Dear readers,

The first quarter of the FY 1997 has just ended. The project is accelerating the reforms implementation throughout the country. Over 13,000 government staffs were trained during the last two quarters. Accelerating the reforms requires review and modification of procedures, training of regional staff in budget and accounts, and automation.

The project’s focus during FY97 will be the introduction of the accounts reform in Oromia, Benishangul Gumuz and Harari regions as well as Dire Dawa City Administration. The budget reform will be introduced in Afar, Somali and Gambela regions.

Amhara and Harari region, Addis Ababa and Dire Dawa administrative cities will require a strengthening of their budget reforms. In addition, Addis Ababa will require a strengthening of its accounts reform.

The project will also provide additional and follow-on support to Tigray and SNNP regions in budget, accounts and budget planning.

The primary objective of the phase 4 of the DSA project is to complete the introduction of the budget and accounts reforms in Oromia and Amhara regions and expand these reforms to the smaller regions, Benishangul Gumuz, Harari, Afar, Gambela and Somali.

Benishangul Gumuz region implemented the budget reform in FY 1996. So far, 787 budget staff were trained in budget preparation and management and 856 trainees in budget execution. During this FY, the Benishangul Gumuz region will carry out the accounts reform as well.

Harari and Dire Dawa are scheduled to introduce the accounts reform this FY. Support will also be provided to the region to strengthen the budget reform, started last year.

Afar, Gambela and Somali regions will also introduce the budget reform this FY. The implementation of the reforms in these regions will include the rollout of Financial Information Systems (BIS/BDA) at BOFED level.

Reform Implementation Schedule in the Small Regions and City Administrations

<table>
<thead>
<tr>
<th>Reform Activity</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96-97</td>
</tr>
<tr>
<td><strong>Budget</strong></td>
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<tr>
<td>INTRODUCE</td>
<td>Benishangul Gumuz Addis/A Dire Dawa</td>
</tr>
<tr>
<td></td>
<td>Harari Afar</td>
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<tr>
<td>SUPPORT</td>
<td>Benishangul-Gumuz Harari Afar</td>
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<tr>
<td><strong>Accounts</strong></td>
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<td>INTRODUCE</td>
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<td>Benishangul-Gumuz Addis/A Dire Dawa Harari</td>
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<tr>
<td>SUPPORT</td>
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<tr>
<td></td>
<td>Benishangul-Gumuz Harari Addis/A Dire Dawa</td>
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</tbody>
</table>
Fiscal Reform in the Small Regions and City Administrations

Budget Execution Training in Harari region and Dire Dawa Administrative Council

The DSA project conducted an assessment of this region and administrative area in September 2004 (M-43 and M-44) with the following objectives:

- To obtain a full understanding of the region in areas such as restructuring, status of the budget reform, status of accounts closure, and its impact on the budget and accounts reforms
- To identify whether adequate technical staff capacity exists to effectively implement the reforms
- To identify other constraints that may negatively impact the introduction of the accounts reform in the region
- To develop a joint action plan and strategy to strengthen the budget reform and implement the accounts reform

Based on the findings of the assessment, the project made two important recommendations as regards the budget reform, implemented independently by both the Harari region and the Dire Dawa Council, in FY 1996.

**Budget reform:**
Procedure manuals and training modules on budget preparation should be developed and designed and training delivered to ensure that all users within the region are adequately trained on the budget reform in readiness for the preparation of the FY 1998 budget.

**Budget execution:**
Procedure manuals and training modules on budget execution should be developed and designed and training delivered to ensure that all users within the region are adequately trained to execute the FY1997 budget.

As per the action plan developed jointly with the Harari region and Dire Dawa BOFEDs, a budget-execution training course was delivered to 20 core trainers, from October 11th to 14th, in Harar city. Seven trainers were then selected to carry out the region-wide budget-execution training program, scheduled at the end of the Moslem fasting season of Ramadan. Budget execution training for 18 core trainers from Dire Dawa is scheduled for November 15th to 18th.
The first In-service Financial Training Program funded by the DSA Project was scheduled from October 11 to November 15, 2001 (FY 1994) at the Somali Regional Management Institute (SoRMI), in Jijiga. The IFTP Module I course, translated into Somali language, was used for the training program attended by 35 trainees. The second round followed four months later, involving 75 trainees.

