

## Editorial

The GFA Group needs custom-tailored IT solutions for at least two purposes: to complete our range of consulting services offered to our clients in the public and the private sector, and to equip our in-house and field staff with up-to-date IT technologies to cope with the challenges of international consultancy. GFA has established two IT companies to meet this end: GFA SysCom GmbH and B.I.S. Business Intelligence Systems GmbH.

This newsletter illustrates the activities of B.I.S. The first article is about software solutions for financial management in international cooperation. It highlights the particularities of B.I.S. software products. For example, many partner organizations found reports showing real-time values directly extracted from databases truly convincing.

The second article relates to a newly developed low-cost B.I.S. software solution called Triple I – Ideal Infrastructure Investment. It has been designed to better tailor infrastructure investments to the technical and financial requirements of local public authorities in development and transformation countries. The software will be piloted in GFA projects at the end of 2009.

GFA's experience shows that IT tools are useful in structuring the process of institutional development and capacity building. With an appropriate IT tool in place local public authorities are in a better position to streamline their processes and provide improved services to the public.



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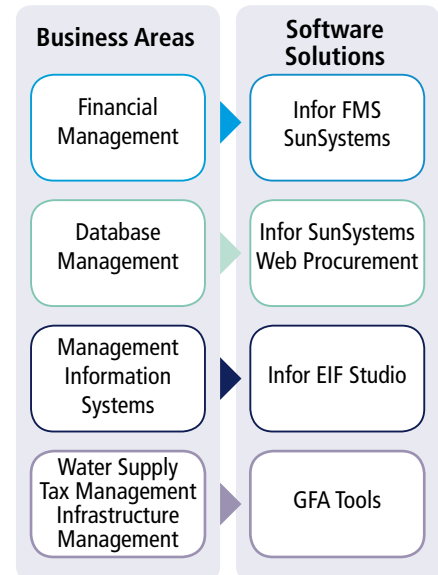
## Software Solutions for International Cooperation

Implementing business software in international cooperation projects is a challenge. Low-cost software is not suitable for managing budgets of several million Euros because such products tend to lack flexibility and the analysis features they provide are limited. Also, compliance with accounting requirements is not always ensured. Industrial software solutions, on the other hand, are often not adjusted to the needs of development projects, and they entail high license and implementation costs. Therefore, Business Intelligence Systems GmbH (B.I.S.) has developed a new approach.

B.I.S. applies professional standard software, specializing in fast and project oriented customization and implementation which takes the requirements of individual projects into account. The adjusted software verifiably increases the transparency, efficiency and auditability of the project. A deep understanding of the context of international cooperation and profound IT knowledge allows B.I.S. to offer tailor-made software solutions which incur low total cost of ownership (TCO).

B.I.S. is channel partner of Infor, one of the world's largest business software providers. Thus, clients benefit from reliable products which are used by thousands of organizations and which include global

product enhancements and support. At present, the B.I.S. product portfolio covers the following business areas:



Requirements for financial management in development projects are complex. Typically, financial data need to be classified and analyzed according to multiple criteria such as activity, budget line, donor and region. Accounting systems should facilitate monitoring of actual vs. planned figures. Also, reporting must be highly



MCC user training in Lesotho

## Software Solutions for International Cooperation (continued from page 1)

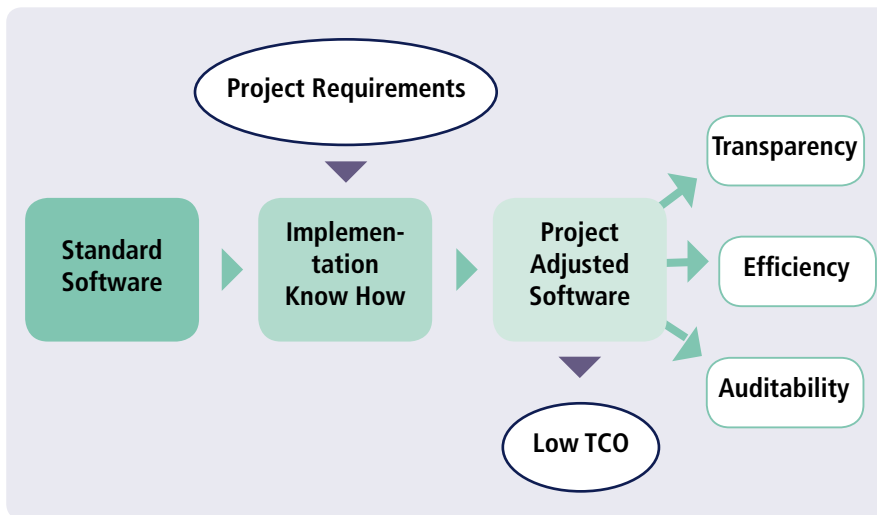
flexible and should meet the standards of the different donors and other stakeholders. Infor FMS SunSystems is well accepted by major auditing companies and covers all relevant local accounting and reporting standards.

