate community debt limits.	Medium: The new fiscal rules provide an effective anchor for fiscal policy, but the MTFF is not credible.		Medium
	2	National and sectoral plans	Medium: Project cost information included in planning documents is not constrained by resource envelopes; and project-specific performance targets are not mentioned.	Low: Planning documents do not guide investment decisions, because planning horizons or project costs are not consistent across different documents or with the MTEF envelop.	1	High
	3	Coordination between entities	Medium: Rule-based capital transfers are introduced, but communities' projects funded by own revenue are not formally coordinated.	Medium: Communities' capital expenditure funded by own revenue are limited to small capital repairs.		Medium
	4	Project appraisal	Low: There is no standardized requirements or methodologies for project appraisal.	Medium: Domestic projects are subject to rigorous costing and technical appraisal, but major externally financed projects are not selected based on systematic appraisals.	2	High
	5	Alternative infrastructure financing	Medium: A level of competition varies across markets; the PPP framework is yet to be developed; and PCs investment plans are scrutinized but not published.	Medium: The new PPP law is being prepared to codify the PPP policy framework, but PCs' Investment plans are not credible.		Medium
B. Allocation	6	Multi-year budgeting	Medium: Multiyear ceilings are not binding on capital expenditure; there is no publication of total project costs.	Low: Multiyear ceilings do not provide a credible anchor; the baseline projections are distorted by implementation problems of largest projects.	3	High
	7	Budget comprehensiveness and unity	High: Disclosure of capital expenditures in the budget document is comprehensive and uses functional and program classifications.	High: Capital expenditure by General Government units outside the budget sector is minimal.		Low
	8	Budgeting for investment	Low: Total project costs are not published in the budget documents; there is no mechanism to protect funding of ongoing projects.	Low: Total costs of some major projects have overshoot; ongoing projects in some program were given no allocation in the original budget.	4, 7	High
	9	Maintenance funding	Medium: Standard methodologies exist for capital and recurrent maintenance projects in many, but not all, sectors.	Medium: Maintenance funding is well protected during the budget execution but is not growing as fast as capital spending for new projects.		Medium
	10	Project selection	Low: There are no selection criteria or process for selecting major projects; and no project pipeline exists.	Low: Externally financed projects are selected without being assessed against criteria or reviewed by a central agency.	2, 5	High
C. Implementation	11	Procurement	High: The electronic tools are open and transparent; all procurement related documents are publicly open; the meetings of Appeal Board are transparent.	Medium: The use of non-competitive process is declining, but the cost estimation is not realistic; analytical reports of complaints are yet to be improved.	6	Medium
	12	Availability of funding	High: Almost all payments for general government capital expenditure are covered by the TSA.	High: There have been no significant cash release problems since the impact of the global financial crisis in 2009.		Low
	13	Portfolio management and oversight	Medium: Reporting of physical and financial progress is in place; reallocation can be made between projects; but ex-post reviews of major projects are not regularly conducted.	Medium: Reallocation does not alter original allocation significantly, while the MOF has limited power to control implementation of major projects.		Medium
	14	Project implementation	Medium: There are no common rules and procedures for project adjustments; the ex-post audits have been undertaken for some projects on an ad-hoc basis.	Low: No central agency has the mandate for reprioritization of projects facing implementation problems; the Audit Chamber is yet to be fully transformed from the Control Chamber.	3, 7	High
	15	Management of public assets	Medium: Asset registers are fragmented but updated regularly; there is no reporting of capital stock.	Medium: The quality of some asset registers is being improved.		Medium