

Background:

The Iraqi Financial Information Management System (IFMIS) is an automated budget execution tracking system that was selected in 2003 by the Coalition Provisional Authority in Iraq to replace a manual system. The USAID-funded Economic Governance I and II programs have been providing technical assistance for implementation.

The IFMIS was taken off-line in June of 2007 after a serious security incident at the Ministry of Finance Data Center in Baghdad. On January 14, 2008 a Memorandum of Understanding (MoU) authorizing a restart of the IFMIS implementation was signed by the Minister of Finance and USAID. The agreement lays out the respective roles and responsibilities of each party and sets a timeline for resuming implementation of the IFMIS.

Current Status:

- In February 2008 the IFMIS server equipment was taken to the USAID Economic Governance II camp in the International Zone from the MoF Data Center for reconditioning. MoF technicians came to the camp and have worked with the USAID implementer to recondition the system.
- The production and training versions of the system are now operating and full functionality has been restored. A number of technical issues have been resolved and the IFMIS is now operable pending a staged re-roll out.
- The IFMIS has been upgraded to the latest software version of the FreeBalance software platform. This was an important step as it guarantees support from Microsoft and the software developer (FreeBalance) for the database. The new version is also expected to provide better report generation interface and resolve a printing issue for producing reports.
- The MoF with assistance from the USAID implementer has initiated a survey of the Government of Iraq IFMIS end-users, nationwide. The survey provides a full accounting of which IFMIS users are still in their assigned posts at GoI spending units and treasury locations, when they last received training, and a quantitative assessment of their skill with the system.
- Under the terms of the MoU the MoF has taken on the task of procuring VSAT internet connections for the treasury sites across Iraq. The security situation makes such procurements difficult, but a vendor has been identified and the connections will be activated in June.
- The MoF is selecting ten (10) spending units that will become pilot sites for monthly reconciliations between the legacy system and IFMIS.
- The USAID implementer has assembled a training team of Iraqi staff that will work with the MoF to provide training to GoI end-users. This team will physically travel to all sites in all 18 provinces as the system goes live where they will also assist their counterparts with IFMIS data entry and operations.
- The MoF IT staff has begun a training program to learn the server administration best practices. This training will ensure that the MoF has the capacity to maintain and update the system in the future without USAID assistance.
- MoF technicians and USAID advisors have installed new F5 FirePass hardware for the IFMIS. This allows the system to accommodate 500 simultaneous users. With this increase in capacity the IFMIS may now be rolled out to all 250+ spending units or more in the future.

- The USAID implementer working hands-on with the MoF IT team has upgraded the IFMIS's hardware to increase the speed, reliability and performance of the system. RAM, processor upgrades and new power supplies have been installed and as part of a general upgrade to ensure the four-year old equipment will run with limited interruption once restarted.
- As of May 28th, the 2008 GoI Budget has been uploaded into the system. The operational and maintenance budget as well as the capital investment budget has been uploaded. With respect to the capital investment budget, the IFMIS also tracks project level budgets, and this data has been successfully uploaded.

Additional Modules:

Under the terms of the MoU USAID and the MoF have also agreed to resume work on implementing performance budgeting and purchasing modules that are additional off-the-shelf modules. Prior to June of 2007, some work in these areas was begun under funding from another United States Government agency. USAID is now supporting the MoF on these two additional modules as well as the core IFMIS which is a general ledger system.

The purchasing module and performance budgeting module have been upgraded to the latest software version and work has begun on functional mapping and configuration planning.

Next Steps:

- As the MoF restores VSAT Internet connectivity to the necessary treasury sites and spending units, the system will be fully ready to resume operations from a technical perspective.
- Beginning in early June the selected pilot spending units will again begin to use the IFMIS. These sites will reconcile the manual legacy system to IFMIS for six months.
- Using the survey of IFMIS end users as a planning tool, the MoF and the USAID implementer will jointly resume training activities for end users nationwide. The survey indicates that a large majority of spending units are still staffed with users trained on the system from 2004 -- 2006. As such, training for these sites will take the form of a review to ensure that capacity to operate the system does not suffer due to the lengthy suspension of use.
- The USAID implementer is presently procuring a full disaster recovery site to be located in the secure Adnan Palace complex. This site will be installed during before the end of 2008.
- Upon successful completion of the ten pilot site operations the GoI will take the lead in expanding the system out to include all 250+ sites..
- To support this the USAID implementer will work with the MoF to train a cadre of trainers that will train the IFMIS users at each of the sites as they are brought online.