The unique advantage of the B.I.S. approach is the integration of reporting into the familiar MS Excel environment. In each project, consultants define reporting requirements together with the client so that the reports provide valuable tools

the Sustainable Management of Natural Resources – South-West Province” in Cameroon. Here, German Development Cooperation, represented by KfW, joins forces with other international donors to support the Ministry of Forestry and Wildlife. GFA as implementing agency channels all funds to the partners. These account for the received money by completing Excel templates that are imported into a common database at the GFA project headquarters. The advantages of this

need to be stopped due to delays in receiving funds. A comparable approach has been followed in the “Programme for the Sustainable Utilization of Natural Resources” in Ethiopia. There, accounting data are recorded at the regional level in Excel templates which are then consolidated at the project office.

B.I.S. has developed other software solutions for international cooperation as well. There is a web-based Database Management System for the management of procurement processes, grants or contracts. Based on the INFOR application SunSystems Web Procurement, the database management tool can be customized to the project requirements in a short time, thus providing significant assistance in monitoring and evaluation processes. A management information system (MIS) offers a common reporting platform for financial, technical and geographical data. It supports organizations by providing relevant performance indicators for monitoring and decision making. B.I.S. specializes in implementing MIS solutions in ongoing projects. Excel is used as reporting platform where direct links to applications and databases are created during implementation. For special sectors like water billing, tax collection and infrastructure investment monitoring, off-the-shelf software normally is not suitable. GFA has therefore entrusted B.I.S.



*B.I.S. software concept*

in financial management. Different from similar software products, SunSystems Excel reports always show real-time values because they are extracted directly from the financial database. There is no limitation regarding the sector or the volume of the funds to be managed. A project or donor agency using SunSystems benefits from increased transparency and professional reporting. The latter allows tracking the use of funds so that misuse and fraud can be avoided. National partner organizations achieve a high level of transparency which leads to increased donor confidence.

To date, B.I.S. has successfully implemented Financial Management Systems in nine MCC funded projects with a volume of 240–700 million US Dollars each. In addition, B.I.S. has implemented SunSystems in several smaller projects which proves that suitable systems may be developed despite tight budgets. For example, B.I.S. set up the “Programme for

system are that local bookkeepers record expenditure in Excel templates without additional training while data are checked



*MCC workshop in Madagascar*

by qualified accountants before being imported into SunSystems. After updating the data, KfW disbursement requests and other reports may be directly printed out of the accounting system. Hence, disbursement requests to KfW are prepared in a timely fashion so that work does not

with developing the so-called GFA Utility Tools. These tools are developed as web-based applications using open source software such as Java provided free of charge.

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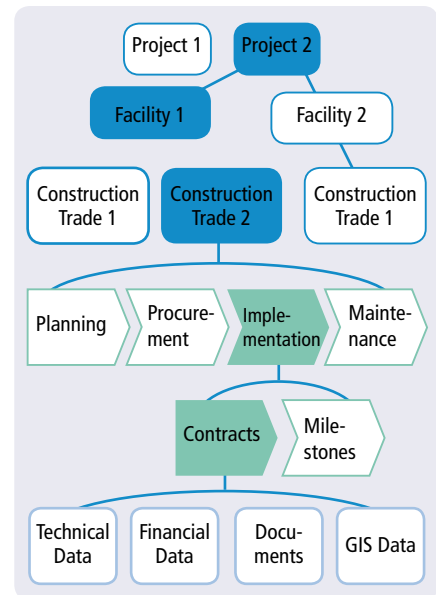
## Triple I – Ideal Infrastructure Investment

Local governance, sustainable human settlements, cost-efficient and needs-oriented use of resources, and improved municipal infrastructure delivery to enhance local growth and reducing poverty are amid of the major issues of development cooperation today. This governance notion comes with a new perception of public authorities as area-based managers and service providers rather than administrators. Accordingly, existing public sector approaches and tools are adapted, and new ones are researched and piloted.

GFA Consulting Group, in cooperation with Business Intelligence Systems (B.I.S.) and Dr. Schindler Geo Consult International (GCI), started developing an IT based management tool to meet this demand: Triple I – Ideal Infrastructure Investment. This modular system will improve infrastructure investment

lic authorities employ those to meet their obligations. Service provision is often privately organized due to a lack of public capacities or because the national system in general is organized that way. Triple I in this context will provide an excellent management device for sustainability, durability and transparency.

