

Survey on public investment management practices in the EU

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This survey collects information on public investment management (PIM) in the EU. It follows the full cycle of an investment project, from planning, appraisal, selection and budgeting to implementation and ex-post reviews. Special attention is paid to interlinkages between the different stages of the cycle. It focuses on the key issues identified during the EFCA peer-review conceptual work.¹ Insights from in-depth interviews (ES, RO, EL and IT) also contributed to refining issues and concepts. Finally, a glossary of terms will provide detailed explanation on key terms used in the survey (highlighted grey here).

Please note the following clarifications in terms of scope of public investment:

- The survey focuses on investment financed by the central/federal level.
- Where PIM practices differ between sectors, the COFOG level II classification of government sectors should be used for differentiation to the extent possible (see Annex). This would allow to gain an insight into how widespread advanced practices are within the economy. While all questions generally allow to place the answers within a sectoral context, when sectoral differences may be too extensive it is recommended to report the most advanced practice in place.
- The survey covers both tangible and intangible assets (in tune with the concept of gross fixed capital formation). Part VI allows for a general elaboration on the management of intangible assets.
- Given their temporary nature, investments of the Recovery and Resilience Plans are excluded, but those from other EU funds can be included – note in particular the dedicated question in Part VI.
- The survey refers to current practice, but an option to report ongoing work on improving public investment management practices is provided in Part VI.

The survey is structured in six parts and includes single choice, multiple choice and free text questions. The free text questions aim to collect a limited set of relevant information (often indicated in examples). It will also offer an option to upload relevant material (guidelines, legal documents, etc.). Overall, the survey contains about 30 content questions, as agreed at the EFCA. Should a question not be applicable, please answer with N/A.

Structure:

Administrative info: Contact details

Part I: Investment Planning (Q1 to Q6)

Part II: Project appraisal and selection (Q7 to Q15)

Part III: Budgeting for investment (Q16 to Q18)

¹ Belu Manescu C. (2021), “Public investment management in the EU: key features and practices”, European Economy Discussion Paper no. 154, European Commission.

Part IV: Project implementation and monitoring/adjustment (Q19 – Q23)

Part V: Ex-post reviews and data registers (Q24 – Q25)

Part VI: Other issues: ongoing/planned reforms, state-owned enterprises, management of EU funds, capacity constraints, management of intangible assets (Q26 – Q31)

Administrative Information

Country

Institution

Contact person

Function

Contact details (email/phone)

Part I: Investment Planning

1. Does your country have **long-term strategic investment plans**, at the national or sectoral level?

- a. Yes
- b. No

2. **If yes to Q1, the long-term planning of public investment consists of:** (Select all that apply; when you list concrete plans, please, clarify which bodies are involved by indicating A for line ministries independently, B for line ministries in cooperation, C for Planning Ministry, D for Ministry of Finance, E for other (please specify))

- a. A **national strategy for public investment**, which contains a vision for the country development over the long term (e.g. a national development plan) -> Provide name and link
- b. **Sectoral plans for public investment** (e.g. infrastructure, transport) -> select all sectors that apply based on a COFOG level II list → Please provide name and link, if possible
- c. **Sub-sectoral plans for public investment** (for example, in the case of transport (COFOG 4.5) select if there are railways/roads sub-plans) -> provide name and link of examples
- d. Other → please specify (for example in the case of federal states where competencies are at the level of regions, each with their own sectoral plans) -> provide name and link of examples

3. **If yes to Q1, do strategic plans include measurable indicators/targets for outputs (e.g. miles of roads constructed) or outcomes (e.g. reduction in traffic congestion) of investment projects?**

- a. Yes, to a large extent -> please specify for which sector/plan
 - b. Yes, to a limited extent -> please specify for which sector/plan
 - c. No -> please explain possible challenges
- 4. If yes to Q1, are the government's national and/or sectoral strategies costed, with details at the general, sectoral and local levels?**
- a. Yes, to a significant extent → please specify for which sector/plan
 - b. Yes, to a limited extent -> please specify for which sector/plan
 - c. No -> please explain possible challenges
- 5. What tools are in place to promote alignment between strategic investment plans (national and/or sectoral) and budgetary allocation (select all that apply):**
- a. Medium-term expenditure framework/funds outside regular budgets explicitly aligned with strategic investment plans
 - b. Strategic investment plan has annual milestones and resourcing indications that facilitate alignment with the annual budgetary allocations → please specify for which sector/plan
 - c. The central budget authority has a leadership role in promoting alignment between annual budget and strategic investment plans
 - d. There is a central review to ensure that projects receiving funding through the annual budgets are in line with the strategic documents
 - e. Coordination and alignment is handled via discussions at Cabinet / Council of ministers
 - f. Coordination takes place through informal and/or ad hoc coordination mechanisms between line ministries / agencies
 - g. No direct alignment between strategic investment plans and budget allocations
 - h. Other -> please specify
- 6. Strategic planning documents (national/sectoral/subsectoral) integrate existing information on the capital stock in the following way (select all that apply):**
- a. They include information on existing assets provided by comprehensive and up-to-date asset registers -> specify which plans/sectors
 - b. They include information on the renewal of assets at the end of their life and/or maintenance of the existing stock of fixed assets-> specify which plans/sectors
 - c. They include information on the capital stock estimated from national accounts data > specify which plans/sectors
 - d. Other → please elaborate
 - e. None of the above -> please elaborate on possible challenges

