Dear Readers,

A major objective of the Phase 4 of the DSA project is intensified skills and knowledge transfer between external and local staff, between the project and counterparts from federal and regional governments. Ensuring that the managers at various jurisdictions understand and are able to manage the new financial procedures has all along been the focus of the DSA reform implementation process. The sustainability of the reforms is embedded in the way the reforms are being implemented. The training strategies put in place for the federal as well as regional governments, the concept of the wereda support units, the on-going and continuous technical assistance by the project advisors...are all geared towards ensuring the sustainability of the reforms implemented.

Human capacity development has always been the basis for the DSA implemented reforms. To date, 55,238 government staff have been trained in the various reform programs. 19,742 of these were trained in Phase 4 of the DSA project. Select external executive training in public finance management has also been carried out involving so far 14 senior government staff. These training programs are believed to improve the understanding and management skills of participants and also facilitate experience sharing with participants from other countries involved in reform implementation.

Ensuring the sustainability of the reforms is a major task for both government and the DSA Project. Ensuring that the managers at various jurisdictions involve in the day to day management of the reforms, ensuring that weredas are adequately staffed, ensuring that the technical staff involved in reform implementation at various government levels receive adequate support from senior officials, ensuring that important skills required to manage these reforms are acquired by government staff, ensuring that the reforms being implemented are adequately managed and coordinated...are steps that government needs to take to facilitate a successful institutionalization process.

Currently the project is working hard to complete the introduction of the reforms in Oromia, Benishangul Gumuz, Harar, Dire Dawn, Afar, Gambela and Somali regions. Support to other regions in the management of the reforms is also being carried out. A status review of the financial reforms being implemented is included in this edition of the Bottom Line.

We hope you will enjoy reading this issue.

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The Bottom Line is prepared by the DSA Project. The DSA Project is implemented by Harvard University and funded by Development Cooperation Ireland (DCD), the Netherlands Minister for Development Cooperation and the United States Agency for International Development (USAID).
Status of the Financial Reforms

The Expenditure Management and Control Sub-Program of the Civil Service Reform Program is designed to improve, re-organize and modernize the financial management of the country. The implementation of the budget, accounts and expenditure planning reforms in all regions and at the Federal Government is being carried out in a sequential and successful manner. The budget reform has been implemented in 8 regions, 2 administrative areas and at federal level. Somali region is expected to complete the introduction of the budget reform by the second quarter of FY98. The new accounts system is running in six regions and 2 administrative areas. By the second quarter of FY 1999, the remaining three regions, Afar, Gambella and Somali regions are expected to implement the new accounting system.

Implementation of formula based revenue assignments, introduction of the performance agreements in weredas, development of the performance based bloc grant system are the current features of the expenditure planning reform in regions. The SNNP, Oromia and Amhara regions are taking the lead in implementing the planning reform.

The procedural reforms are supported by an integrated financial information system and extensive training. To date, the project has trained 55,238 government staff in budget, accounts and planning. Currently, the project’s IT systems run at 52 zone and regional sites in Oromia, Tigray, Amhara and SNNP regions, at BOFED level in the remaining regions, at sub-city level in Addis Ababa, and at public body level at the Federal Government.

The Phase 4 of the DSA Project involves a significant upgrade of these systems in terms of functionality (highly improved features and performance), as well as scalability and maintainability. This new upgrade, IBEX, is of marginal cost and will require limited software support focused in central locations. IBEX represents an integrated financial management system that addresses the core functions of financial management (Budgeting, Accounting and Disbursements) in the short term, and is flexible for the inclusion of non-core functions in the future (Revenue, HR, Payroll...). One of the major features of IBEX is that it is Web enabled, suited to operating on a wide area network.
The Use of IT in the Finance Area

SNNPR BOFED

In SNNPR, the BIS/BDA application software is the heart of the financial information and resource allocation and utilization throughout the region. The BIS/BDA system is operating in all 13 zones and 4 special weredas of the region. BOFED has now implemented a new data transfer system. 12 of the 13 zones and 2 special weredas use this data transfer system to send their accounts data to BOFED, on a monthly basis.

Tigray BOFED

The Tigray Bureau of Finance and Economic Development has planned to rollout BIS and BDA to all 48 weredas in the region, 5 select regional sector bureaus and 2 pools. The Tigray BOFED has already purchased computers to be installed in the finance office at each wereda and regional sector bureau. The DSA Project will assist in training staff in the use and management of the systems.

