

# SUCCESS STORIES

Albania, Armenia, Croatia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Kosovo, North Macedonia, Türkiye, and Tajikistan

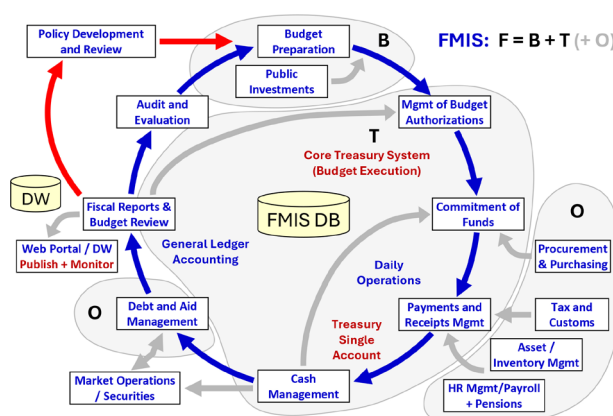
## Supporting Integrated Digital Solutions in Public Financial Management

### Context

National treasuries in PEMPAL countries play a pivotal role in digitalization of public financial management. Core treasury systems supporting budget execution are the central component of financial management information systems (FMIS), containing a set of automation solutions enabling governments to plan, execute, and monitor the budget effectively. By 2020, all PEMPAL member countries had implemented core FMIS, so integration with other systems became highly relevant.

Integrating core treasury systems with budget preparation and other government systems yields important results both for the treasury and for other institutions (Figure 1). Thus, direct access to e-procurement systems, HR management systems, and project management modules allows treasuries to better plan for cash outflows, streamline treasury controls, reduce fraud risks, improve payment timeliness, and reduce the risk of arrears. Integrating

Figure 1. Core FMIS (Treasury IS and Budget IS) and Its Integration with Other Systems



Source: Presentation by Cem Dener, 2024 TCOP Plenary in Belgrade

FMIS with customs and tax IT systems helps treasuries to project inflows in the treasury single account more accurately. Other institutions benefit from the integration by accessing the budget execution data and using this data to inform policy decisions.

## PEMPAL Impact

The practical approaches to integrating FMIS with other systems were discussed in detail at several events organized by the PEMPAL Treasury Community of Practice (TCOP). The benefits and practicalities of integrating FMIS with other systems and especially with e-procurement were discussed at TCOP in-person and virtual meetings and were the focus of the study visit to Seoul where TCOP members had a unique opportunity to learn about **dBrain system**, one of the most advanced in the world. TCOP events in Vienna (2017), Baku (2018), and Budapest (2019) deepened the knowledge of the community members on the current approaches to developing integrated FMIS.

The feedback from TCOP members demonstrates that PEMPAL made a significant impact on promoting the integration of FMIS with other government systems.

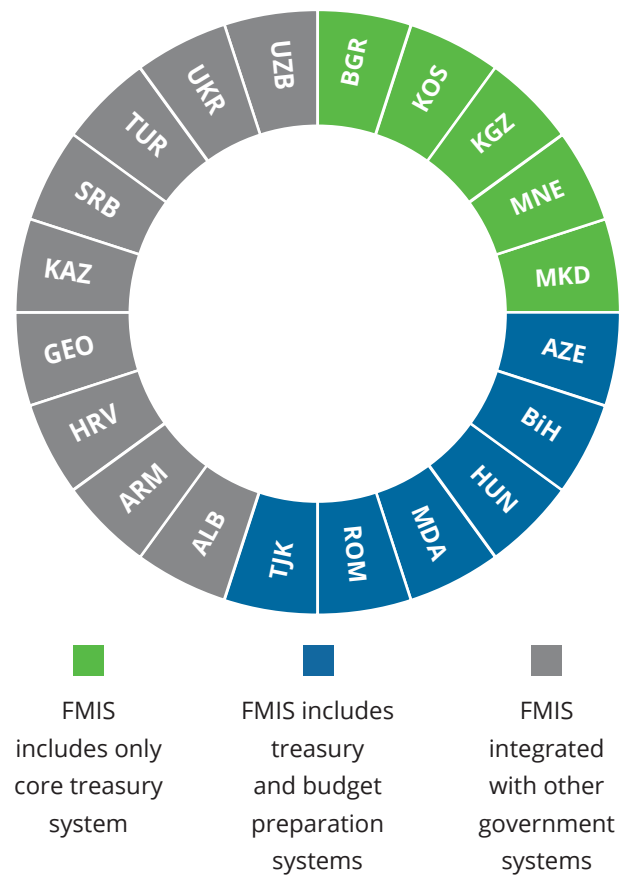
**Albania** has integrated its FMIS (AGFIS) with other systems, including e-invoice and human resource management systems. The impact of TCOP on developing and integrating FMIS with other systems was acknowledged by **Hungary, Kosovo, Kyrgyz Republic, and Türkiye**. Introducing the practice of information exchange between the State Treasury and State Procurement Agency helped **Georgia** to significantly reduce fraud. **Kazakhstan** achieved remarkable progress in integrating the treasury system with other government systems, including e-invoice, e-procurement, and the legal entities database. The experience of FMIS development in other PEMPAL countries has impacted the design of FMIS in **Tajikistan** and its integration with other systems (including e-procurement).

Overall, the progress of PEMPAL countries in integrating core treasury systems with other government systems has been significant: in three-fourths of TCOP member countries, FMIS goes beyond the core treasury system and includes budget preparation and/or is integrated with other government functions (**Figure 2**).

## Next Steps

TCOP continues to support the member states in developing integrated public financial management solutions. TCOP events have also been useful for developing technical specifications for new IFMIS systems in **Armenia** and **North Macedonia (Box)**. **Croatia** is using the knowledge gained at TCOP events to develop a new IT solution supporting treasury functions.

**Figure 2.** Integrating Core Treasury Systems with Other Government Systems in PEMPAL Countries



Source: GTMI, country presentations at TCOP events

### Box. Supporting North Macedonia in Developing IFMIS

In 2024, an extended delegation from North Macedonia joined the TCOP Plenary in Belgrade to learn more about the experience of Serbia and other PEMPAL countries in developing integrated FMIS and using business intelligence, data warehouses, and other advanced approaches for unlocking the potential of public financial management data. In addition to the discussions at the plenary, separate meetings with the Treasury Administration of Serbia were organized to present the existing systems. The knowledge gained at this event and just-in-time advice were highly valued by the representatives of the Ministry of Finance of North Macedonia.



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