

Digital government performance

Information and communication technologies (ICT) increasingly underlie all government activities. Governments in OECD countries spend up to 2% of their budgets on IT (OECD, 2013). Although the share might appear small, it includes many large and therefore risky projects.

The 2014 OECD Survey on Digital Government Performance found that from a sample of only 23 countries there were 579 government ICT projects with budgets of over 10 million USD, and of those, more than half of the countries responding (representing approximately 44% of the 579 projects identified) had an average project duration of more than three years. This suggests that many countries are managing large, complex ICT projects that have high failure risks but also a greater propensity to exceed their initial budgets compared to smaller government projects.

The long history of ICT project failures due to technical, organisational and other reasons can greatly undermine the confidence that citizens have in the ability of their governments to produce value for money. On the other hand, when an ICT system is successfully introduced, governments in OECD countries are still unable to fully measure and report accurately their total financial and non-financial benefits.

The majority of OECD countries are able to report and account for no more than 25% of direct financial benefits realised through ICT projects. Only Denmark, Korea, and the United Kingdom estimate that they can report almost all financial benefits realised through ICT projects. While ICT systems have the potential to deliver better public services, enable citizens to engage more openly with public institutions and improve government operations, the absence of measurable benefits (in addition to the high cost and risk associated) makes it difficult to build a business case for future investments, to get sustainable support and funding, and to make transparent and evidence-based decisions between alternative delivery options.

Countries are addressing these challenges in various ways. Around half of OECD countries have a standardised business case model in place across central government for ICT investments. Its use is mandatory in 22% of countries; and in another 37% of countries it is mandatory if certain criteria, such as expenditure thresholds, are met. Governments often link the use of a business case with enhanced reviews and oversight for high-risk ICT projects. The Danish Council for ICT Projects for example determines risk factors for any project that surpasses DKK 10 million (approximately EUR 2 million) and mandates enhanced project oversight where necessary. The 2014 OECD Recommendation on Digital Government Strategies is explicit about the importance of such governance mechanisms and advocates systematic

structured approach to mitigate risk and monitor closely ICT projects performance for more effective and efficient digital government reforms.

Methodology and definitions

Data for the three figures come from the 2014 OECD Survey on Digital Government Performance. The survey collected responses from 26 OECD countries as well as Latvia and Colombia. Respondents were predominantly chief information officers or their equivalent at central government.

Countries were asked to report on the number of central government ICT projects with total costs above USD 10 million. Countries were also asked to provide the average planned project length for these large ICT projects. Respondents who responded “not applicable” for average planned project length were not included in Figure 10.5.

Data for this figure are based on the responses to the following question from the survey: “In general, what share of the full potential direct financial benefits (monetary value) of your current ICT projects do you estimate is actually being measured and followed up upon centrally?”

Further reading

Jones-Parry, R. and A. Robertson (eds.) (2013), “Overspend? Late? Failure? What the Data Says about IT Project Risk in the Public Sector”, in *Commonwealth Governance Handbook: Democracy, Development, and Public Administration*, Commonwealth Secretariat, London, pp. 145-147.

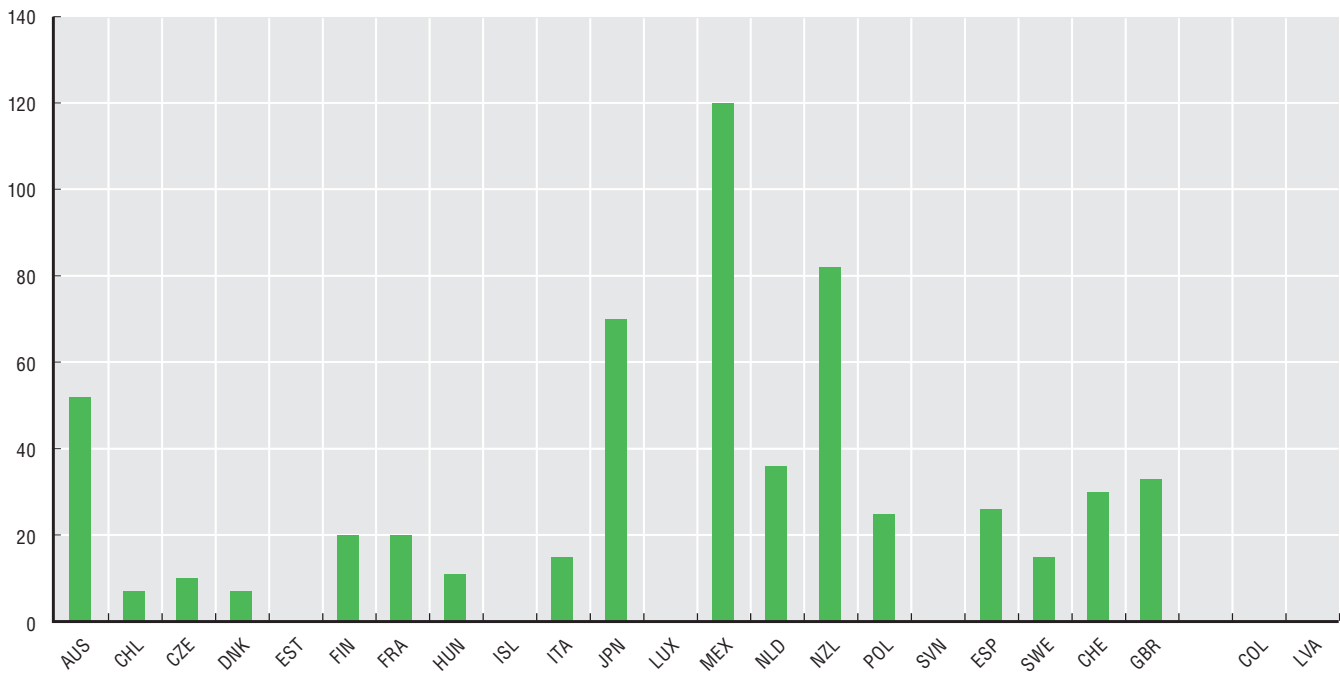
OECD (2014), “Recommendation on Digital Government Strategies”, OECD, Paris, www.oecd.org/gov/public-innovation/recommendation-on-digital-government-strategies.htm.

