

Table 0.1. Estonia: Summary Assessment

Phase/Institution		Institutional Design	Effectiveness	Reform Priority	
A. Planning	1	Fiscal principles or rules	High: Estonian law prohibits a general government structural deficit, and Eurozone rules also apply.	High: The fiscal balance is kept within national and EU criteria, and public debt is also very low (9 percent gross debt, 0.1 percent net debt)	Low
	2	National and sectoral plans	Medium: National and sectoral plans cover few specific investment projects and are not linked to the MTFF.	Medium: Objectives in most long-term strategies are high-level. Only some strategies have measurable output targets.	High
	3	Coordination between entities	Medium: Information on SNG capital spending and SNG/SOE contingent liabilities is available, but there are no formal discussions or monitoring.	High: Coordination through clear assignment of responsibilities; there are no indications of inconsistencies in investments between levels of government. Access to capital grants is rules-based and predictable.	Medium
	4	Project appraisal	Medium: There is some central support, but no standard appraisal methodology. Appraisals are done for EU projects as prescribed.	Medium: Nationally financed projects not subjected to comprehensive appraisal and detailed financial, economic, technical, option, and legal analysis.	High
	5	Alternative infrastructure financing	Low: No published strategy or framework for PPPs, nor is there direct central oversight of SOE investments.	Medium: PPP-type projects are being considered to avoid the fiscal ceiling on capital expenditures.	Medium
B. Allocation	6	Multi-year budgeting	Medium: Medium-term budget planning is well-developed, but total project costs are not monitored.	Medium: Existing projects are prioritized, but there are regular overall expenditure overruns.	Medium
	7	Budget comprehensiveness and unity	Medium: Own investment by EBFs and SOEs is significant but not included in budget documentation.	Medium: A comprehensive view of all public sector investment activity is not easily obtained.	Medium
	8	Budgeting for investment	Low: There is no formal mechanism to protect funding of ongoing projects.	Medium: Funding for project completion is available, but the lack of total project cost monitoring poses risks.	Medium
	9	Maintenance funding	High: Maintenance funding is costed, planned, monitored, and reported.	High: Maintenance funding is available in a timely manner.	Low
	10	Project selection	Low: There is no central project pipeline across sectors irrespective of funding source; major projects are not reviewed centrally or by an independent expert.	Low: There are no criteria for project selection nor ranking model, and nationally funded projects are only reviewed by the line ministry.	High
C. Implementation	11	Procurement	High: Procurement process is open and managed on a comprehensive e-procurement platform.	High: Procurement is transparent, competitive, speedy and the few complaints resolved in a timely manner.	Low
	12	Availability of funding	High: Cash availability is managed through a TSA.	High: Treasury ensures cash availability, and invoices are paid on time.	Low
	13	Portfolio management and oversight	Medium: Project costs and physical progress are monitoring on project level, but not for the project portfolio. Only limited ex post evaluations are conducted for national projects.	Medium: Cost and time overruns are handled at project level, but not systematically monitored and analyzed. Ex post evaluations, e.g. for EU projects, are used in future project design.	High
	14	Project implementation	High: Responsibilities for project implementation are assigned, and rules in place for contract adjustments.	High: Implementation plans are prepared, projects are actively managed, and audits focus on high risk projects.	Medium
	15	Management of public assets	High: System for asset management exists, and assets are included in financial statements.	High: Monitoring, valuation and control of assets is robustly implemented, driven by the accrual accounting framework.	Low