



PEMPAL TCOP workshop in Tirana

Group 2

## Cash Flow Management and Forecasting Tools

Albania, Azerbaijan, Georgia, Bosnia and  
Herzegovina, Croatia, Macedonia,  
Montenegro, Turkey

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### 1. Treasury Single Account (1)

- Political will is a key to expanding the coverage, steps back are observed in some countries (Croatia)
- Mitigation of concerns related to potential loss of independence should be done (giving some incentive, providing robust technical support, reaching temporary compromises – like paying interest or allowing to place short-term deposits)
- Public agencies (civil servants) should not forget that they are just performing government (!) functions



## 1. Treasury Single Account (2)

- Improvement of treasury technologies may be needed before further expansion of the TSA coverage, especially if full access to FMIS accounting and reporting functionality is to be used by spending units
- Assessment of benefits (efficiency of service delivery) helps to gain support
- It's all about efficiency of public funds management!!



## 2. The sources of data and their use

- Data sources are similar (data from line ministries, historic patterns and seasonality, own revenue and expenditure projections, etc)
- But usage of cash plans differs – moving from traditional manual treasury controls to cash flow forecasting
- This transition lies in shift from centralization of treasury controls to devolution of responsibility to spending units (not only authority to spend money when they want but their responsibility to inform Treasury on when they plan to do it, esp. large expenditures)
- Information about grants and investment loans provided by international financial institutions



### 3. Tools for managing a cash deficit

- Having sufficient cash buffer may help in shifting the focus from cash rationing to cash flow forecasting
- Issuance of short-term securities
- Direct short-term loans from commercial banks