The program was highly appreciated by all the participants. Trainees and their respective offices (bureaus) found very useful not only the program design and contents but also the training manuals translated into their own language for the first time, for reference and guide.

The Somali RMI (SoRMI) organized further programs to duplicate this practical knowledge and make use of these invaluable materials. As a result two more programs funded by the Regional Government were conducted in FY 1995 and 1996 for more than 100 trainees from all weredas. In addition to that, the Institute has conducted refresher courses using the same material but condensed to run for 42 hours (7 working days).

It is worth mentioning that SoRMI has also secured fund for one more round this fiscal year and is still struggling for additional rounds. The total trained so far at SoRMI amounts to over 210 trainees.

Omar Haji Ibrahim, Director
Somali Regional Management Institute

Trainees attending the Module 1 Accounts Course at the SoRMI
The rollout of the BIS and BDA systems throughout the country is being carried out rapidly and successfully ensuring a smooth, speedy and accurate budget and accounts data processing as well as enabling senior management and the leadership to better analyze financial data.

Amhara, Tigray, SNNP and Oromia regions are currently using the BIS and BDA systems to run their financial operations. The BIS and BDA systems are currently being used at BOFED in Tigray region and at zone level in Amhara (10 zones), SNNP (13 zones) and Oromia regions (14 zones).

The implementation of both the BIS and BDA systems has also been carried out in the Benishangul Gumuz region as well as the Addis Ababa City Government, at BOFED level only. The rollout of these systems to sub-city level in Addis Ababa is scheduled for January 2005.

The implementation of BIS at BoFED level is planned in Harari, Afar, Gambela, Somali regions and the Dire Dawa Administrative Council in FY 1997.

At federal level, 23 public bodies are using BIS to process their budget data. BDA is now successfully operating in 8 federal public bodies. In FY 1997, the project also started the rollout of BDA to all federal public bodies. This rollout will be done in phases and will involve 126 federal reporting units in total. The first phase training program started with staff from 30 public bodies that have already acquired the required computer equipment for the installation of BDA. A total of 504 federal accounts staff will be trained in the use of BDA, in this FY.

Regional map of Ethiopia

Zonal administrations—current BIS and BDA implementation status

N.B. Tigray has no zones. BIS and BDA are implemented at BoFED level
An assessment of the accounts reform implemented independently by Addis Ababa in FY 1996 was completed in July 2004 (A-89). The purpose of the assessment was:

- To identify issues that negatively impact the closure of FY 96 accounts
- Identify recommendations to overcome the issues
- Prepare an action plan for the closure of FY 1996 accounts
- Identify opportunities to improve and further strengthen the quality, efficiency and effectiveness of the accounts reform.

One of the recommendations in the assessment report includes the delivery of refresher training to accountants to address common errors found across jurisdictions in all sub-cities of Addis Ababa. Accordingly, the DSA project prepared refresher-training materials to resolve issues identified during the assessment and conducted a four-day refresher-training program from August 17th to 20th, to 44 accountants, at the Global Hotel. The training program was a platform for clarifications, questions and answers, and experience sharing among trainees and trainers. Practical exercises were carried out to enhance the level of conceptual understanding and to provide a platform on how to resolve technical issues in a practical, simple and efficient manner.
The DSA project has acquired additional office space located at 5 Kilo, Arada Kifleketema, Kebele 11, House No. 507, next to the Defense Sports Club.

Contact numbers for the new office:
Tel. No. (251-1) 57 21 02, 255 00 51
Fax. No. (251-1) 57 21 03

The project’s main office is still in the Ministry of Finance and Economic Development compound.

