

CAPFA



PFM Systems Overview: Different Approaches in the Caribbean and the World

**CARTAC/CaPFA
Smartstream/FMIS
Conference**

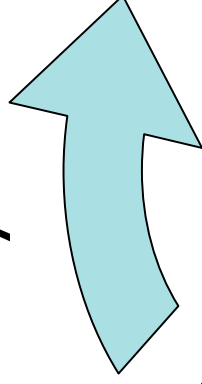
**Belize
15-17 September 2009**

Outline

- The PFM Activity Cycle
- Managing the PFM Cycle
 - Systems Approaches
 - Sustainability
 - Trends
 - Defining Success, Measuring Performance
- Communities of Practice, Knowledge Sharing
- World Bank Experience
- Looking Forward

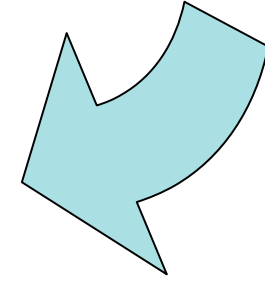
The Public Financial Management (PFM) Activity Cycle

Planning and Policy: Resource Allocation

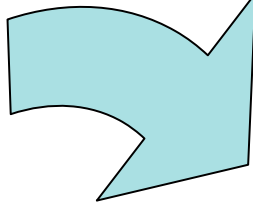


Budget
Formulation

Budget
Execution



Financial
Management



Post-Decisional: Accounting, Control,
Reporting

Managing the PFM Cycle

- **Resources:**
 - Office Space, Equipment, & Infrastructure
 - People
 - Systems and Procedures
- **Guidance and Direction:**
 - Policies
 - Plans
 - Doctrine

Systems Approaches

- Buy vs. Build (vs. Fee for Service)
 - Bespoke/Custom
 - COTS
 - SaaS
- Shared Service with a Common Core
- Evolutionary vs. Revolutionary
- Standards Based
- Integration: GFMS, IGFMS
- Infrastructure, Appropriate Technology

Sustainability

- Appropriate Technology
- ICT Infrastructure
- Business Continuity
- Project Management Principles, including:
 - Team Management
 - Community Management
 - Stakeholder Management
 - Expectations Management

Trends

- Growing Recognition that Uniqueness is Expensive (*issues day 2*) leads to . . .
- Regional Coordination, Strategy, Plans (e.g. CSME, OECS)
- Standardization
 - Core plus . . . Local Extensibility
 - Common Architecture: Data Models, IT Infrastructure, Security, etc.
 - Shared Services Model
- Lines of Business, Centers of Excellence, Service Level Agreements

Defining Success, Measuring Performance

- Before starting any project, be sure you can answer the question, “How **will we know when we’re finished?** ”
- **Begin** with the **END** in Mind
- AS-IS (baseline) versus TO-BE
- Clear, Incremental Goals and Objectives (**OEOP example**)
- Metrics may include \$\$, time, transactions, features, etc.

Defining Success, Measuring Performance (continued)

- Vanuatu (popl. 200K+) **annual metrics;** successful SmartStream based GFMS:
 - 300+ users at 70 sites
 - 40,000 Purchase Orders
 - 37,000 Supplier Invoices
 - 12,000 Checks printed
 - 25,000 Receivables
 - 24,000 Remittances against invoices
 - 73,000 Cashier receipts
 - 1,300,000 Journal entries
 - 15,000 Assets managed
 - All 5,000 Gov staff paid by direct bank credit

Communities of Practice, Knowledge Sharing

- Example: CaPFA
- As Knowledge is Shared it Increases in Value
- Share Successes, Lessons Learned
- Transparency
- Merit
- Metrics
- Centers of Excellence
- Leveraging