The rollout of the BIS and BDA systems started with the training of staff from select weredas. Phase 1 training of BIS and BDA users as well as technical support staff from 28 weredas started on October 14, 2005. Training is designed to be conducted by two trainers per class, a DSA IT staff and an assistant from the BOFED. By participating in the training the BOFED counterpart is expected to master the systems so that he/she will be able to support the systems going forward.

A budget expert from each wereda will attend the BIS course for 3 days. An accounts expert will attend the BDA course for 2 days and the technical support staff will attend both the BIS and BDA courses and an additional one day of computer maintenance, for a total of 6 days.

Phase 2 of the program will continue with the training of staff from the remaining weredas and phase 3 will involve region sector bureaus staff. A total of 160 staff are expected to be trained in all three phases of the program.

The Bottom Line thanks Ato Kedru Abza, Head, Systems Network and Data Processing, SNNPR BOFED, for sending us the above pictures and brief article on the information systems status in SNNPR.
Zeleke Nemera was born, educated and has been working for the last 9 years in Benishangul Gumuz region. He is 36, an accounts graduate of the Civil Service College and currently head of the Budget, Accounts and Disbursements Department of the Benishangul Gumuz Bureau of Finance and Economic Development.

Zeleke was key in the implementation of the budget as well as accounts reforms in his region. He was team leader, trainer, coordinator, supervisor ...an all in one personality. Always eager to learn, he is quick in mastering new systems and putting them at work. A responsible personality, he made sure that the reform implementation was carried out with the utmost attention. The country and his region values him a great deal.

The DSA Project admires his work, and wishes him further success in his career.

The task of implementing reforms is a highly demanding responsibility. Implementing reforms in areas that are remote, with limited transport and communication infrastructure and difficult weather conditions is even more difficult and requires people of character, principle and commitment. Such individuals are not found in multitudes.

In the past years, the DSA Project has met a number of these hardworking, reliable and responsible reform leaders in different regions and the Federal government. The Bottom Line has tried to introduce a few of them to our readers. This month, we have the pleasure of introducing a truly hardworking individual from Assossa.
(WAN), and is therefore positioned to make maximum use of the WeredaNET ICT infrastructure, when established. IBEX is the way forward for financial management automation at wereda level.

**The launching of IBEX**

This realistic, tangible and low-cost integrated financial management information system (IFMIS) is already operating in Ethiopia. Following the launching of the IBEX Budget Module at MOFED and the Addis Ababa BOFED on April 4, 2005, the DSA project has launched the IBEX Accounts Module on October 17th, 2005 at the Central Accounts Department in MOFED.

The rollout of IBEX to Oromia, Amhara, Tigray and SNNP regions is scheduled for the first quarter of 2006.

**Institutionalizing the reforms**

Automation of the financial systems is a major reform component that needs to be understood and acknowledged by government. The project has always ensured that the information systems it developed were sustainable in terms of local capacity, cost and maintenance. The government’s role in supporting and encouraging the DSA IT initiatives specifically supporting the project’s IT strategies with a clearly defined government IT policy is important for ensuring successful sustainability of the systems.

The regions are working hard to manage these systems. The Tigray BOFED has identified IT support staff at each wereda to support the rollout of the BIS and BDA systems to all weredas. SNNP and Amhara regions are taking the lead in supporting the BIS and BDA processing at region and zone level with minimum support from the project. These are encouraging signs ensuring the sustainability of the systems.

The project will further strengthen support to all regions and the Federal Government to ensure the sustainability of these systems.

**IN MEMORY OF MESFIN ASRAT...**

He was the Expenditure Management and Control Sub-Program (EMCP) Coordinator at the Ministry of Finance. His name was Mesfin Asrat. A friendly personality, with great coordination and negotiation skills, he played a significant role in the implementation of the reform agenda. His broadmindedness and resourcefulness had a great impact on the day to day running of the reform program. He was very much loved and respected by everyone he worked with.

Ato Mesfin Asrat passed away 5 years ago, on October 7, 2000, at the age of 53. He is a great loss to all, his colleagues, friends and family.

May God rest his soul.
The following is a list of recent documents available from the DSA Project for distribution. A major objective of this newsletter 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.

