

TREASURY COMMUNITY OF PRACTICE

Videoconference of the Thematic Group on the Use of Information Technologies (IT) in Treasury Operations

October 13, 2020

On October 13, 2020 the PEMPAL Treasury Community of Practice (TCOP) held a videoconference (VC) of the thematic group on the use of IT in treasury operations to share new developments in their countries. The meeting was attended by 26 participants from 10 PEMPAL countries (Albania, Belarus, Georgia, Kazakhstan, Kosovo, Moldova, North Macedonia, Russian Federation, Tajikistan and Ukraine). Representatives of the State Treasury of Hungary also joined the session. The meeting was facilitated by the World Bank resource team comprising Ms. Elena Nikulina (TCOP Resource Team Leader), Ms. Yelena Slizhevskaya (TCOP Advisor), Ms. Ekaterina Zaleeva, Ms. Galina Kuznetsova (PEMPAL Secretariat) and Mr. Cem Dener (Lead Governance Specialist).

Summary of discussion

The videoconference was opened by Mr. Andrei Narchuk, the Director of the Data-Processing Center of the Belarus Ministry of Finance (IT Center) and the Co-Chair of Thematic Group. Mr. Narchuk welcomed everyone to the event noting that it has been some time since the previous meeting of the group, and it will be interesting to hear about recent developments in the countries. Mr. Narchuk noted that Belarus had been focused on improvements to its electronic document management and encouraged the participants of the VC to share their experience on the topic.

Ms. Elena Nikulina, the TCOP Resource Team Leader, welcomed the participants on behalf of the World Bank team. She noted that though this is only the 1st event for this thematic group in 2020, it is already the 5th online event of the TCOP since April 2020, after the network transitioned exclusively to a virtual mode of operation. Participants of the previous events noted that there was significant news in the area of ICT, with many of the developments accelerating as a result of COVID-19 pandemic. The remote way of working will stay with us for quite some time, which increases the importance of peer exchange regarding the use of technology, and that is why we want to hear your inputs and ideas, so that the thematic group (TG) can have follow up events.

Kazakhstan

Mr. Renat Berdykulov, Head of Information Technology Department (Treasury Committee, Kazakhstan), opened the virtual news session. He reminded the participants that during the September 15th videoconference the Treasury Committee of Kazakhstan had already



presented an overview of its IT systems in use and the plans for their development¹. The two main systems used by the Treasury are the Oracle based Integrated Treasury Information System (ITIS) and the “Treasury-Client” information system which supports interaction with government organizations and electronic document transfer. Mr. Berdykulov specified that the users of the ITIS operate via a dedicated local network, while the “Treasury-Client” is web-based. During the COVID-19 lockdown some of the planned initiatives were brought forward to support remote operation, including the online registration of the new “Treasury-Client” users. Responding to a question from participants, Mr. Berdykulov explained that the Treasury was operating in shifts (50 percent of the staff) and only those working from the office were given access to the systems. This decision was made since most of the software operates on “thick client”² which makes it challenging for the non-IT staff to set up their computers properly, not to mention the fact that about half of the 3000+ treasury staff are located in remote areas and villages, where ICT capacity is lower and support more challenging.

Mr. Narchuk commented that in Belarus remote access to workstations was provided to central apparatus staff using Virtual Private Network (VPN). This capacity was implemented on the servers of the Ministry of Finance and in its Data-Processing Center with the support received from the Public Financial Management Modernization Project implemented in cooperation with the World Bank. Mr. Narchuk noted that in 2021 the IT Center will be able to provide all the users of the systems with fully-fledged remote access based on virtualization of the desktop and backend infrastructure.

Mr. Cem Dener noted that all countries are facing similar challenges these days and it is important to be able to provide the critical staff of the treasury with remote access to the systems.