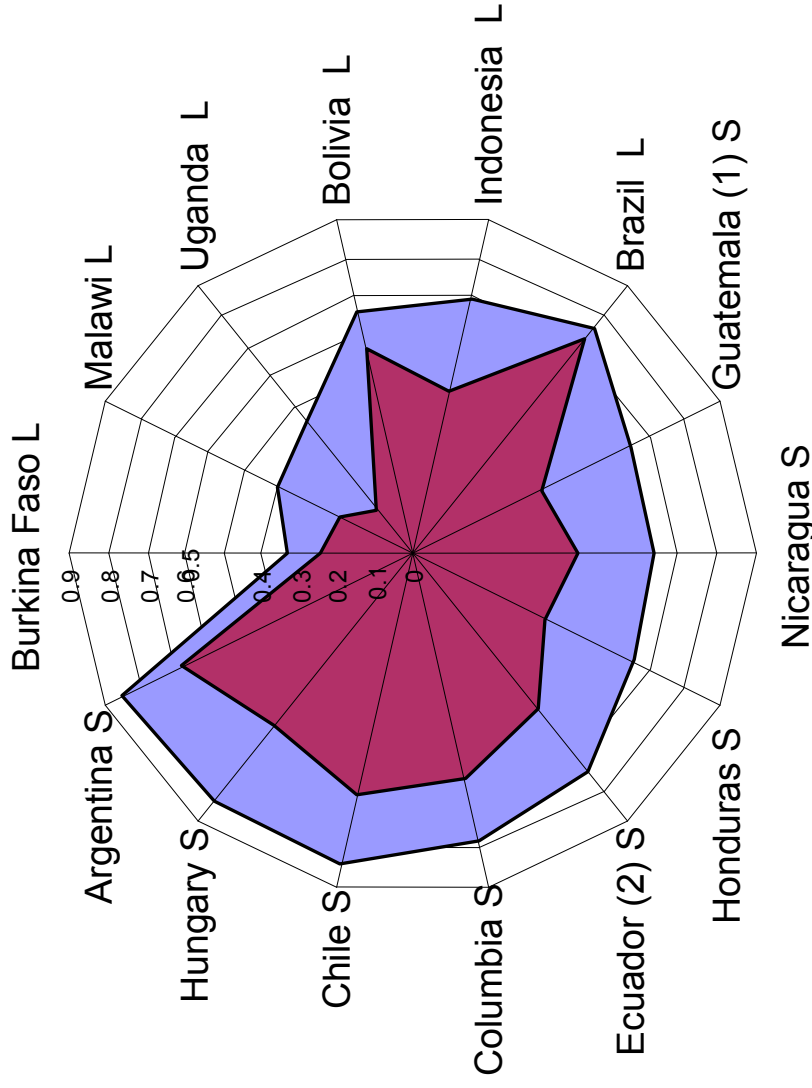
World Bank Experience: GFMS Project Review*

- **The review covered 34 projects in 27 countries across 6 regions, involving \$1 billion over 17 years**
- **Most projects were not FMIS-only, but embedded in broader financial management or public sector reforms**
- **Many of the projects paid attention to training and ‘soft systems’ surrounding the technology, including FM training, change management training/advice**
- **An FMIS project, on average:**
 - **took 7 years to complete, ranging from 9.1 years for Africa to 5.8 years for Latin America/Caribbean**
 - **average Bank-financed cost was \$12.3 million**
 - **component changes in 75% of projects**

* Bill Dorotinsky, The World Bank

Preconditions for success?

HR Capacity, ICT Readiness, & Project Success



■ Human Development Index*
 ■ E-Gov/ICT Readiness*

* (Human Development Index: UNDP Human Development 2001 Index,
 E-government Readiness: UNPAN Global E-Government Index)
 Bill Dorotinsky, The World Bank

Looking Forward

- Where do we want to go from here?
- How do we obtain policy support and resources? (metrics, accomplishments)
- Participate in and support communities of practice
- Demonstrate capability and commitment
- Harmonize goals and objectives with national strategic objectives
- Demonstrate success
- Create a sense of momentum