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# FMIS

## Planning for Success

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# Benefits of FMIS-So You Agree

- n Full integration of budget and budget execution data allowing greater **financial control**
- n Close monitoring of outstanding bills, cash in bank accounts and improved **cash** planning
- n Provision of timely and accurate data for management and budget **decision making**
- n Assistance in preparation of **financial reports** and statements
- n Backbone for **additional modules**-HR, Debt, Audit
- n Foundation of PBB/M&E and broader **governance** reform on corruption, transparency, e-government

## But Getting From A to B--Not So Easy

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- n **Success not assured.** Failure, waste, missed potential. Repair harder than new projects
- n **Not an IT or accounting** reform operation. Technological changes, though the most capital intensive, should be in support of comprehensive functional (BPR) reforms
- n Institutional and **political economy issues are more difficult** and can take more time than technical issues
- n Senior level understanding/**commitment** is vital
- n Sequencing (core first), team structures, communications, change management, and allies count
- n **Take the time** for a conceptual framework, strategy, cost estimates, and initial training. More sweat now less blood later.

# Planning -- Look Before You Leap

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- n Understand the scope of an FMIS effort
- n Gather information and assess the current situation, including other e-government initiatives, financing
- n Find champions and allies
- n Management matters – project teams and oversight structure
- n Anticipate change management
- n Expect to train, a lot
- n Assure adequate legal framework
- n Maintain a strategic vision

# Indicative Implementation Schedule

**Legal and Institutional Framework**



**Functional Design, Budget Classification, CoA, Procedures and Manuals**



**Conceptual Systems Design and Technical Architecture**



**Systems Procurement**



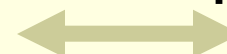
**Gap Analysis, S/W Parameterization  
/Customization/, Testing**



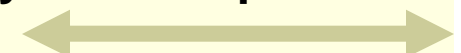
**Change Management & End User Training**



