

## ICT Supports Program Performance Budgeting (PPB)

The Municipal Budget Reform (MBR) Program's Performance Budgeting (PPB) software is an electronic budgeting system designed for use by municipal finance specialists to automate the PPB budgeting process (<http://www.mbr-ukr.org>). This software is used primarily by finance departments in selected municipalities. Its key features include

- Producing medium-term expenditure and revenue forecasts
- Performing routine expenditure and revenue analysis
- Creating annual budget requests for local council (*rada*) approval
- Producing budget implementation reports by revenue or expenditure type
- Archiving data and formulas to use in developing the baseline budget for the next budget year.

The software has a user-friendly interface in the Ukrainian version and is compatible with the budget software currently being used by national government agencies in Ukraine. The PPB software also supports information exchange with the local financial department and municipal treasury offices to ensure that treasury data can be imported.

To ensure that municipalities can use the PPB software, the MBR Team carried out municipal Information and Communication Technology (ICT) assessments, evaluating existing ICT infrastructure (networks, computers, power, and environmental conditions) and applications (mainly desktop), and designing three main infrastructure configurations to meet municipal needs. The MBR Team then selected a Ukrainian vendor (countrywide) to deliver, install, configure, and support the needed equipment. The MBR Team also worked to transfer ownership of this equipment to the selected municipalities.

The software is implemented in three phases, (1) planning, (2) execution, and (3) analysis. As of mid-January 2007, the planning and execution software components have been fully developed and tested and the designated users trained. The software was then launched in 81 of the initially selected 85 municipalities. The analysis phase will be developed, tested, and launched in 2007, when the complete PPB software will be rolled out to all 140 Ukrainian municipalities.

To date, the MBR ICT Team has completed the following:

- Designed, developed, tested, and documented the PPB software for the planning and execution phases (the analysis phase is in the design stage)
- Assessed, designed, purchased, and installed infrastructure (network, computers, and software) in 88 municipalities
- Set up the Hot Line for user support
- Written user manuals and assisted in designing and delivering PPB software user training.

At the end of February 2006, 33 municipalities had finalized their PPB budget for 2007, using the PPB software; had submitted their budget to the local *rada*; and had received final approval.

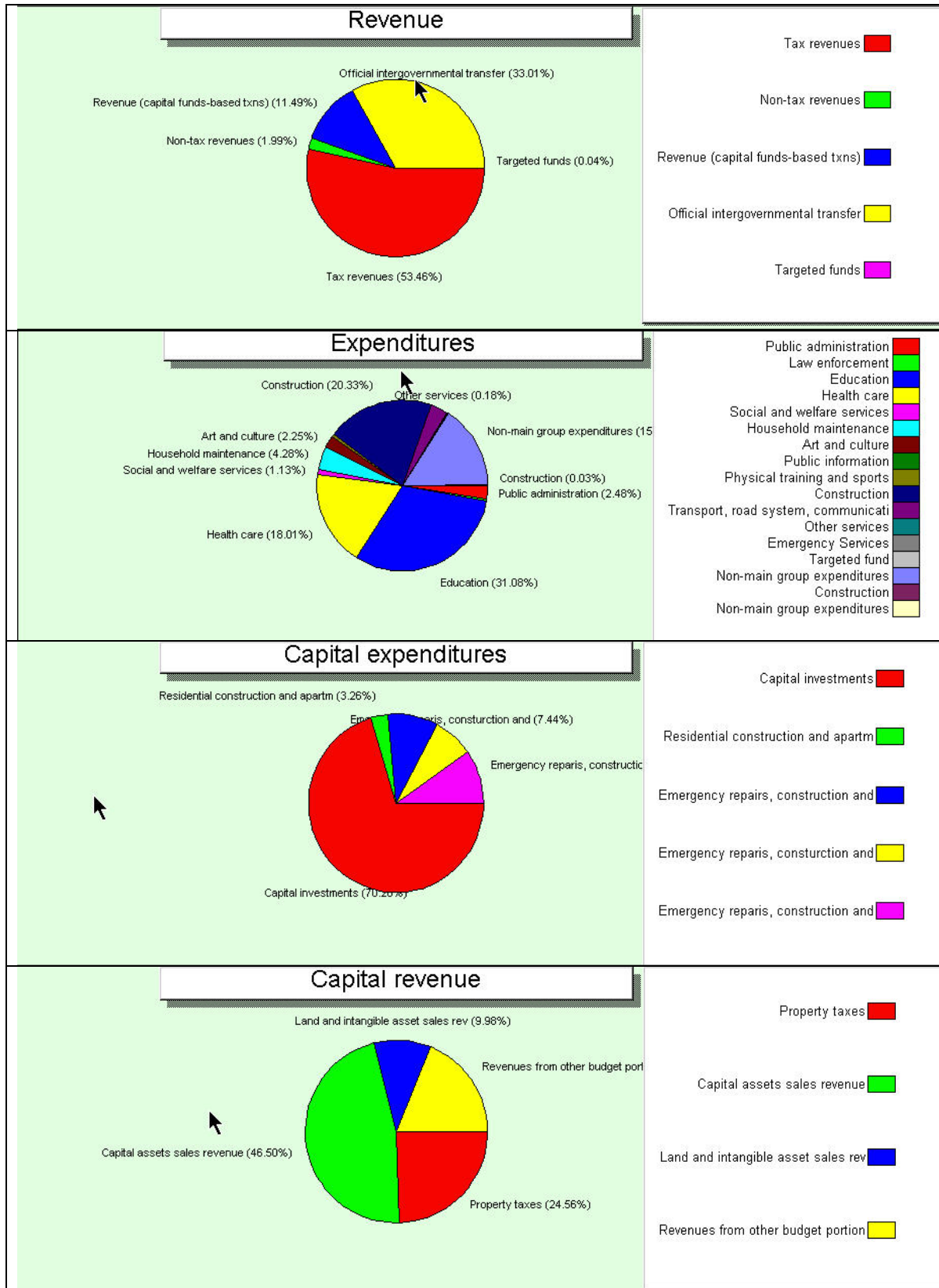
As of mid-January 2007, 81 cities have the PPB software installed and are using it. During February 2007, the number of municipalities using the software will increase to 88.