Albania

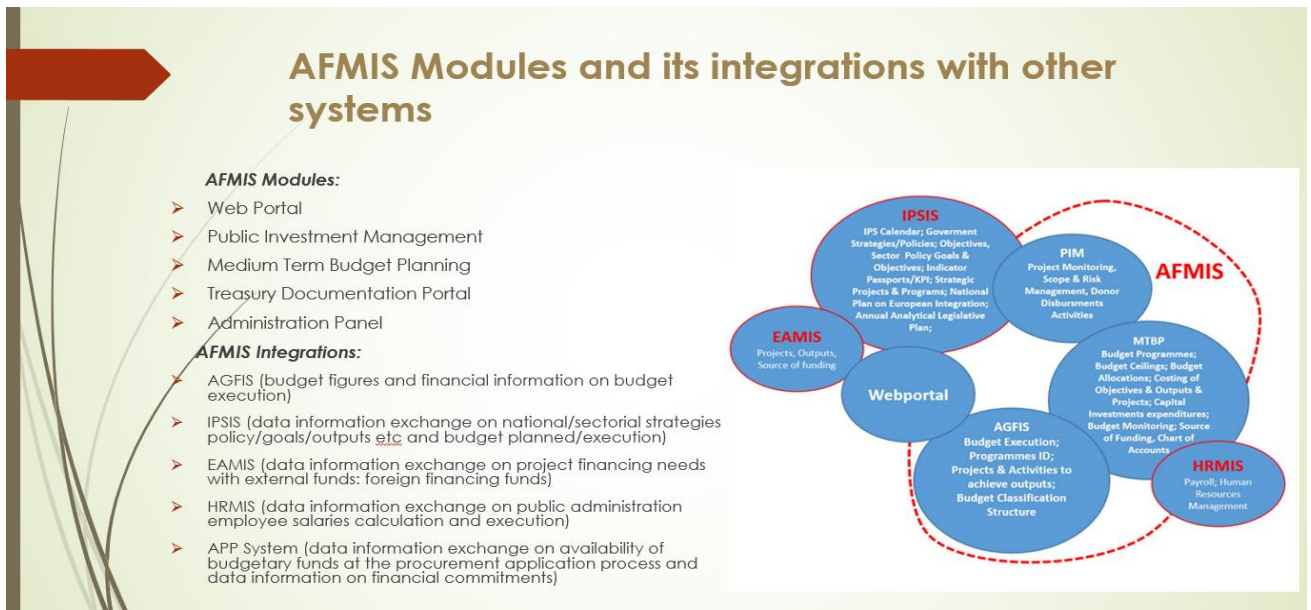
Ms. Aurela Velo, Director of the Business Process Department of the Treasury, and Ms. Anxhela Qorraj, Information Technologies Specialist (Ministry of Economy and Finance, Albania), shared the progress with implementation of the Albanian Financial Management Information System (AFMIS). This is a recently developed web-based system, integrating the budget execution functions supported by the existing Albanian Treasury System (AGFIS) with additional functional modules and systems illustrated on the slide below. The presenters noted that this integrated system has a lot of benefits, including minimizing manual work, capturing data at its source with seamless data flow, and the ability to share budget and project information with different stakeholders. Treasury employees have not been granted access to work from home due to security concerns (they come to the office in shifts), while all the budgetary institutions employers are equipped with VPN access to work remotely. Ms. Velo shared the challenges with roll out of the new system to all the budget institutions which included: the increased demand for training (which was stopped due to the hardware upgrade); delays with the introduction of the digital signature for the documents uploaded into the

¹ Presentation slides and summary of discussion held are available at the TCOP’s webpage:
<https://www.pempal.org/events/tcop-vc-treasury-committee-kazakhstan>

² Thick clients are full-featured computers that are connected to a network as stand alone workstations. Unlike thin clients, which lack hard drives and other features and mainly used for remote access, thick clients are functional whether they are connected to a network or not, and need to be maintained separately.



Treasury documentation portal; a lack of staff to support the growing number of the system's users; and general change management challenges.



