## Public Expenditure Review - Scorecard on Implementation of Recommendations

The 2015 Public Expenditure Review for Infrastructure identified 33 practical steps to improve the public spending on infrastructure. This scorecard provides an initial assessment of progress towards implementing these recommendations. It is not definitive. It is intended to support discussion on how stakeholders can work together to strengthen public investment in infrastructure.



= Little or no progress

= Some progress



= Good progress

= Not rated

#	MARY OF RECOMMENDATIONS  POLICY RECOMMENDATIONS AND ACTIONS	PRIORITY	STATUS
First	Issue: Planning and implementation of public investments	FINIONITE	DIMIG
Probl	em: The country is spending on projects with low to negative economic rates of return mmendation: To improve the prioritization of spending		
1.1	Prepare sector investment plans for roads, agriculture and electricity that present a strong economic rationale for proposed capital investments, and preliminary costs.	Very High	
1.2	Initiate a public Gateway Review process for very large projects, starting with the designs of projects that are pending (the south coast road and the irrigation projects, the Oecusse special zone for social market economy)	Very High	
1,3	Initiate a holistic multi-project appraisal process for the south coast corridor that seeks to capture and assess synergies that tend to be undervalued by conventional project appraisal	Very High	
1.4	Involve the Major Project Secretariat early in the project cycle to help improve the quality of project preparation at the phases of project profiles, feasibility and design	Very High	
1.5	Undertake feasibility studies as part of project preparation to ensure that other options are considered and social and economic analysis underpins designs. Publish summary findings on economic returns.	High	
1.6	Undertake mid-term reviews of large projects to ensure that they do not go 'off track' during implementation	High	
1.7	Establish an EPIA-style agency with expertise in economics and planning to sharpen the emphasis on rates of return and intersectoral planning for capital projects and sector strategies	High	
1.8	Establish a 'project bank' as part of a Public Investment Plan, a portfolio of pre- qualified projects from which the Infrastructure Fund Committee is able to select priority projects	High	
1.9	Engage in periodic, high priority, system evaluations such as sector evaluations to inform future sector strategies. In agriculture, undertake a systemic evaluation of the return on irrigation schemes	High	
1.10	Incentivise the Major Project Secretariat to provide technical assistance to line ministries to help them with project preparation to strengthen the quality of the project pipeline	High	
1.11	Prepare a Project Manual for line ministries that includes technical guidance on project preparation: how to prepare project profiles, feasibility studies, design studies	High	
1.12	Manage carefully the cost-benefit appraisal of Public Private Partnerships given the systemic tendency to under account for contingent liabilities	Medium	
1.13	Ensure that the justifications for decisions taken by the Infrastructure Fund Committee are documented in accordance with Decree Law 8/2011	Medium	
Probl	and Issue: Sustainable Operations and Maintenance em: The country is not preserving its capital assets emmendation: To build in sustainability early in the project cycle		
2,1	Increase immediately the operation and maintenance budgets for irrigation by 100 per cent and roads and bridges by 75 per cent so that capital assets are not prematurely degraded, while staying within the recurrent budget ceiling.	Very High	
2,2	Reinforce the unified budget process so that recurrent budgets fully reflect the implications of increased capital budgets. Consider innovative approaches, such as	Hìgh	

	including O&M budgets for first three years with project proposals considered by CAFI.				
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2.3	Ensure that new sector strategies include a strong emphasis on the sustainability of the infrastructure options proposed. Include recurrent cost estimates in sector investment plans.	High			
2.4	Involve MPS early in the project preparation cycle to ensure that feasibility and design studies prioritize sustainability and consider not only engineering analysis but also social, economic analysis.	High			
2.5	Maintain the asset register in the Ministry of Finance. Include information on the	Medium			
	current condition of assets and record spending on capital improvements and maintenance, to help the Budget Office improve estimates of recurrent financing requirements				
2.6	Maintain the project data base managed by MPS and link it more closely to the Budget Office to improve estimates of future recurrent spending.	Medium			
2.7	Engage line ministries actively in project supervision, even where NDA and MSA are playing a leading role, so that they have a strong commitment at handover to ongoing maintenance.	Medium			
2.8	Ensure line ministries start formally collecting basic data on service delivery to remain focused on O&M for service delivery	Medium			
Third Issue: Addressing the Challenge of corruption, collusion, and nepotism (KKN)  Problem: Extensive non-compliance with basic public administration standards contributes to perceptions of widespread corruption  Recommendation: Strengthening project management to improve the essentials of public administration as part of a strategy of getting the basics right on anti-corruption					
3.1	Council of Ministers to prioritize its decision to engage in a comprehensive follow up on findings of the internal audit of procurement systems, and report back to Parliament	Very High			
3.2	Review the policy, regulatory and operational aspects of procurement to ensure that essential central agency procurement functions continue to be performed	High			
3.3	Parliament to ensure the Government tables each year the action it has taken in response to the previous year's Opinion on the State Accounts, initially prioritizing the introduction of internal controls	High			
3.4	Review apparent proliferation of MPW functions in other line ministries as well as ADN. If possible, directly address perceived weaknesses in MPW rather than create new ministries of infra.	High			
3.5	Align government audit functions with the newly established Court of Audit	High			
3.6	Prepare a Project Manual for line ministries that includes technical guidance on project management: the responsibilities of project directors, project managers, procurement and FM officers.	High			
3.7	Establish a firewall between government and business at the project preparation phase to ensure that the upstream project cycle process is not captured by vested interests	Medium			
3.8	Train civil servants in line ministries on project management	Medium			
3.9	Mandate and resource MPS, NDA, NPC to provide technical assistance to line ministries on project management	Medium			
3.10	Engage the ADN in reviews of the original business case when costs exceed more than 30 per cent of the initial cost estimates	Medium			
3.11	Court of Accounts to participate in peer networks of supreme audit institutions to help strengthen its nascent capabilities	Medium			
3.12	Follow up on procurement-specific actions: line ministries to submit procurement plans to NPC; clarify the limited circumstances in which direct awards can be considered (Article 92); monitor decentralized procurement by NPC using the Performance Framework included in the draft new law.	Medium			