

ASSISTANCE TO THE STATE TREASURY

UNDP Project 00048350
UNDP sector: Governance
Duration: Jan-2006 – May-2008

Background

From May 2005 to May 2008, the UNDP, through the program "Modernization of Financial System of Georgia" supported the Ministry of Finance of Georgia (MoF) and its structures in strengthening their capacities and the overall effectiveness of the Ministry. The Project endeavored to strengthen ability of the Ministry of Finance and State Treasury to carry out its mandate to serve the public interest in an accountable, transparent and professional manner.

Project Objective

The main objectives of the project:

- Establishment of a fully functioning Treasury Single Account (TSA) system by consolidating completely the banking arrangements for central government budget receipts and payments;
- Enhancement cash planning and cash management functionality;
- Ensuring transparency with regard to government funds;
- Minimizing operational costs of treasury transactions and streamlining banking arrangements to improve efficiency and control.

The TSA provides complete and timely information and transparency on government funds, minimizes operational costs born with the treasury transactions. Streamlined banking arrangements and associated operational enhancements improve efficiency and control.

Activities:

This project comprised the following activities:

- Implementation of the TSA methodology and practices;
- Implementation of the GFS 2001 compliant budget classification;
- Implementation of the Treasury General Ledger;
- Development and implementation of the special software system for simplified procedures of public expenditure financing;
- Development and implementation of relevant procedures and special software systems to introduce e-Treasury applications;
- Further development of ICT-infrastructure of the State Treasury HQs and regional units.

The project outputs:

- Development of the consolidated software system, which gives a possibility of importing the regional treasury data to the MoF consolidated data-base.
- Implementation of "e-Treasury" in the Georgian State Treasury and pilot budgetary organizations
- Elaborate of three basic directions of Treasury reforms:
 - Electronic Relations between State Treasury and Budget Organizations – "State Treasury MIS / e-Treasury";
 - Facilitation of expenditure procedures - "State Treasury MIS / e-Treasury";
 - Preparation of the main Treasury Account Book according to new budget classifier GFS 2001.