During the question and answer session that followed Albania provided further details on operation of the Treasury documentation portal. The participants expressed a strong interest to learn more about the AFMIS during future events of the TG. Ms. Nikulina confirmed that the AFMIS is one of the most advanced and integrated solutions internationally, with its functionality reflecting the broader scope of the functions of the Ministry of Finance and Economy of Albania. Mr. Cem Dener congratulated the Albanian team on successful completion of this huge project which commenced in 2013 and has successfully delivered its results despite all the challenges (including two changes of government, an earthquake and the COVID-19 pandemic). The existing platform is a fine example of a whole-of-government approach, which goes beyond the traditional core ministry of finance functions.

Belarus

Next came the presentation from Ms. Nataliya Dubonevich, Head of the Unit for Document Management Automation (Data-Processing Center of the Ministry of Finance, Belarus), who spoke about reforms to electronic document management. Ms. Dubonevich presented the solution developed by the IT Center (based on open source) to control and manage the document workflow using electronic signatures for all the processes which replaces hard copy documents. Ms. Dubonevich commented that the solution had been successfully tested to support electronic document management for several entities (the functionally had been piloted by the Ministry of Finance of Belarus and one of its subordinated enterprises). The future plans include establishing an electronic archive of the documents which should also support long-term storage of the records, and enable users from different ministries, departments and agencies access to their information based on specific access rights.



Hungary

Mr. Tamás Pál Török, Head of Division in Department for Budgetary Synthesis and Data Service, shared the recent experience of the Hungarian State Treasury which has been partnering with the Korean government in a capacity building program (supported by a Korean trust fund). The program provided an opportunity for country officials involved in digital transformation in public financial management to learn more about the trends in the transition to integrated financial management information systems (IFMIS) as well as to familiarize themselves with new/advanced features of dBrain (Korean government IFMIS). The program had two phases: the first phase focused on learning from the participating countries and from the Korean hosts, while the second phase included technical assistance activities on specific topics requested by participants.

Mr. Török also shared his experience in participation in the Knowledge Sharing Project of the Ministry of Economy and Finance of Korea which involved interaction with university professors (involved in the original dBrain design) who possessed a deep understanding of the dBrain design and processes and were able to provide an understanding of the background of the system.

Ms. Nikulina noted that TCOP participated in a study visit to Seoul several years ago. dBrain is a home-grown system reflecting the development of the broader PFM system in Korea, it is highly integrated and automated and it might therefore look too advance for some TCOP members, however, it is always useful to be exposed to modern examples as an aspirational model.

Mr. Dener provided further insight into the IFMIS Capacity Building Program (CBP) initiated by the Korean Public Finance Information Services (KPFIS) and the World Bank in 2019. Albania, Hungary and North Macedonia were among invited countries. The CBP activities started with a workshop in Seoul in June 2019 with the participation of 10 countries and went down to 5 countries for additional Technical Assistance (TA) through another workshop in Seoul in October 2019. The program was completed in September 2020 with five virtual TA sessions, which were recorded and shared. Korean Ministry of Strategy and Finance and KPFIS were forced to use the dBrain system remotely this year during the COVID-19 pandemic. dBrain is a secure system that can be accessed through intranet, as well as secure remotely connections while working from home. Most of the officials are currently working online. The KPFIS shared the lessons learned during the pandemic through virtual learning events in June 2020. Currently, the KPFIS is focused on the next generation dBrain that will gradually replace the existing system within two years. New system is expected to support real time commitment and cash management (all signed contracts will be recorded as new commitments as soon as they are signed). New system will expand the existing data warehouse to use/share rich historical data and include new data visualization tools and artificial intelligence/machine learning solutions to predict future demand, for planning and execution purposes. Possibilities to use the blockchain technology and chatbots are also included in the new system, which goes live in 2022.