**Pilot Systems Implementation**



**Systems Replication**

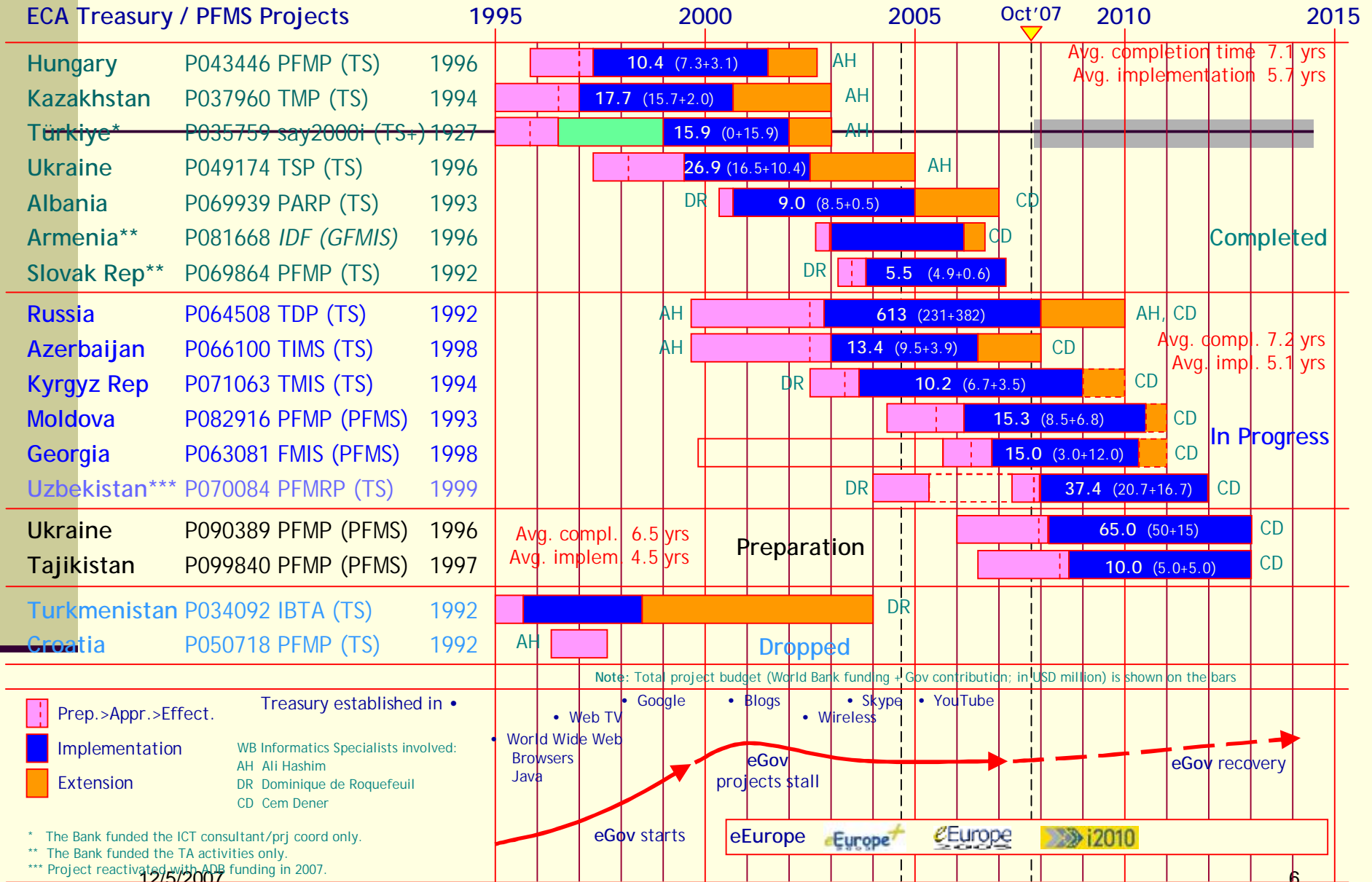


**12-18 months**

**12-18 months**

**24-48 months**

# ECA Treasury/PFMS Projects



12/5/2007

# Understanding the Scope

## Typical Project Activities-1

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- n **Assuring the Legal and Institutional framework**
- n **Specification of Functional Processes, Organizational Arrangements, Budget Classification Structures, CoA,**
- n **Development of an overall conceptual systems design**
- n **Development of the technology design and architecture**
- n **Procurement/ Development of Application Software**
- n **Parameterization customization of S/W**
- n **Testing application S/W for functionality**
- n **Development of operational procedures and manuals**

# Understanding the Scope

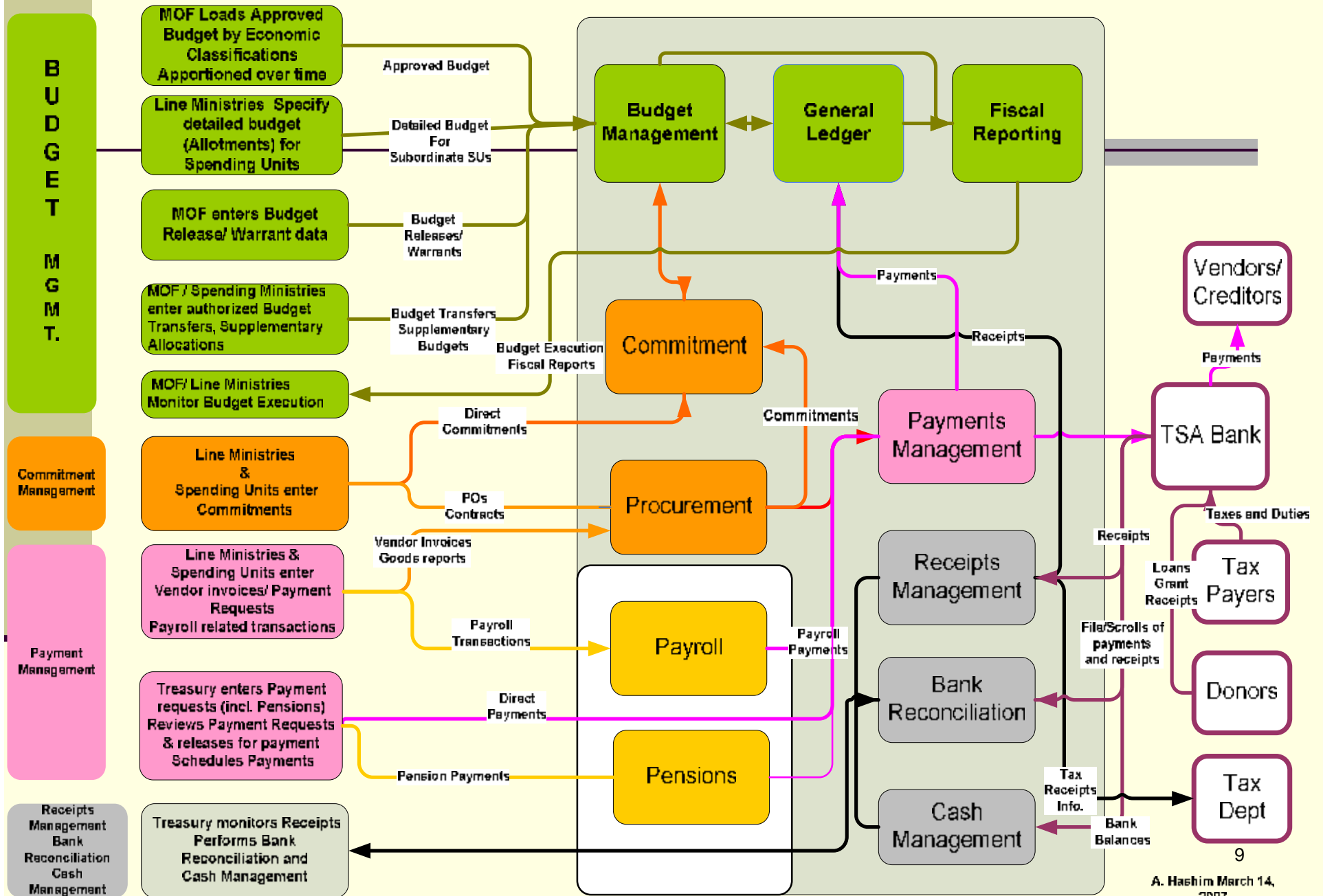
## Typical Project Activities - 2

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- n **Systems Implementation at Pilot sites**
  - n Procure and Install hardware at pilot sites
  - n Institute change management procedures
  - n Train end user and technical staff
  - n Implement systems
  