OECD (2013), *Government at a Glance 2013*, OECD, Paris, http://dx.doi.org/10.1787/gov_glance-2013-en.

Figure notes

10.4: Estonia, Iceland, Luxembourg, Slovenia, Colombia and Latvia reported no central government ICT projects with a total project value greater than USD 10 million. Data for Austria, Belgium, Canada, Germany, Greece, Ireland, Israel, Korea, Portugal, Slovak Republic, Norway, Turkey, and the United States are not available.

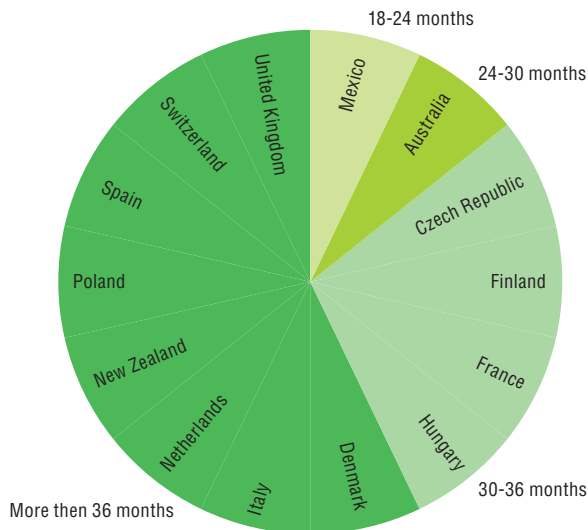
10.4. Central government ICT projects with a total project value greater than USD 10 million, 2014



Source: OECD (2014), Survey on Digital Government Performance.

StatLink <http://dx.doi.org/10.1787/888933249145>

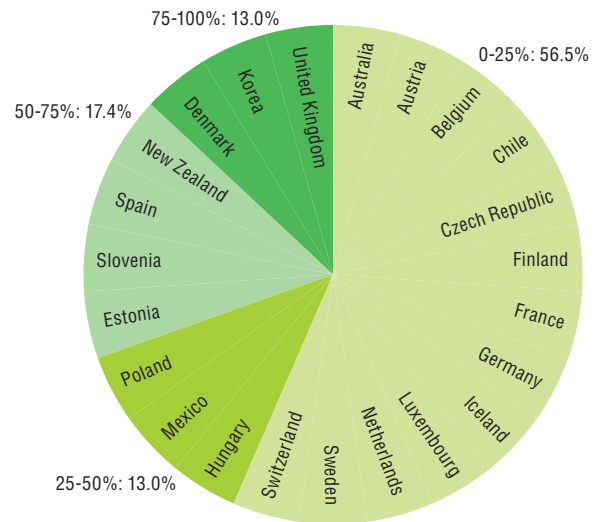
10.5. Average length of central government ICT projects with a total project value greater than USD 10 million, 2014



Source: OECD (2014), Survey on Digital Government Performance.

StatLink <http://dx.doi.org/10.1787/888933249154>

10.6. Share of total direct financial benefits from ICT investments that OECD governments report, 2014



Source: OECD (2014), Survey on Digital Government Performance.

StatLink <http://dx.doi.org/10.1787/888933249166>



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