



ODI Global

Report

Annex: What does done right look like?

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About this publication

This document ('Annex: What does done right look like?') is an annex to the 'Public finance in the digital era: Emerging themes' report.

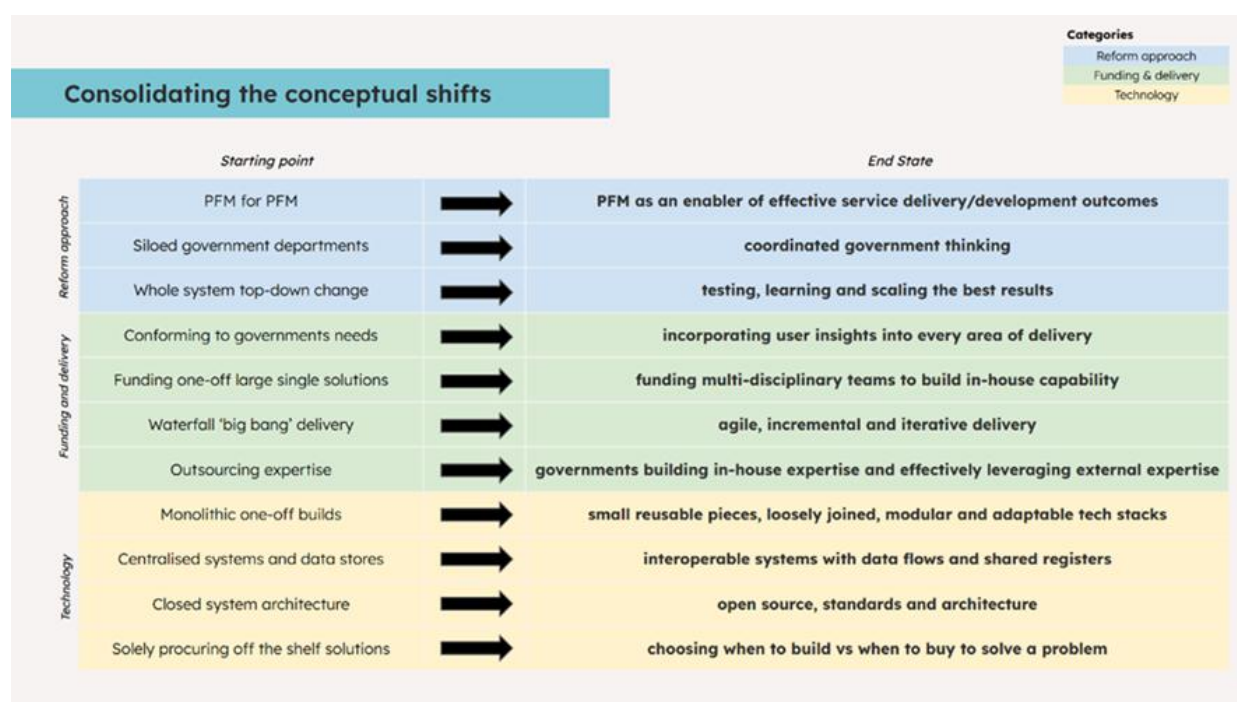
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What does done right look like?

Figure 1 Eleven key shifts for digital PFM (Chapter 1, Fig. 3)



Source: Stewart et al., unpublished – shared with the authors.

Collectively, these 11 shifts reflect a move from thinking of the way one brings technology into government. This cannot be a set of disconnected, one-time, big-bang (and big-budget) reforms. It must be a more long-term programme, driven by shared goals and strategy, which breaks down the reforms into smaller steps, and retains the flexibility to choose how these steps will be sequenced, based on both the needs of the day and the lessons learned in the journey up to that point.

Based on this understanding, we developed a series of questions that elaborate on each of the shifts. We shared these with the authors of each chapter in this report, and these have been woven into each chapter's analysis of emerging themes and trends.

The questions below can thus be seen as framing our exploration of digital PFM, and can be applied to any specific case that we study, in order to understand where it falls along the spectrum of 'traditional' to 'emerging' approaches.

Framing of reforms: How are reforms being discussed – best practice or policy based? Problem driven (/service oriented) or solution driven? Is there openness to iteration?

- Starting with problem definition is good.
- More problem-oriented and iterative is good. This is not to say that standard processes such as periodic reporting are unnecessary – rather that they can be taken as a minimum starting point, and that the reform should explore how those sources of information can both be improved and better applied to solving some of the specific problems and challenges the government faces.