Particular about the management tool is its combination of financial and technical data taking a holistic perspective on the processes of planning, construction and maintenance of infrastructure. The mutual availability of data is supplementary supported and qualified by continuous geo-referencing of all data using GIS. Triple I displays the process of infrastructure investment less from an architectural or engineering point of view but, instead, clearly assumes the perspec-



Triple I software design



Triple I screenshot

tailored to the specific circumstances and requirements of developing countries. The tool will be designed from the perspective of public authorities and privately owned service providers that need assistance in managing all aspects of the infrastructure investment process. This starts from needs-oriented and cost-efficient planning and budgeting and includes maintenance, financial and land administration issues. Main target groups are public authorities and donors providing and financing suitable and durable infrastructure and housing, and reliable service delivery. Privately-owned service providers are crucial, too, as many pub-

lative of the awarding authority. The tool therefore provides the authority with both, a structural and operational ap-



Example for GIS integration

proach to the investment and an efficient monitoring and documentation system. The latter, whether public or private, is fundamental for future maintenance and

operation. Clients consequently will be guided through all steps and phases of the infrastructure investment process. They have the opportunity to put in technical and financial information, to upload all kind of relevant documents, and to add individual explanations. All activities come with a timeline, a responsibility statement and operational requirements indicators. Triple I could, therefore, be applied to implementation and technical and financial reporting as well as to daily operation, monitoring and maintenance purposes or long-term asset management. As the maintenance perspective is technically and financially integrated right from the beginning, the tool offers the opportunity for mid- to long-term profitability and sustainability of the investment.

Overall, Triple I offers clients a basic and modular process design that can be customized to their individual circumstances and specific demands. Moreover, as the tool uses Open Source and Java it fits the requirements of developing countries. Open Source reduces license requirements, thus allowing for low costs. Java lets clients modify the tool by themselves, if necessary. Triple I will be ready for piloting by the end of 2009.

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### Climate Neutral Printing

GFA and ClimatePartner Deutschland have entered an exclusive business association towards sustainable media production. The new partnership is a reaction to the increasing demand for printed matter which has been produced responsibly. Hence, more and more media companies are opting for Forest Stewardship Council (FSC) certification as well as for climate neutral printing. "Credible climate protection in media production must inevitably presuppose the use of recycling or FSC paper" explains Alexander Rossner, Managing Director of ClimatePartner. GFA and ClimatePartner now coordinate their services so that clients opting for FSC certification experience simplified procedures, less inquiries and reduced expenses. The new business association will offer coordinated training courses, joint events and information on sustainability in media production.

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### GFA Enters FSC Market in the US

GFA has joined forces with American Green to offer FSC Chain of Custody (CoC) services related to the FSC across the US. "This partnership enables us to extend our geographic scope to offer FSC CoC certification in the US in addition to our focal markets in Germany, Europe, Russia, China and Latin America!" says Carsten Huljus, Program Director of GFA Certification Department. Initial certificates were issued in July 2009. FSC as a non-profit organization provides

a certification system with internationally recognized standard-setting, trademark assurance and accreditation services to companies, organizations and communities interested in responsible forestry. CoC tracks FSC certified material through the production process – from the forest to the consumer. FSC CoC systems of companies are evaluated and monitored by accredited certifiers. GFA has been a highly reputable third-party certifier for a long time, known for its fast and reliable services. American Green Business, LLC is the newest organization to offer FSC CoC certification services in the United States. Representing GFA in the US, American Green handles all client interaction by utilizing state-of-the-art technology and a highly mobile office while certificates are issued by GFA.

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### REDD Approach in Ecuador

Ecuador has one of the highest deforestation rates in Latin America with an estimated loss of almost 200,000 ha per year. In order to counter this trend, the Ministry of the Environment of Ecuador has launched Socio Bosque, a project involving yearly cash payments to individuals and communities which commit themselves to the protection of their forests for a period of 20 year. The goal of the project is to protect 3 million ha of forest and involve more than 500,000 beneficiaries. In mid 2009 German Development Bank, KfW commissioned GFA to formulate proposals supporting Socio

Bosque and linking the project to the concept of REDD – Reducing Emissions through Deforestation and Forest Degradation. REDD is internationally seen as one of the most promising mechanisms to reduce deforestation. Future support will focus on preparing Ecuador for the post-Kyoto period after 2012 through capacity building, pilot activities, and a robust carbon monitoring system.

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### Sustainable Energy in Russia

GFA Consulting Group – together with its consortium partners MVV Consulting, ICF International and GFA ENVEST – has won an EBRD contract to design and implement the Russian Sustainable Energy and Carbon Finance Facility (RSECF). RSECF aims at providing credit lines to participating banks for debt financing in relation with industrial energy efficiency projects. In addition, the facility will familiarize local financial institutions with appraising and financing energy efficiency investments. Also, local engineers will acquire the technical expertise to identify and prepare technically feasible, bankable projects. The GFA Consulting Group, mainly through GFA ENVEST, has been providing technical assistance in this field since 1999. Aside from GFA ENVEST, the regional departments of the GFA Consulting Group have extended their activities and range of services provided in the field of renewable energy.

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**GFA Consulting Group** is a growing consulting organization active in economic development. The main sectors of the company comprise agriculture and rural development, natural resources management, environmental investment, water supply and sanitation, private sector development, decentralization and public sector management, financial systems development and health. GFA Consulting Group presently works in more than 70 countries and collaborates with selected, specialized partner companies both, nationally and internationally.

**GFA vision** – to be the partner of choice for clients in our core service areas.

**GFA mission** – to improve the livelihood of beneficiaries through our professional services.

**GFA core values** – to offer high performance in service delivery, technical excellence in our main sectors, innovative approaches and products, and credibility with our clients when putting projects into practice.