Tajikistan

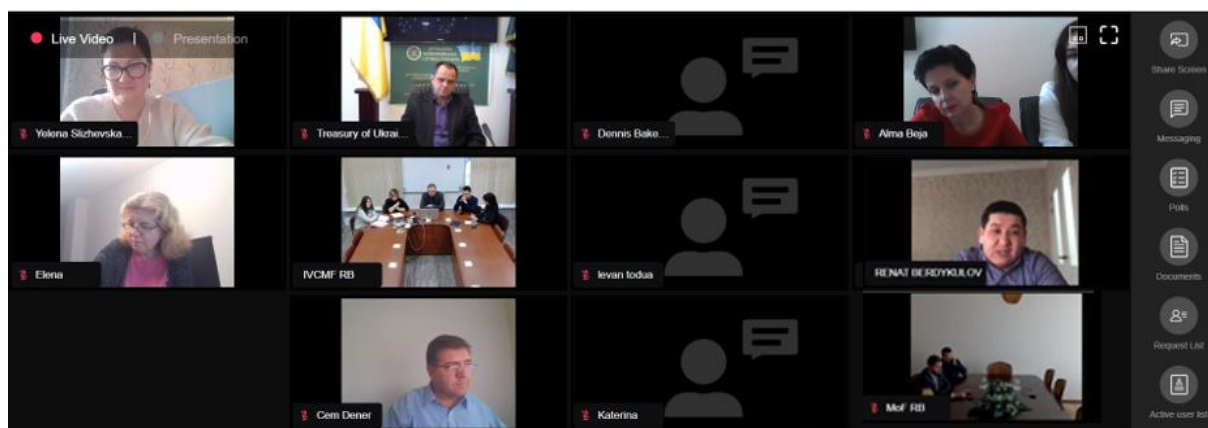
Mr. Rustam Boboev, Monitoring and IT Consultant of the Public Finance Management Modernization project (Ministry of Finance, Tajikistan), gave an update on the latest



developments with the national IFMIS. He noted that the country's IFMIS went live in 2015 and since that time the Treasury's focus has been to provide quality services to its users. As such, the spending units can process their payments (salaries, utility payments, etc.) in IFMIS by themselves and treasury does not need to intervene in the processes. The Treasury has been working on three additional modules since 2015: asset management, cash management and commitment control. The modules are expected to go live in 2021. The participants of the VC expressed their interest in learning more about the Tajikistan IFMIS during a future event of the TG.

Moldova

Mr. Denis Bakeev, Head of the Main Department of IT in Public Finance (Center for Information Technologies in Finance, Moldova), briefed participants on the recent initiatives in Moldova. In response to the pandemic all staff of the Ministry of Finance, including State Treasury, have been given the capability to work remotely based on VPN technology. Another priority brought forward is the development of a centralized and unified public accounting system that would cover all the spending units. A pilot covering approximately 100 entities will start in January 2021 and it is expected that in 2-3 years, Moldova will have full coverage of the spending units through this unified solution. In parallel IT staff will work on integration of the public accounting solution with other PFM systems in use including spending unit accounting systems such as 1C. The participants of the VC expressed their interest in learning more about the unification of the public accounting solutions in Moldova.



Mr. Cem Dener reminded that the governments in the post-COVID future must leverage and better incorporate digital solutions to provide secure remote access to core government systems and improve online service delivery. It appears that most of the ECA countries were better prepared for business continuity compared to other regions, and next generation GovTech initiatives are expected to focus more on the implementation of less expensive and more reliable digital solutions for supporting the vulnerable people and businesses through these challenging times.



Ms. Elena Malysheva, Information Technology Manager of the Belarus IT Center, thanked the participants of the VC for this very interesting and useful event and expressed her hope that the meetings of the thematic group continue.

Ms. Elena Nikulina wrapped up the meeting by thanking everyone for participation and the engaging discussion. She noted this was a very interactive session and commented that the resource team will report back to the leadership of the TCOP on the suggestions for future meetings of the TG, particularly the desire for further information on the experiences of Albania, Moldova and Tajikistan.