Integrative thinking: Are reforms seen as narrowly confined to a specific part of government, or is there thinking around interconnections between different government entities, levels, functions, etc.

- More transversal / 'whole-of-government' thinking is good (even if not explicitly articulated in this way – are the reforms leading up to a less siloed systems and data?)

Multi-horizon thinking: Are technology (and policy) choices being considered in a framework of what will be good for the future (the *ability to sustain and continually improve*, and *optionality to adapt and extend*) as well as how to meet the needs of today's user (things like *usability, reliability, scalability, security and performance*.)

- Articulation of these two sets of needs / benefits is good.
- Plans to work towards future needs while ensuring robust delivery in the present are good.

User centrality: Is user research taking place? Is it wide-ranging, likely to bring in ideas from different local contexts / needs, or most limited to one context / centralized?

- Problems have to be defined with some set of users in mind. Articulation of users and their needs is good.
- Articulation of a value proposition – how will this change help solve this problem for users – is good. (Even if not done, do we think it will be? That the approach will be user-centric?)
- More evidence of thinking about feasibility of the proposed changes for the intended users is good; as a start, mapping of what changes they have to make is good, and having a plan for how to manage those changes is excellent.
- A wide-enough definition of users is also a factor; a very narrowly-defined user base (e.g. senior administrators or policymakers) is not good. Recognition that different sets of users may have some different needs is a starting point for thinking about what levels of customisation or localisation to design.

Delivery and funding models: How is funding/delivery discussed – are there multidisciplinary teams involved? Are teams working in the open? Is there thinking around agile delivery? What is the role of external funders (if any)?

- More multidisciplinary is good.
- More ‘build in the open’ practices are good – especially in the context of emerging technologies and applications, where some failures should be accepted as a necessary part of learning.
- Making room for agile or hybrid approaches (over traditional waterfall) is good.
- Thinking in terms of waves of outcomes is good; aligning funding structures with this, for instance with different sets of funders coming in to support subsequent waves, is ideal.
- Funders, whether domestic or external, thinking about how to use their leverage to shape the software and software implementation markets (towards more openness and interoperability) is good.

Multidisciplinary and participatory design: Who is involved in the discussions about technology architecture – are the discussions siloed or taking place across a broad ecosystem of actors? Are they coordinated by any central authorities? What (if any) is the role of the Finance Ministry conceived to be?

- More broad involvement is good. This is in terms of both stakeholders and skillsets / disciplines represented in the discussion.
- Efforts to understand problems / barriers and value from the perspective of multiple different stakeholders is good, especially where these are being translated into user needs.
- Conversations that see the Finance Ministry as a broad enabler – a stakeholder in broader government digital transformation, not just digitization of finance systems – are good.

Ecosystem breadth / maturity: What does the marketplace for software look like? (Mostly COTS, mostly custom, mostly OSS, a mix?) Has the discussion moved beyond buy/build, and how sophisticated is the discussion on customization?

- A more competitive software market is good.
- Leaning towards COTS is not inherently bad, however, the extent of customization needed (even with COTS) should not be underestimated .
- A serious engagement with what open-source software is available, and its pros and cons relative to COTS, is good.
- A clear assessment of own capacity to make necessary changes and manage adoption of the new system are good.

Existing systems and migration, assessing current situation:

What are the legacy technologies, and is there any thinking on how to interoperate, upgrade, or migrate?

- Recognition of existing systems, gaps, and dependencies is good.
- A discussion around migration scenarios is good.
- A recognition of software as ongoing work (more revenue expense than capital expense) is good. The path to ‘implementing a new system’ being defined in terms of new functionalities and technologies being added, in a modular way, is excellent.

Data quality, governance, and openness: What do people feel about existing levels of visibility and timeliness of data? Do policy makers in Finance Ministry and beyond feel like they are getting the view they need? Is there thinking around data governance, especially around establishing registers and enabling multiple stakeholders to work from those? Is there thinking around data standards and interoperability?

- Related to problem-driven and user-centric approach: how is data factored into those questions?
- Identifying specific gaps in data access / sharing, quality, and usage is good.
- Thinking about how to make data more reliable and accessible, including through use of standards, is excellent.

Capacities within government: Are skills gaps being filled? Is there thinking around capacity over a longer term?

- More long-term thinking on capacities is good.
- Using standards and self-assessment tools to assess capacities and current situation is good.
- An articulation of what skills are needed – not just to implement but to sustain and use – is good. A plan to build those skills over the medium-to-long term is excellent.
- Planning for peer-to-peer learning, at national / regional / international levels is excellent.