A shared framework for Treasury/PFM project maturity model

Dear Participants,

One of the objectives of the PEM-PAL workshop for treasury officials is to adopt a shared framework for Treasury/Public Financial Management (PFM) project maturity model with stages and indicators. We think that such a practice will assist in monitoring and evaluation of the maturity level of Treasury/PRM development process and enable exchange of information and experiences on various stages during the implementation of projects.

We prepared an initial set of development stages and indicators, and these will be finalized during the workshop with your contributions.

We would like you to **read the proposed framework before attending the workshop**.

Please review the proposed stages, indicators, weights and scoring scheme presented in the first worksheet ("_indicators_") of the enclosed file (Treasury-PFMS_Development.xls) and send your feedback, if any. You can send your initial questions / comments / suggestions by email to cdener@worldbank.org until June 24, 2006.

The model will be presented on Monday, June 26, during the morning session.

There will be an **interactive self-evaluation session immediately after the presentation** of proposed framework. Each country team is expected to evaluate their performance in various stages based on a standard scoring scheme during this session (see attached score cards for each stage).

Results will be plotted and compared with our estimates to see the gaps during the afternoon session. We will finally present the overall results and talk about the differences in evaluated and estimated values.

Once finalized, this framework can be located within the PEM-PAL web site in coming months and be accessed by the authorized personnel of participating countries.

We hope that you will benefit from this practice and update the framework regularly to monitor and evaluate the progress in various stages of Treasury/PFM projects.

Regards,

Cem Dener

Treasury/PFM Project Maturity Model

Stage 1 : Readiness   Country : . . . .   [Weight : 15%]

#	Treasury/PFMS Development Indicators	Score	Explanation
1	**Readiness**		
1.1	A country-led PFM Reform Strategy and Action Plan		0=No plan; 1=Planned; 2=Approved; 3=In progress; 4=In use/Available
1.2	Institutional capacity to implement reforms		see 1.1
1.3	Project working group / steering committee		see 1.1
1.4	Project management capacity		see 1.1
1.5	Donor coordination mechanism		see 1.1
1.6	Technical capacity to implement reforms		see 1.1
1.7	Training center(s) and methodology		see 1.1
1.8	Countrywide network infrastructure		see 1.1

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Stage 2 : Preparation   Country : . . . .   [Weight : 10%]

#	Treasury/PFMS Development Indicators	Score	Explanation
2	**Preparation**		
2.1	Legal - organic budget law		0=N/A; 1=Planned; 2=Approved; 3=Ratified; 4=In use/covered
2.2	Treasury organization		0=N/A; 1=Planned; 2=Approved; 3=Central TO; 4=Central+Local TO
2.3	Financial Control : Treasury Single Account (TSA)		0=N/A; 1=Planned; 2=Approved; 3=Implemented; 4=Effective
2.4	Coverage: State budget + local government budgets		0=N/A; 1=Planned; 2=Approved; 3=State budget; 4=State+local bud.
2.5	Extra budgetary/off-budget funds		see 2.1
2.6	Sub-national governments		see 2.1

Stage 3 : Design   Country : . . . .   [Weight : 25%]

#	Treasury/PFMS Development Indicators	Score	Explanation
3	**Public Financial Management System (PFMS) Design**		
3.1	PFMS Functional Design (Technical Assistance)		0=Not ready; 1=Planned; 2=In progress; 3=Developed; 4=Approved
3.2	PFMS Technological Architecture (Technical Assistance)		see 3.1
	+ Web based systems		0=Not used; 1=Distributed; 2=Distr+Central; 3=Central; 4=Central+BCC
	+ Connectivity		0=Not known; 1=Off-line; 2=On-demand; 3=Mixed; 4=On-line
3.3	Component sizing and detailed technical specifications (TA)		see 3.1
3.4	PFMS Functionality		
A	Macro Economic Forecasting		0=Not covered; 1=Planned; 2=Approved; 3=In progress; 4=In use
B	Budget Preparation and Approval		see 3.4.A
	+ Medium Term Expenditure Framework (MTEF)		see 3.4.A
	+ Performance or Program Based Budgeting		see 3.4.A
C	Budget Execution and Monitoring		see 3.4.A
	+ New/revised budget classification		see 3.4.A
	+ Commitment of funds		see 3.4.A
	+ Procurement management		see 3.4.A
	+ Payments (Accounts Payable)		see 3.4.A
	+ Receipts (Accounts Receivable : tax, customs revenues)		see 3.4.A
D	Cash Flow Management		see 3.4.A
E	Accounting (Treasury General Ledger)		see 3.4.A
	+ New/revised chart of accounts		see 3.4.A
	+ Accounting methodology		0=N/A; 1=Cash; 2=Mod Cash; 3=Mod Accr; 4=Accrual
F	Financial Reports		see 3.4.A
	+ Compliance with standards (GFS, IPSAS, etc)		see 3.4.A
G	Debt and Aid Management		see 3.4.A
H	Fixed Assets/Inventory Management		see 3.4.A
I	Personnel Management		see 3.4.A
J	Payroll Calculations		see 3.4.A
K	Financial Control / Audit		see 3.4.A
L	Management Information Systems		see 3.4.A
M	Support for Digital Signature		see 3.4.A

