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**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

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OUTLINE FOR SYNTHESIS REPORT ON "E-GOVERNMENT: SOLUTIONS FOR SEAMLESS SERVICES"

**29th Session of the Public Governance Committee
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This draft outline of the forthcoming report "E-Government: Solutions for Seamless Services" (provisional title) is being formally circulated to the Public Governance Committee for comment under the written procedure. The text of the report will be finalised prior to the next PGC meeting in October 2004, so this provides the unique opportunity for the Committee to comment on this work. Please send comments to the Secretariat no later than 17 May 2004.

For further information, please contact Edwin Lau, Tel. +33-1-45.24.80.36, email edwin.lau@oecd.org.

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“E-GOVERNMENT: SOLUTIONS FOR SEAMLESS SERVICES” [PROVISIONAL TITLE]:

OUTLINE FOR SYNTHESIS REPORT

I. Background of the report

1. The Committee’s Programme of Work for 2003-2004 includes the preparation of a synthesis report, “Solutions for Seamless Services” (provisional title) for completion by the end of 2004. The report will provide member countries with practical advice and examples of good practice on how to achieve the vision laid out in the previous OECD publication, “The e-Government Imperative”. It will provide a comprehensive view of the steps needed to transform public administrations with the help of ICT into more efficient and service-oriented organisations that are focused on meeting the needs of businesses and citizens.

2. As e-government has developed and matured in OECD countries, governments are increasingly seeing a need to better integrate e-government with broader modernisation and reform goals. Seamless service refers to the ability for citizens and businesses to have high quality relationships with government, without having to understand government structures and processes. The report will discuss how governments need to modify internal structures so as to be able to provide citizens with easy access to government and reduce the administrative burden on businesses, while at the same time improving the efficiency of government and generating synergies through the use of ICT. It will also discuss the adjustments of responsibility and accountability emerging from these new structures and processes.

3. Considerable investments in ICT are transforming the public service delivery processes in many OECD countries at the citizen/client interface. However, back office processes are much harder to reform, and the potential of ICT to facilitate decision-making and implementation of policies in a whole-of-government perspective is only beginning to be considered. Many challenges remain and new ones are emerging. How does e-government impact on equitable access to government services? How does e-government alter the nature of the relationship among different agencies, or between the government and citizens? Does e-government actually deliver the net benefits as expected, in terms of financial and non-financial objectives such as cost savings or greater participation of citizens?

4. The synthesis report will begin by looking at how governments have internally structured their e-government initiatives (chapters 1 and 2) in order to achieve their policy objectives; how they have measured the costs and benefits of specific e-government projects (chapter 3); how they deliver services electronically to citizens and businesses (chapter 4 and 5) and how they ensure that the overall vision is properly implemented (chapter 6). A final annex will look at some of the current quantitative e-government indicators available. The synthesis report will benefit from the discussions by senior e-government officials in OECD countries at four e-government symposia organised by the OECD in 2003-2004.

5. The attached overview describes the approach and content of the seven chapters of the synthesis report. The Committee is asked to comment on the structure of the report and the overall approach and breakdown of the sub-themes, as well as to provide useful examples from their own experience that should be highlighted in the final report. Given the expected timeline for publication, this will be the primary opportunity for consolidated comments from member countries to be integrated into the draft report.

II. Overview of the report

Chapter 1 - Organising for Integration: Finding appropriate structures for the integration of e-government into the broader reform agenda

6. The objective of this chapter is to identify common sets of experiences for co-ordinating e-government initiatives and the accompanying lessons learned. The chapter will describe national organisational structures for e-government and mechanisms for ensuring e-government co-ordination and integration. It will look at the choices of structures that countries have made in the context of their historical systems and their policy objectives, and consider the extent to which it is useful to categorise models or approaches to e-government planning and co-ordination in order to better understand the available tools and the circumstances to which they are best adapted.

7. The chapter will examine how countries have reconciled e-government needs for common standards and co-ordination in certain areas with principles of decentralisation. E-government structures generally reflect overall government structures. For example, following New Public Management (NPM) reforms in many OECD countries, administrations have decentralised many aspects of government service delivery. However, in order to minimise duplication and maximise efficiency, some countries argue that a certain amount of co-ordination -- and even centralisation -- is needed. This chapter will examine how different governance structures have interacted, and the impact of decentralisation on shared infrastructure, processes and services. It will also look at the alternatives to purely centralised or decentralised models, identify trends and consider the extent to which some countries are turning towards command and control mechanisms for aspects of e-government in order to compensate for decentralised structures.

8. The chapter will also examine the role that structures have played to advance the e-government agenda in OECD countries. For example, some countries have separated the strategic planning for e-government from its implementation. The chapter will discuss to what extent this gives policy makers a better analytical capacity and helps them focus on the big picture. At the same time, it will look at the issue of how separate planners can ensure that they are in touch with the realities of implementation and how they can ensure broad ownership of the e-government strategy. Finally, it will examine how relatively decentralised systems have met these challenges.