Part II: Project appraisal and selection

- 7. Pre-appraisal of projects is required for, at least, some projects and must include the following elements (select all that apply):**
- a. Justification for the project rationale
 - b. Strategic relevance of the project (by linking it to specific strategic document)
 - c. An order of magnitude assessment of costs and benefits

- d. Ensuring a full range of alternatives are considered
- e. Checking sustainability issues
- f. Identifying potential risks and constraints
- g. Flagging potential for adopting PPPs
- h. Planning for appraisal
- i. Pre-appraisal is not required

7.1 For each option a-h selected above, please provide details where possible (type of project, size, sector)

8. The appraisal process has the following features:

- a. There are provisions requiring that all projects above a certain size and/or of a certain type (e.g. sector) be appraised based on the same methodology
- b. There is a standardised methodology required only for a limited subset of projects (by type or size or other)
- c. There is no unified framework to appraisals; the methodology for appraisals is decided in an ad-hoc manner
- d. Other - > please specify
- e. There is no formal appraisal of projects -> *please describe how the best value for money is achieved*

8.1 For options a, b, c or d in Q 8 (free text), please provide relevant details (e.g. list the size/type of projects based on COFOG II for which standardised methodology is required, including explicit exclusions (e.g. projects funded by PPPs or specific sub-sectors); provide example of specific methodology)

9. Is there a central support for the appraisal of projects in the form of a central government unit which provides, for example, technical analysis, training on development and implementation of appraisal methodologies?

- a. Yes → please explain (e.g. name of the unit; which line ministry; number of staff; responsibility (e.g. type of projects) and brief history)
- b. No

10. Which of the following statements is true in relation to the appraisal results as they then feed into the project selection process:

- a. Appraisal results of projects of a certain size/sector are subject to independent and impartial review (external agency) for quality and objectivity and the review recommendations have an advisory value only
- b. Appraisal results of projects of a certain size/sector are subject to independent and impartial evaluation (external agency) for quality and objectivity, but projects with negative review recommendations cannot proceed
- c. Other (e.g. ad-hoc independent and impartial evaluation of projects)
- d. There is no independent and impartial review of the appraisal results

10.1 If a, b, or c please provide examples of independent reviewers, including size/type/sector of projects they apply to

11. Has the government set (public) standard criteria, and/ or a required process for project selection at the annual budget allocation stage?

- a. Yes -> please clarify for which sectors/line ministries, type of projects and type of criteria (e.g. cost-benefit analysis, relative value for money, political interest/agenda)
- b. To some extent -> please clarify for which sectors/line ministries, type of projects and type of criteria (e.g. cost-benefit analysis, relative value for money, political interest/agenda)
- c. No -> please explain how the project selection is done at the budget allocation stage

12. Does the government undertake a central review of project appraisals to ensure the standard appraisal methodology has been applied prior to inclusion in the budget?

- a. Yes, to a large extent → please explain (e.g. name of the unit; which line ministry; number of staff; type of projects covered)
- b. Yes, to some extent -> please explain (e.g. name of the unit; which line ministry; number of staff; type of projects covered)
- c. No

13. Does the government/line ministry maintain a short-list of projects for budgetary consideration?

- a. Yes, there is one list at the government/central level
- b. Yes, there are different lists by sectors/line ministries
- c. No -> please explain how the selection of projects is undertaken in the absence of a list (free text)
- d. Other -> please explain

14. How many times is the value for money of investment project checked (select all that apply):

- a. only during assessment and selection of project
- b. after public procurement process and before signing the contract
- c.
- d. during implementation of the project, if some significant risks materialised after implementation of the project

14.1 Please specify sector/type for each selected option

15. What happens to the investment projects, if assessment does not demonstrate the sufficient value for money and social economic benefits?

- a. Project will be rejected -> please specify if this only applies to certain sectors
- b. Project will be passed to the political decision -> please specify if this only applies to certain sectors
- c. Project will be restructured in order to improve the value for money -> please specify if this only applies to certain sectors
- d. Other -> Please specify

Part III: Budgeting for investment

16. How is capital investment considered in the medium-term budgetary framework?

- a. Multi-year commitment appropriations at ministry or programme level
- b. Specific capital expenditure allocations -> please elaborate on how binding they are (can they be revised every year?)
- c. Mandatory expenditure ceilings
- d. Guiding expenditure ceilings
- e. Capital investments are not considered in the medium-term budgetary framework
- f. Other -> please provide details