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Stage 4 : Procurement   Country : . . . .   [Weight : 15%]

#	Treasury/PFMS Development Indicators	Score	Explanation
4	**Procurement**		
4.1	Countrywide network connections (Gov contribution)		0=N/A; 1=Planned; 2=Announced; 3=Bidding; 4=Contract signed
4.2	TA for Capacity Building		see 4.1
4.3	TA for PFMS Functional+Technical Design		see 4.1
4.4	TA during System Implementation		see 4.1
4.5	Application Software (ASW) Development		see 4.1
4.6	Hardware - central servers+data storage+backup/recovery		see 4.1
4.7	Hardware - field hardware (HW)		see 4.1
4.8	Network equipment + system admin + security		see 4.1

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Stage 5 : Implementation   Country : . . . .   [Weight : 20%]

#	Treasury/PFMS Development Indicators	Score	Explanation
5	**Implementation**		
5.1	Communication infrastructure		0=N/A; 1=Planned; 2=Designed; 3=In progress; 4=Completed
5.2	Application Software customization and parameterization		see 5.1
	+ Comm off the Shelf (COTS) / Locally Developed (LDSW)		0=N/A; 1=In-house; 2=LDSW only; 3=COTS only; 4=COTS+LDSW
5.3	Development of data exc interfaces with external systems		see 5.1
5.4	Hardware installations : central servers+data storage		see 5.1
5.5	Hardware installations : field hardware+peripherals		see 5.1
5.6	Network (NW) equipment and cabling		see 5.1
5.7	Business Continuity Center (BCC)		see 5.1
5.8	Data entry and migration		see 5.1
5.9	System management		see 5.1
5.10	Security solutions		see 5.1
5.11	User training (including training of trainers)		see 5.1
5.12	IT training		see 5.1
5.13	Change Management activities		see 5.1
5.14	Technical support and system maintenance		see 5.1
5.15	Call Center / Help Desk operations		see 5.1
5.16	Documentation and manuals		see 5.1
5.17	Financial Management Information System (FMIS)		see 5.1
5.18	Web publishing (web portal)		see 5.1

Treasury/PFM Project Maturity Model

Stage 6 : Monitoring and Evaluation   Country : . . . .   [Weight : 10%]

#	Treasury/PFMS Development Indicators	Score	Explanation
6	**Monitoring & Evaluation**		
6.1	Progress monitoring & evaluation mechanisms		0=N/A; 1=Planned; 2=Approved; 3=In progress; 4=Available/Completed
6.2	Public Expenditure & Financial Accountability (PEFA)		see 6.1
6.3	Dedicated team for project management		0=N/A; 1=Planned; 2=Identified; 3=Part time active; 4=Full time active
6.4	Interagency cooperation and coordination		0=No coord; 1=Planned; 2=Approved; 3=In progress; 4=Effective
6.5	Procurement and financial mgmt skills		see 6.3
6.6	Auditing project activities		see 6.1

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Stage 7 : Maintenance and Support   Country : . . . .   [Weight : 5%]

#	Treasury/PFMS Development Indicators	Score	Explanation
7	**Maintenance and Support**		
7.1	Allocation of budget for system maintenance and support		0=N/A; 1=Planned; 2=Approved; 3=Budgeted; 4=Multi year support
7.2	Key IT staff for system admin/development		0=N/A; 1=Planned; 2=Recruited; 3=Trained; 4=Sustainable
7.3	Specialists for FMIS queries/reports		see 7.2
7.4	Call Center + Help Desk specialist/operators		see 7.2