

GENERAL REPORT

International Workshop on Public Financial Management for IFMIS (Integrated Financial Management Systems) Coordinators

Washington, DC
May 15th to 17th, 2013

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Summary

The Inter-American Development Bank organized the [International Workshop on Public Financial Management for IFMIS Coordinators](#) from May 15 to 17, 2013. It was held in Washington DC with the main objective to show the challenges faced in modernization of Integrated Financial Management Information Systems - IFMIS, including issues related to technology, public accounting, treasury and budget.

Approximately 120 participants, including IFMIS coordinators from 17 countries in Latin America and the Caribbean, consulting firms, international experts and staff from the IDB, IMF and World Bank, participated in the two and a half day workshop. The event aimed to promote the IFMIS Coordinator Network in the region, through the exchange of relevant information on the Public Financial Management systems of each country, and the ideas and perspectives of academia, multilateral banks and the private sector.

The agenda of the event included relevant topics such as: 1. How to measure progress in efficiency and quality of Public Financial Management reforms and systems? 2. IFMIS role in cost systems and results-based management. 3. Technological advances in IFMIS development (off-the shelf vs. custom made systems) 4. Budget transparency and accountability. 5. Definitions, techniques and regulatory framework for interoperability and its impact on IFMIS context. 6. Institutional Change management on IFMIS design and implementation 7. Service management, maintenance and support for an IFMIS: costs, staffing, outsourcing and service level agreements.

The perception of the participants was that the event was successful, due to the importance of topics and the quality of the presentations. The workshop also completed the objective to promote a greater coordination and sharing of experiences between various sectors in terms of the modernization of public financial management.

On the side of academia, some important reflections on reforms in public financial management were presented, and the proposed of a change focus on a continuous adaptation reform.

Later, multilateral bank representatives illustrated the role and importance of the IFMIS in decision-making as well as current trends and global challenges. Also, the International consultants stressed the dimensions and critical factors in the implementation of an IFMIS as: clear definition of project management, prioritization of functionality, interoperability, country context, political economy and change management.

Additionally, the presentation of the countries showed the challenges in design, development or acquisition of software, operation, maintenance, and support personnel. Moreover, it was clear the need for the process with the full support and participation of senior government officials, who should know the benefits and risks associated with the implementation of an IFMIS.

Finally, the private sector firms presented some solutions develop to address these complex projects, taking advantage of the research and the development have been conducted, and the savings generated from their solutions.

This event was financed by the IDB's Institutional Capacity Strengthening Fund (ICSF), which is supported by the Government of the People's Republic of China.

Sessions

1. Public Financial Management (PFM) Reform

The keynote speaker for the first session was Mr. Matt Andrews, an Associate Professor of Public Policy at Harvard's Kennedy School. His presentation focused on the strategies, signals, context and content of the Public Financial Management Reforms.

The moderator of this panel was the IDB Principal Specialist, Mr. Gustavo Garcia, who was in charge of leading the discussion among participants.

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|  | <p>Matt Andrews Associate Professor of Public Policy at Harvard's Kennedy School Matt_Andrews@hks.harvard.edu</p> | <p><u>The Limits of Institutional Reform in Development</u></p> |
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2. PFM and IFMIS strategic issues

The main objective of the second session was to determine the tools to measure success, in terms of efficiency and quality for Public Financial Management and IFMIS. The presentation was given by Mr. Carlos Pimenta, Principal Modernization of the State Specialist of the Fiscal and Municipal Management Division from the IDB.

Additionally, the moderator of the discussion was the Modernization of the State Specialist from the IDB, Ms. Leslie Harper.

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|  | <p>Carlos Pimenta Principal Modernization of the State Specialist Fiscal and Municipal Management Division- IADB carloscp@iadb.org</p> | <p><u>Eficiencia y Calidad en Gestión Financiera Pública y Sistemas - SIAF</u></p> |
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3. IFMIS role in the decision making process

In the third session we had the participation of Mr. Mario Pessoa, the Deputy Division Chief of the Fiscal Affairs Department from the IMF, who focused his presentation on the IFMIS role in cost systems and results-based management, the Case of Sao Paulo, Brazil.

Later, we had the participation of representatives of the following countries who presented in 15 minutes their own IFMIS System:

- Brazil: Maria Betânia Gonçalves, IFMIS Coordinator
- Ecuador: Hugo Naranjo, Coordinator of the New System of Public Finance, MEF
- El Salvador: Lilena de Soto, Deputy Finance Director

The moderator of this session was Mr. Carlos Pimenta, the Principal Modernization of the State Specialist from the IDB.