17. Regarding capital expenditure and related current expenditure

- a. Capital and current expenditure are submitted and considered in an integrated way, either by a single ministry or by different ministries
- b. Capital and current expenditure requests are submitted together by line ministries/single ministries, but the process for deciding upon capital and operating budget requests are distinct
- c. Capital and current expenditure requests are submitted separately by line ministries and the process for deciding upon capital and operating budget requests are distinct
Other -> please explain

18. Regarding maintenance funding (select all that apply):

- a. There is a standard methodology for estimating routine maintenance needs or costs (part of the life cycle costs assessment and management)
- b. The appropriate amounts for standard maintenance are generally allocated to the budget
- c. Routine maintenance costs are systematically identified in the budget or other documentation
- d. There is no standard methodology for estimating routine maintenance needs or costs
- e. The appropriate amounts for standard maintenance are not allocated to the budget and cannot be systematically identified in the budget

18.1 Please provide any additional info in relation to Q18 a-c (e.g. sector/type of project)

Part IV: Project implementation and monitoring

19. Monitoring of implementation plans takes place:

- a. At the level of the implementing agency/line ministry only
- b. Both at the level of the implementing agency/line ministry and centrally (Ministry of planning or development/Ministry of finance/ Council of ministers)
- c. Centrally, at the level of Ministry of Planning/Development or Ministry of Finance/Council of Ministers
- d. Other -> please explain

19. 1 For which projects (sector/size)? If c, please indicate which body is monitoring at the central level

20. Is there a monitoring system for public investment in your country?

- a. Yes
- b. No

21. If yes to Q20, what type of monitoring is carried out? (select all that apply):

- a. Financial (Costs)
- b. Procedural
- c. Physical
- d. Other (explain)

21.1 For all answer options in Q21 (free text), please provide relevant details on the operation of the monitoring system

22. Are there rules, procedures or guidelines to enable project adjustment?

- a. Yes, only for certain projects
- b. Yes, for all projects
- c. No -> please elaborate on possible challenges (e.g. regulatory) to implementing project adjustment

23. If a) and b) in Q22, please select all that apply:

- a. If, during implementation, the total cost exceeds a certain threshold, a reassessment of the feasibility of the project is required → specify details (type/size of project)
- b. If, during implementation, the exceeding costs threaten to jeopardize the viability of the project, an adjustment is needed, such as cutting costs by changing the project's scope or closing down the project entirely → specify details (type/size of project)
- c. A framework is in place to enable the termination of a project in case its costs no longer justify the benefits to society → specify details (type/size of project)
- d. Other -> please explain

Part V: Ex-post Impact Evaluation and asset registers

24. Are ex-post reviews of projects used by the government to adjust project implementation policies and procedures:

- a. Ex-post reviews of projects are neither systematically required, nor frequently conducted -> please explain (on potential impediments/difficulties)
- b. Ex-post reviews of projects, focusing on project costs, deliverables and outputs are sometimes conducted -> please explain sector/project size, incl. possible difficulties
- c. Ex-post reviews of projects, focusing on project costs, deliverables and outputs are conducted regularly by an independent entity or experts, and are used to adjust project implementation policies and procedures -> please explain sector/project size, incl. possible difficulties

25. Regarding asset registers (select all that apply):

- a. asset registers are comprehensive -> please specify (type of projects/sectors covered)

- b. asset registers are updated regularly at reasonable intervals -> please specify frequency/process
- c. asset registers are used for regulatory decisions or planning purposes -> please provide an example of a feedback loop between asset registers and regulatory decisions/planning
- d. financial and non-financial asset values are not systematically nor comprehensively recorded in the government financial accounts

Part VI: Other issues: ongoing/planned reforms, EU funds, administrative capacity, State-owned enterprises

26. If relevant, please elaborate on ongoing or planned reforms of relevance for any of the questions of the survey. Please indicate the question when providing details (free text)

27. Please elaborate on how administrative capacity or capacity constraints of any kind (e.g. construction) is hampering any of the functions of public investment management listed above and what steps are taken in response. (free text)

28. Are there significant differences in the management of EU funds vs nationally financed investments along the issues addressed by the survey questions? Should that be the case, please elaborate on key differences while indicating the question number. (free text)

29. Are there significant differences in the management of *intangible assets vs. tangible assets* along the issues addressed by the survey questions? Should that be the case, please elaborate on key differences while indicating the question number. (free text)

30. With respect to investments by state-owned enterprises:

- a. They represent a meaningful share of public spending -> indicate the key sectors they operate in
- b. Investment by state-owned enterprises generally follow *different* rules than centrally-funded investments → indicate some significant differences while including a reference to the survey questions, if possible
- c. None of the above

31. How would you like to see the European Commission supporting future developments in public investment management (PIM)? Please select all that apply.

- a. The development of country-specific plans for further strengthening of PIM;
- b. The development of guidance for PIM and its tools and processes.
- c. Country-specific technical support for further strengthening of PIM;
- d. Identifying international best practices in PIM (use and results);
- e. Organising meetings to share country experiences with PIM