- n **Systems Replication across all sites**



# Treasury Systems: Core Functional Processes and Systems Modules



## Some World Bank Treasury Projects in Europe and Central Asia

Name and Country	No of Main Sites	Cost: Total= (Govt. + Bank Loan) U.S. \$ mil.	Status/ Completion Time	Remarks
Ukraine Treasury Systems Project (TS)	700	26.9 (16.5+10.4)	7.0 yrs	Custom S/W
Kazakhstan Treasury Modernization Project (TS)	250	17.7(15.7+2.0)	8.9 yrs	Oracle Financials
Hungary Public Finance Management Project (TS)	20	10.4(7.3+3.1)	7.1 yrs	Custom S/W
Turkey PFMP (TS)	1500	15.9(15.9 + 0.0)	8.5 yrs	Custom S/W
Albania (TS)	35	9.0(8.5+0.5)	6.8 yrs	Oracle Financials
Russia Treasury Development Project (TS)	2200	613(231.0+382.)	Ongoing	Oracle Financials
Moldova PFMP (IFMS)	35	15.3(8.5+6.8)	Ongoing	Bidding for COTS
Kyrgyz Republic (TS+HRMIS)	65	10.2(6.7+3.5)	Ongoing	Bidding for COTS
Azerbaijan (TS)	90	13.4(9.5+3.9)	Ongoing	SAP
Georgia (IFMS)	30	15.0(3.0+12.0)	Ongoing	COTS planned
Second Ukraine PFMP (IFMS)	700	65.0(50+15)	Under Preparation	COTS planned
Tajikistan (IFMS)	75	10.0(5.0+5.0)	Under Preparation	COTS planned
Team: Ali Hashim (1995-2004); Dominique de Roquefeul (2000-2004); Cem Dener (2004-todate)				

# Get the Facts

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- n Critical need to understand present situation
  - n Status of budget/treasury functions
  - n Roles and responsibilities
  - n IT adequacy, management, experience
  - n Chart of Accounts—international standards?
  - n Public contracting
  - n Data reliability and integration
  - n Horror stories or foregone savings
- n Public Expenditure Financial Accountability (PEFA)
- n Various other external assessments/internal reviews

## Find Champions and Allies

- n Strong Government and MOF Commitment have been a key factor for the success of Reform Projects
  - n Can be better achieved if projects are framed as public expenditure management (PEM) systems reform initiatives rather than just accounting/IT systems reform
  - n Senior level policy makers in MOF and donor organizations understand and can sell/defend
  - n Use videos, observational trips, PEMPAL, etc. to reinforce vision and reform commitment
  - n Collaborate with line ministries already implementing their own systems
- n If possible reach out to press, NGOs, private sector

# Management Matters

- n **Project Manager** – Senior official from FUNCTIONAL SIDE with stature within bureaucracy, adequate financial and administrative powers.
  
- n **Core Team** –
  - n Group of trained professionals from core functions, who can act as change agents.
  - n Representatives of major stake holders need to be represented on the team to manage the interface with their agencies.
  
- n **Project Secretariat** - should have specialist staff with experience in the installation of large scale IT systems and IT procurement
  - n Familiarity with IT projects is an advantage

# Train and Train Again

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- n Large numbers - can appear overwhelming.
  - n However, most Governments have training institutions which could be used to impart training.
- n Program needs to be structured to requirements.
  - n Most staff need to know only specific features of the system
- n Should be coordinated closely with implementation plans
  - n focused to specific requirements of a given site
  - n should be imparted just before site implementation;
  - n help desk,
  - n hand holding clinics

# Manage the Change

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- n Need to overcome opposition from vested interests who see reform as a threat**
  - n Despite advantages of new system opposition should be expected
  - n Perception of the system being a threat can be reduced through communication, retraining, participation, focus on quick wins, managed expectations
  - n Identify win-win examples for civil servants

## Get A Lawyer (if you must)

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- n **Development of a comprehensive budget management law for management of public funds and property**
  - n Specifies the roles and responsibilities of the Treasury, the MOF and Line Agencies
  - n Specifies the authorities and responsibilities for:
    - n Receipt and custody of public funds
    - n Public expenditure management control processes
    - n Management of public debt
    - n Accounting, Financial Reporting and Audit
  - n But if the current framework works, fix it later.



# Finally, the Plan

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- n Based on a conceptual model, a strategic plan laying out goals, methods, timeframes, costs, benchmarks, etc.
- n Review by stakeholders for buy-in
- n Approval of plan by highest appropriate body
- n Clear mandate/structure for plan implementation
- n Adhere to plan and benchmarks, but flexibility, with approval by project governance structure, for adjustments
- n Periodic reviews of project and plan
- n Importance of maintaining capacity for strategic visioning to sustain reform impulse, financing, integrity of integration of systems, etc.