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|  | <p>Mario Pessoa Deputy Division Chief Fiscal Affairs Department – IMF MPessoa@imf.org</p> | <p>Eficiencia y Calidad en Gestión Financiera Pública y Sistemas - SIAF</p> |
| <p>Brazil</p> | <p>Maria Betania IFMIS Coordinator, Ministry of Finance maria- betania.xavier@fazenda.gov.br</p> | <p>El rol del SIAF en los sistemas de costos y de gestión por resultados - Brasil</p> |
| <p>Ecuador</p> | <p>Hugo Naranjo Coordinator of the New System of Public Finance, MEF hnanranjo@finanzas.gob.ec</p> | <p>El rol del SIAF en la toma de decisiones - Ecuador</p> |
| <p>El Salvador</p> | <p>Lilena de Soto Deputy Finance Director lilena.soto@mh.gob.sv</p> | <p>El Salvador Sistema de Administración Financiera Integrado - SAFI -</p> |

4. IFMIS technical and adaptive challenges

The main topic of the fourth session was global trends and challenges in IFMIS implementation. The presentation was given by Mr. Cem Dener, a Senior Public Sector Specialist of the Poverty Reduction and Economic Management Network from the World Bank.

The moderator of this panel was lead specialist from the IDB, Mr. Gilberto Chona, and the countries that presented their IFMIS system were:

- Uruguay: Laura Remersaro, General Accountant
- Barbados: Mary Walrond, IT Director

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|  | <p>Cem Dener Senior Public Sector Mgmt Specialist - World Bank cdener@worldbank.org</p> | <p><u>Effects of FMIS on Budget Transparency</u></p> |
| <p>Uruguay</p> | <p>Laura Remersaro General Accountant laura.remersaro@cgn.gub.uy</p> | <p><u>Reingeniería del Sistema Integrado de Administración Financiera - Uruguay</u></p> |
| <p>Barbados</p> | <p>Mary Walrond IT Director walrondm@gob.bb</p> | <p><u>Financial Management Information System - Barbados</u></p> |

5. Budget transparency

During the fifth session we had the participation of Mr. Philipp Krause, Head of Research from the Budget Strengthening Initiative, Overseas Development Institute (ODI). His presentation was about the accountability and Public Financial Management, specifically the relationship between IFMIS and Accountability.

Additionally, the former Coordinator of the SIGFE II, Gerardo Uña, participated with a presentation about the key aspects in the development and implementation of an IFMIS, and the challenge of the day after.

The moderator of this panel was the IDB Specialist, Mr. Axel Radics, and the presentations of the countries were in charge from the following representatives:

- Perú: José Silva, Executing Team IFMIS II
- República Dominicana: Ramón Sarante, Technical Director PAFI

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|  | <p>Philipp Krause Head of Research Budget Strengthening Initiative, Overseas Development Institute (ODI) p.krause@odi.org.uk</p> | <p><u>What do FMIS have to do with accountability?</u></p> |
|  | <p>Gerardo Uña SIGFE II Ex-Coordinator & International Consultant guna@dipres.gob.cl</p> | <p><u>Diez aspectos claves para el desarrollo e implementación de un SIAF</u></p> |
| <p>Perú</p> | <p>Jose Silva, Executing Team IFMIS II jbsilva@mef.gob.pe</p> | <p><u>Sistema Integrado de Administración Financiera - Perú</u></p> |
| <p>República Dominicana</p> | <p>Ramon Sarante, Technical Director PAFI rsarante@hacienda.gov.do</p> | <p><u>Evolución de la Gestión Financiera Gubernamental – Republica Dominicana</u></p> |

6. Systems Interoperability challenges

In the sixth session the principal presentation was given by the international consultant of the IDB and a Strategic Planning Expert, Mr. Alejandro Susel, who presented the Concepts, regulatory framework and techniques for interoperability within the IFMIS context.

Then, we have the participation of the followings representative who presented their own IFMIS system:

- Honduras: Carlos Rodríguez, Manager Finance Modernization
- Guatemala: Marco Antonio Gutiérrez, Vice Minister of Administration Internal Systems Development

The moderator of this panel was the IDB senior specialist, Mrs. Belinda Perez.

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|  | <p>Alejandro Susel Strategic Planning expert International Consultant – IADB asusel@holos.cl</p> | <p><u>Interoperabilidad del sistema en la Administración Pública</u></p> |
| <p>Honduras</p> | <p>Carlos Rodríguez, Manager Finance Modernization crodriguez@sefin.gob.hn</p> | <p><u>Desafíos de la Interoperabilidad de Sistemas - Honduras</u></p> |
| <p>Guatemala</p> | <p>Marco Antonio Gutiérrez, Vice Minister of Administration Internal Systems Development mgutierrez@minfin.gob.gt</p> | <p><u>Interoperabilidad del SIAF - Guatemala</u></p> |

7. IFMIS and institutional change management

The main objective of the seventh session was to determine the processes of organizational change and the adoption of technological solutions in public financial management. The principal presentation was given by Mrs. Claudia Lopez, a change management expert and international consultant.