**ACCOUNTS**
- Background Paper on the Business Case for an Accounts Payable Functionality (A-127)
- Amhara Region Accounting System: Set of Forms for Region Sector Bureaus (T-274)
- Amhara Region Accounting System: Set of Forms for Region Sector Bureaus [AMHARIC VERSION] (T-275)
- Amhara Region Accounting System: Training Module for Region Sector Bureaus – Trainer Version 1.0 (T-276)
- Oromia Region Accounting System: Training Module for Region Sector Bureaus – Overheads for Trainers [OROMIFFA VERSION] (T-284)
- Dire Dawa Administrative Council Accounting System: Training Module for Region Sector Bureaus – Trainee version 1.0 [AMHARIC VERSION] (T-285)
- Dire Dawa Administrative Council Accounting System: Set of Forms for Region Sector Bureaus [AMHARIC VERSION] (T-286)

**BUDGET**
- Budget Reform Manual: Volume II—Accounting and Reporting; A guide for Afar Region [AMHARIC VERSION] (B-196)
- Budget Reform Manual: Volume II—Accounting and Reporting; A guide for Gambella Region [AMHARIC VERSION] (B-197)
- FY1998 Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia [AMHARIC VERSION] (B-198)
- FY1998 Federal Negarit Gazeta of the Federal Democratic Republic of Ethiopia [ENGLISH VERSION] (B-199)
- Budget Reform Manual: Volume II—Accounting and Reporting; A guide for Gambela Region (B-200)
- FDRE: FY1998 Approved Budget Volume III (Amharic Version) (B-201)
- FDRE: FY1998 Approved Budget Volume III (B-202)
- Budget Reform Manual: Volume II—Accounting and Reporting; A guide for Somali Region (B-203)
- Budget Reform Manual: Volume II — Training Module Accounting and Reporting; A guide for Afar Region – Trainer Version [AMHARIC VERSION] (T-277)
- Budget Reform Manual: Volume II — Training Module Accounting and Reporting; A guide for Afar Region – Trainee Version [AMHARIC VERSION] (T-278)
- Budget Reform Manual: Volume II—Training Module Accounting and Reporting; A guide for Afar Region—Set of Forms [AMHARIC VERSION] (T-279)
- Budget Reform Manual: Volume II—Training Module Accounting and Reporting; A guide for Gambella Region—Set of Forms [AMHARIC VERSION] (T-282)
- Budget Reform Manual: Volume II—Training Module Accounting and Reporting; A guide for Gambella Region—Trainee Version (T-287)
- Budget Reform Manual: Volume II—Training Module Accounting and Reporting; A guide for Somali Region—Trainee Version (T-288)
- Budget Reform Manual: Volume II—Training Module Accounting and Reporting; A guide for Somali Region—Trainee Version (T-289)

**PUBLIC INVESTMENT/EXPENDITURE REFORM**
- Aide Memoire—Consolidating the Planning Reform by Perran Penrose (P-70)

**MISCELLANEOUS REPORTS**
- Revenue Retention and Net Appropriation Issues (M-57)

**PROJECT QUARTERLY REPORT**
- Report of Project Activities: July 1st to September 30th, 2005 (Q-34)

**OUTSIDE REPORTS INVOLVING THE DSA PROJECT**
- SNNP Region—Health Sector Review Study Report; Prepared by the Finance and Economic Development Coordination Bureau in collaboration with the Health Bureau [AMHARIC VERSION] (OR-46)
- SNNP Region Finance and Economic Development Coordination Bureau—Project Preparation Manual [AMHARIC VERSION] (OR-47)
- SNNP Region—Education Sector Review Study Report; Prepared by the Finance and Economic Development Coordination Bureau in collaboration with the Education Bureau [AMHARIC VERSION] (OR-48)
- SNNP Region—Water Sector Review Study Report; Prepared by the Finance and Economic Development Coordination Bureau in collaboration with Bureau of the Water Resources Development [AMHARIC VERSION] (OR-49)
- Amhara Region Finance and Economic Development Bureau—FY1998 Block Grant Formula for Region Bureaus [AMHARIC VERSION] (OR-50)
- Oromia Region Finance and Economic Development Bureau—An Overview of the Experience of Oromiya in Woreda Budget Transfer Formula—the Unit Cost Approach [ENGLISH VERSION] (OR-51)
- Oromia Region Finance and Economic Development Bureau—Proposal to develop unit cost formula to determine Ana Block Grant [ENGLISH VERSION] (OR-52)