### **PPB Software Details**

Initially, the MBR ICT Team assessed platform options for the PPB software and selected 1S (a Russian integrated development environment [IDE] software), primarily because of the following set of considerations: (1) cost; (2) wide-spread use within Ukraine and the available staff; (3) built-in accounting functions in 1S; (4) scalability—different versions available to support small, medium, and large municipalities; and (5) prior experience of some municipalities with this software.

Key features of the software include

- PPB and traditional support (interlinked)
- Multi-year forecasting and analysis for revenues and expenditures
- Real-time balance function
- Budget process stages (planning, execution, and initial analysis)
- Budget in brief
- Role-based security (finance departments and administration)
- Auditing: log of all changes and history
- Document management: save interim versions and reload
- Import and export (Excel, txt, DBF, XML; BR and BE Excel, XML)
- Early stage multilevel consolidation (Oblast, Rayon, etc.)



PPB Software Balance Sheet, illustrating revenue and expenditure apportionment, April 2006.

The screenshot shows a software window titled "Municipal Budget Program: Education.Subprogram. Education and training in schools of the 1st-3rd stages. (16.01.07)". The window has several tabs: Description, Indicators, Expenditure forecast, Own source revenue forecast, Employee categories, Target programs, and Additional. The "Description" tab is active.

Program: 0921120011 ? Subprogram. Education and training in schools of the 1st-3rd stages.

Line department: Education department

Execution Unit: Department of education

Program Expiry Date: Start Date: . . . Expiry D.: . . .

Goal of the budget program: disabled children, orphans, working youth). Formation of a student's personality, development of abilities, talents, and a scientific world view. Prepare students for continuum education and/or working career

Program objectives:

Start	End	Nº	Objective
2006	2008	1	Provide compulsory free secondary education to children of Zhytomir city
2006	2008	2	Provide for implementation of guardianship and care activities to orphans

Buttons: Add, Delete, OK, Close, Save

*Detailed PPB Software Budget Program screen, April 2006.*

For more information, please contact

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To download the PPB software updates, please

1. Go to [www.mbr-ukr.org](http://www.mbr-ukr.org),
2. Select the **English** link at the top right corner, and
3. Select the **Software** link in the left-hand navigation bar.