Contact numbers are:
Tel. No. (251-1) 57 05 74, 56 91 22, 56 02 40, 255 00 52
Fax. No. (251-1) 55 33 63
Training in Regions in Budget, Accounts and Information Technology (IT)

<table>
<thead>
<tr>
<th>Region</th>
<th>Accounts Reform</th>
<th>Addis Ababa City Government</th>
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</thead>
<tbody>
<tr>
<td><strong>Amhara Region</strong></td>
<td><strong>Accounts Reform</strong></td>
<td><strong>Accounts Reform</strong></td>
</tr>
<tr>
<td></td>
<td>Oct. 6-17: BDA training for 17 staff from BoFED and 8 zones</td>
<td>Sept 22: BDA—Budget Adjustment Training for 19 staff from sub-cities and BoFED</td>
</tr>
<tr>
<td></td>
<td>November: Region wide training in Single Pool/Single Treasury Accounting System for 3,055 staff</td>
<td>Sept 23: BDA—Transaction Register Training for 16 staff from sub-cities and BoFED</td>
</tr>
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<td></td>
<td><em>(Planned)</em></td>
<td>Sept 24: BDA—Monthly Report Training for 16 staff from sub-cities and BoFED</td>
</tr>
<tr>
<td><strong>Benishangul Gumuz Region</strong></td>
<td><strong>Accounts Reform</strong></td>
<td><strong>Accounts Reform</strong></td>
</tr>
<tr>
<td></td>
<td>Oct. 27-29: BDA training for 10 staff from BoFED</td>
<td>Aug. 29-Sept 7: Region wide training in Single Pool/Single Treasury Accounting System for 3,055 staff</td>
</tr>
<tr>
<td><strong>Oromia Region</strong></td>
<td><strong>Accounts Reform</strong></td>
<td><strong>Accounts Reform</strong></td>
</tr>
<tr>
<td></td>
<td>Sept. 6-7: Closure of Accounts Training for 209 staff</td>
<td>July 28-Aug. 2: BIS and BDA training for 20 staff from 3 zones and 4 special weredas</td>
</tr>
<tr>
<td></td>
<td>Sept. 13-25: BDA 3(A) Training for 39 staff from BoFED and zones</td>
<td>Aug. 29-Sept 7: Region wide training in Single Pool/Single Treasury Accounting System for 3,055 staff</td>
</tr>
<tr>
<td><strong>Harari Region</strong></td>
<td><strong>Budget Reform</strong></td>
<td><strong>Budget Reform</strong></td>
</tr>
<tr>
<td></td>
<td><em>(Planned)</em></td>
<td>November: ToT in Budget Execution to 20 core trainers</td>
</tr>
<tr>
<td></td>
<td>Oct. 11-14: ToT on Budget Execution for 20 core trainers</td>
<td>November: Budget Execution training for 100 accountants</td>
</tr>
<tr>
<td></td>
<td>November: Region wide training in Budget Execution</td>
<td><strong>(Planned)</strong></td>
</tr>
</tbody>
</table>
The following is a list of recent documents available from the DSA Project for distribution. A major objective of the bulletin is to make Federal and Regional finance officials aware of the documents available on the reform and to rapidly disseminate the concepts and lessons of the reform.

### Documents Available

#### DSA Project Office

**Accounts**
- Assessment Report on the Accounts Reform in Addis Ababa (A-89)
- Tigray Region Assessment of the Accounts Reform [Draft] by David Lynch (A-90)
- Addis Ababa City Government—Refresher Training Material for Sub-cities (T-204)
- Addis Ababa City Government—Refresher Training Material for Sub-Cities—Overheads for Trainers (T-205)

**Budget**
- FY1997 Approved Budget for the Amhara National Regional State—Regional Consolidated Budget [Amharic Version] (B-137)
- FY1997 Approved Budget for the Amhara National Regional State—Regional Consolidated Budget [English Version] (B-138)
- FY1997 Approved Budget for the Amhara National Regional State—Regional Bureaus [Amharic Version] (B-139)
- FY1997 Approved Budget for the Amhara National Regional State - (10 Volumes)

**Information Technology (IT)**
- Budget Disbursement and Accounts System – BDA3 (B): Transaction Register – User’s Manual (IT-BDA-30)
- A Post Implementation Support Strategy for the ITPFM Project’s Financial Information Systems, by Pam Kingpetcharat, Summer 2004 Intern (IT-006)

**Planning**

**Miscellaneous Report**
- Assessment Report of Dire Dawa Administration Council (M-43)
- Assessment Report of The Harari People National Regional State (M-44)