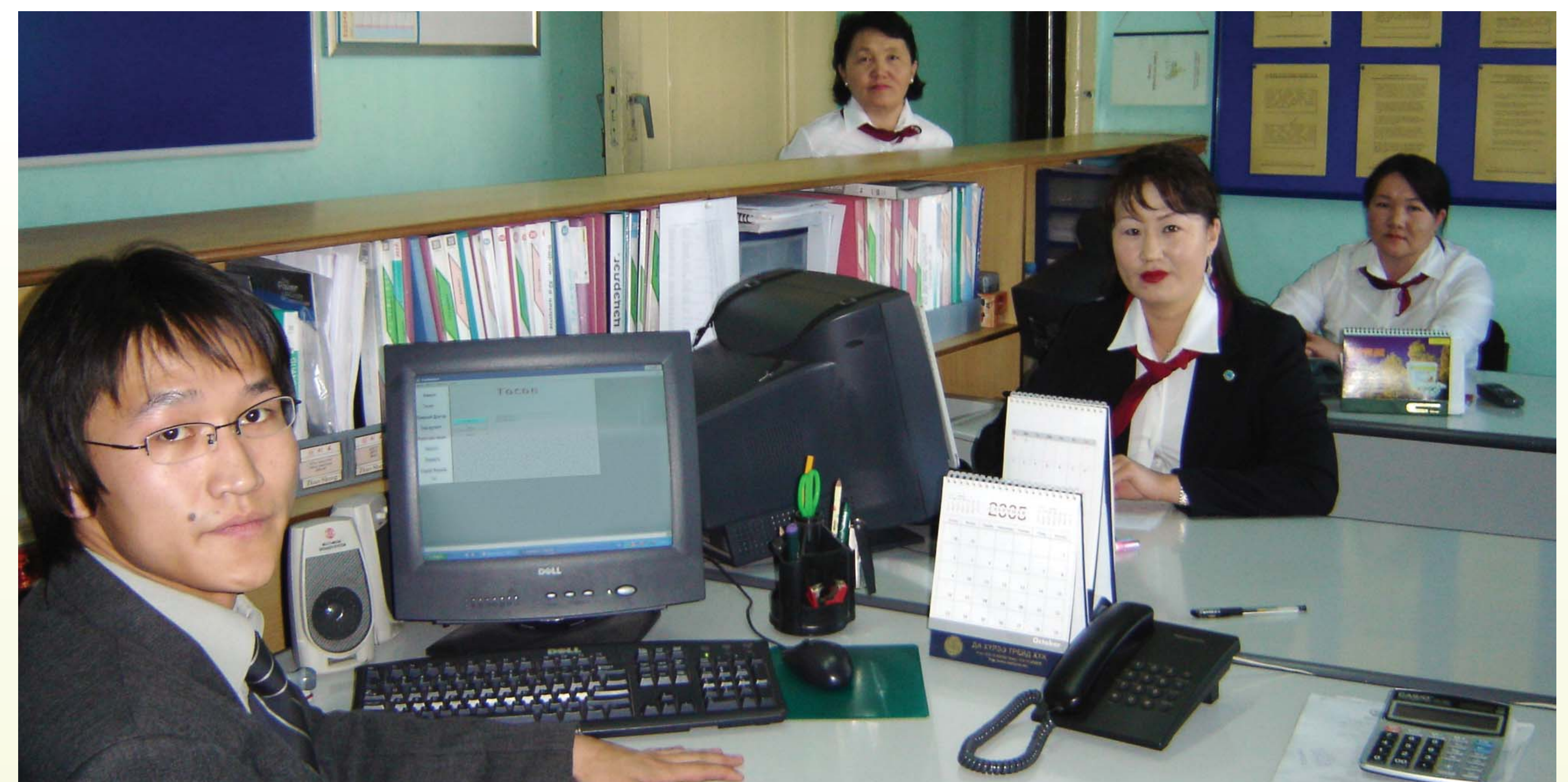


**Government Financial Management Information System (GFMS)
Ministry of Finance & Economy, Government of Mongolia**

Overview of Institutional Focus on Results: FreeBalance software and services are being used by the Government of Mongolia (GoM) as part of the government-wide fiscal technical assistance project. The project is aimed at enabling modern accountability, public sector transparency, performance, and results in Mongolia. The successful implementation and sustainability of a Government Financial Management Information System (GFMS) is considered a key component of the project and the results are being closely monitored by the international community.

2003	2004					2005	Ongoing
JULY	APRIL	MAY	JUNE	NOVEMBER	DECEMBER	JANUARY	
PROJECT LAUNCHED	IT INFRASTRUCTURE INSTALLED	TRAINING AND CERTIFICATION OF CORE MINISTRY OF FINANCE STAFF	CORE SYSTEM GOES LIVE	VSAT OPERATIONAL	GOVERNMENT-WIDE TRAINING AND CERTIFICATION	GOVERNMENT-WIDE SYSTEM GOES LIVE	SUSTAINABILITY, CAPACITY BUILDING AND NATIONAL DEVELOPMENT

Highlights: The GoM's GFMS project was launched in 2003 with an aggressive timeline to deliver results and demonstrate success to international donors and the citizens of Mongolia. The common Chart of Accounts consists of 4787 budget entities and is configured for a total of 69 multi-funds. This multi-fund configuration provides for financial statements that include Balance Sheet and Income statements at the fund level. FreeBalance software provides consolidated financial statements for the central Government and the local Aimags to produce the GoM's Consolidated General Purpose Financial Statements. The government-wide system went live in 2005 and connects the line



Ministries, Aimags, Districts, and many Soums through VSAT. In a December 2005 speech, Mongolia's Minister of Finance noted that 2005 marked the first time the GoM has achieved a budget surplus. He explained that one of the factors affecting the budget performance was the improved budget control that has resulted from the implementation of the FreeBalance GFMS. This is a tremendous accomplishment given the recognition by donors, economists and industry experts that improved governance, particularly in public financial management, is the key indicator for improving development outcomes. This project is moving the GoM towards achieving direct budgetary support.

Lessons Learned For Replication/Scaling Up: Sustainability, capacity building and the ability to demonstrate results to key stakeholders at each stage of the process played an integral role in the success of this project. Sustainability and capacity are enhanced when the government takes ownership and responsibility for operating the system and by taking advantage of configuration and built-in complete government functionality. This includes less implementation complexity and software that is intuitive by design and easy to use for customers with lower technical and personnel capacity.

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