Additionally, the moderator of the panel was the senior associate from the IDB Andrés Muñoz and the following representatives were in charge of the country presentations:

- Nicaragua: Ned Lacayo, General Coordinator PMSAF
- Colombia: David Morales, SIIF Manager

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|  | <p>Claudia Lopez Change Management Expert and International Consultant from IADB claudia.nora.lopez@gmail.com</p> | <p><u>Gestión del Cambio en la implementación de SIAF</u></p> |
| <p>Nicaragua</p> | <p>Ned Lacayo, General Coordinator PMSAF Ned.Lacayo@mhcp.gob.ni</p> | <p><u>Proyecto de Modernización del Sistema de Administración Financiera PMSAF - Nicaragua</u></p> |
| <p>Colombia</p> | <p>David Morales, SIIF Manager Finance Ministry dmorales@minhacienda.gov.co</p> | <p><u>Gestión del Cambio en la implementación de SIAF - Colombia</u></p> |

8. Private Sector perspective on IFMIS

The subject of the eighth session was focused on the IFMIS solutions in Latin America and the Caribbean and the Private Sector perspectives. For this panel we have the participation of international firms which presented the different tools for these systems, the progress made so far and the solutions offered as private sector to countries.

The moderator of this panel was the international consultant from the IDB, Mr. Daniel Sanchez.

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| FreeBalance | Doug Hadden Vice president of Product Dhadden@freebalance.com | <u>PFM Sustainability: The SIAF/FMIS Tipping Point - FREEBLANCE</u> |
| Everis | Jose Gamboa Partner jose.gamboa@everis.com | <u>Perspectiva del Sector privado en SIAF - EVERIS</u> |
| Oracle | Andre van der Post, Global Director Andre.van.der.post@oracle.com | <u>Oracle - Government Fiscal Management</u> |
| Samsung | Min-gu Lee, Vice-president mingulee@samsung.com | <u>Samsung SDS e-Government Service</u> |

9. IFMIS and its operation

During the ninth session we have the participation of Mr. Hyangwoo Jeong, Director of the Division of Tax Information System of the Ministry of Strategy and Finance of Korea. His presentation was about the administration, maintenance and support of a SIAF according to the Case of Korea.

Additionally, the panel included the participation of the following countries, and the moderator was Ms. Leslie Harper, IDB Specialist:

- Paraguay: Carmen Martínez, Finance and Public Administration Advisor, Ministry of Finance.
- Surinam: Iris Sandel, Financial Director, Ministry of Finance
- Panamá: Aracelly Mendez, National Director of Accounting

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|  | <p>Hyangwoo Jeong Director, Fiscal Information System Division Ministry of Strategy and Finance in Korea yeon1370@mosf.go.kr</p> | <p>An Introduction to the Digital Budget and Accounting System - Korea</p> |
| <p>Paraguay</p> | <p>Carmen Martínez Finance and Public Administration Advisor, Ministry of Finance carmen_martinez@hacienda.gov.py</p> | <p>SIAF, Características y Plataforma - Paraguay</p> |
| <p>Suriname</p> | <p>Iris Sandel Financial Director Ministry of Finance isandel@iadb.org</p> | <p>Country Brief - Suriname</p> |
| <p>Panamá</p> | <p>Aracelly Mendez, National Director of Accounting amendez@mef.gob.pa</p> | <p>El SIAF y su operación - Panamá</p> |

Conclusions

The last session of the workshop was led by Mr. Vicente Fretes, Chief of the Division of Fiscal and Municipal Management and Mr. Carlos Pimenta, IDB Principal Modernization of the State Specialist. The objective of the sessions was to present the main conclusions of the workshop and the creation of the network of IFMIS Coordinators of the countries.

Among the most important conclusion we could include the following:

- The Public Financial Management is vital for the modernization of public administration and the improvement of the efficiency of the public spending.
- We must take advantage of the moment of transformation in the PFM into Latin America, the Caribbean and other regions, and develop reform strategies, including accounting, budgeting, treasury, purchasing and public investment, among other areas and all actors.
- The IFMS is a strategic component of public sector modernization, and the implementation and efficiency are critical to the effectiveness of government and the public spending.
- Create synergies in the areas of Public Financial Management knowledge between academia, international organizations, countries and the private sector.
- The Importance of addressing this modernization process systematically, taking into account the technological challenges (IFMS), but also the functional and change management.
- The importance of a network as a platform to build cooperation, facilitate access to expertise, and develop research knowledge.

As proposals for next steps, we discussed the possibility of creating a virtual space for the exchange of information and experiences among the IFMS coordinators in the region (probably a group on LinkedIn).

In addition, it was agreed to continue supporting the development of knowledge on topics such as: (i) organizational structure of the main functions of the PFM and IFMS in the Ministries of Economy and Finance of the region, (ii) analysis of technological and their impact on the IFMS, such as, times of obsolescence of these technologies, information security and costs, and (iii) the current status of the IFMS in the region, including an analysis of its functional and technological (follow-up survey of IFMS, IDB).

Finally, we discussed the importance of strengthening the IFMIS coordinators network with other networks in the region in Public Financial Management, such as the Networks of Treasurers, Procurement, the Directors of Budget and the Public Accountants.

The Bank will continue to support this network of IFMS Coordinators and seek to track all these proposals.

Annexes

- [Agenda](#)
- [List of Participants](#)
- [Biographies](#)