



SUCCESS STORIES

Azerbaijan, Georgia, Hungary, Kazakhstan, Serbia, Türkiye,
and Uzbekistan

Unlocking the Potential of Advanced Digital Technologies

Context

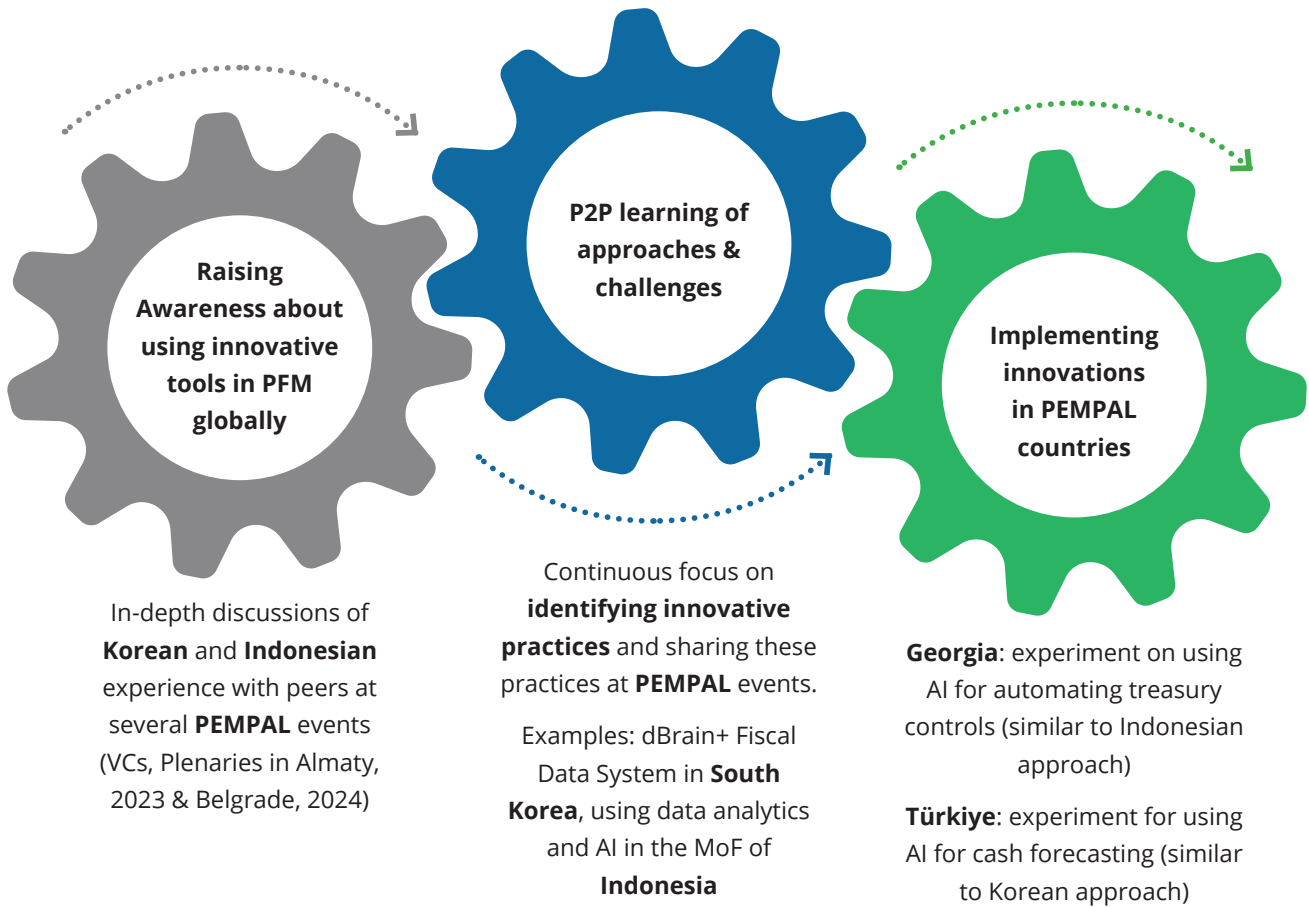
Since PEMPAL's inception in 2006, member countries have achieved significant progress in automating public financial management (PFM) functions: to date, all countries have core financial management information systems in place, and many are working to broaden their functionalities and integrating them with other government systems. Such integration provides new opportunities for using PFM data to support decision-making and other government needs. New tools based on big data processing and artificial intelligence can be successfully applied in a broad range of PFM areas ranging from forecasting and cash management to risk management, as well as internal control and audit. However, unlocking the full potential of PFM data means addressing the challenges related to data governance and system

interoperability, transparency, and accountability, as well as capacity development in data analytics and data science.

PEMPAL Impact

PEMPAL Treasury Community of Practice (TCOP) places significant emphasis on ensuring that the members are aware of the most recent trends in PFM digitalization. The continuous focus on identifying innovative practices and sharing these practices at PEMPAL events (such as South Korea's dBrain+ Fiscal Data System and the Indonesian Ministry of Finance's use of data analytics and artificial intelligence [AI]) helps to spread innovation in PEMPAL countries (Figure).

Figure. TCOP Role in Promoting Digital Transformation and the Use of Advanced Digital Tools



Inspired by the examples presented at TCOP events, two PEMPAL countries have launched their own projects on using AI in treasury operations. The State Treasury of **Georgia** is testing the potential of AI in automating treasury controls (similar to an ongoing project in Indonesia), while the Ministry of Treasury and Finance of **Türkiye** is experimenting with using AI for cash forecasting (similar to the approach in South Korea). Treasuries in **Hungary** and **Serbia** have implemented data warehouses for PFM data, while **Azerbaijan, Kazakhstan, Serbia, and Uzbekistan** are working on developing business intelligence (BI) systems and broadening the range of PFM data available for analytics.

Next Steps

Thematic surveys and feedback from the Ministers of Finance of PEMPAL countries demonstrate that there is considerable interest and scope to use advanced digital technologies, including BI and AI, to transform treasury operations and this remains a core priority for their future development of PFM.



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