Chapter 2 - Identifying Common Business Processes: Applying a government-wide perspective in order to maximise efficiency

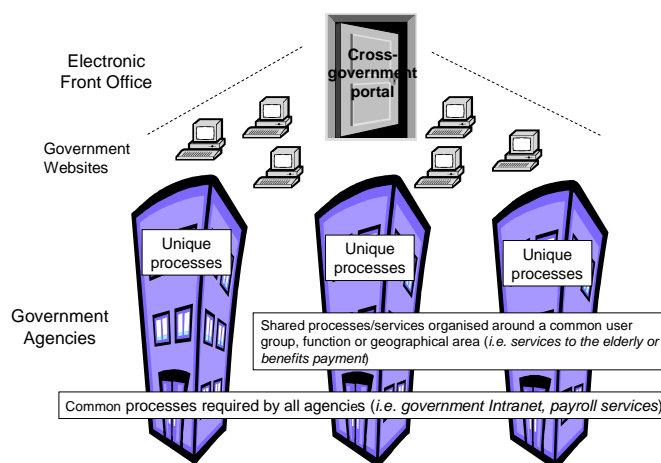
9. The objective of this chapter is to gather and compare OECD country experiences on how to identify common business processes and consider whether or not there is consensus on how to respond. In particular, it will address:

1. Steps for identifying common business processes (either across government or among subsets of agencies);
2. Responses for governments to common business processes;
3. The limits and alternatives of using enterprise architecture to reduce duplication and maximise efficiency.

10. The OECD *E-Government Imperative* argues that the multiplication of some common back office processes such as human resource management or payroll processing can result in duplicate IT systems (and workers) across government, thereby raising the aggregate cost of government. In addition, at all levels, agencies using "legacy systems" (stand-alone IT systems) developed separately have difficulty sharing data with one another.

11. As e-government managers are being asked to demonstrate that e-government initiatives create financial savings and improve services, many governments are realising that efficiency gains from ICT can be had across government as well as at the individual agency level. Some countries have looked at how duplication can be reduced from a whole-of-government perspective, notably through “enterprise architecture” exercises that are designed to transform government into a business organisation, rather than one made up of multiple structures with overlapping mandates built-up over several generations.

Figure 1. Elements of a Common Architecture for E-Government



12. A whole-of-government approach raises the question of what business processes are common across government agencies or across groups of agencies, and how these processes can be best organised to maximise efficiency. By sharing common processes and services across agencies, governments can, in theory, achieve considerable benefits of scale while reducing duplication, eliminating legacy systems and fostering inter-agency collaboration.

13. The chapter will also discuss how governments have managed and sequenced the process of identifying common business processes, and who has been involved. In doing so, it will consider whether enterprise architecture is simply a technical exercise, whether it is part of the strategic planning of e-government initiatives, or whether it has long-range impacts on the overall structure of government. The chapter will also consider the degree or extent to which reorganisation has been implemented and the limits and alternatives of this approach.

Chapter 3 - The Business Case for E-Government: Justifying and holding accountable ICT investments

14. The objective of this chapter is to examine the costs and benefits of e-government initiatives, and consider the development of a business case to justify e-government expenditure. This work will focus primarily on 5-6 countries with well developed business cases for e-government, but will also consider the experiences of other OECD countries.

15. The primary focus of this work will be twofold:

- Sharing frameworks for developing e-government business cases
- Sharing processes for business case development and approval

16. In the discussion on frameworks for developing e-government business cases, the OECD will share details of how member countries develop business cases for e-government. This will include standard business-case frameworks, project performance measures used, standard tools developed (*e.g.* benefits checklists), methodologies for balancing non-financial and financial benefits, methods for monitoring benefits (*e.g.* time saved, are they mandatory or for guidance?), and specific options or policies which must be considered (*e.g.* intermediaries, joined-up implementation, use of central infrastructure, etc). The output will be a good-practice framework for developing and refining e-government business cases supported by evidence from member countries, together with any tools that emerge (*e.g.* a benefits identification framework / checklists).

17. This chapter will also examine the different processes involved in developing an e-government business-case process: who develops the business case and who approves it? What happens after approval? are business cases ever updated and re-approved? How have processes been adapted to promote different policies (*e.g.* joining-up/cross-departmental working)? do the processes “have teeth” (*i.e.* weak businesses do not get funding until they are sound, regardless of political objectives/pressures)? What is the timing of business cases – can work start before a business case is approved? What are the standard criteria used to assess and approve business cases? How are business cases and investment prioritised?

18. The chapter will provide a review of the processes used by member countries to develop and approve business cases balanced against government structure in each country and the key elements of an effective approval process. This may provide the basis for further work on the development of an aggregate (whole-of-government) business case for e-government.

Chapter 4 - User-focussed E-Government: Using e-government to maximise responsiveness to citizens and businesses

19. The objective of this chapter is to discuss how e-government can help maximise government responsiveness to citizens and business.

20. Improving the quality and the responsiveness of services has become a priority on the reform agenda of many OECD countries. Governments are aware that the use of technology in delivering services does not necessarily result in more responsive services, an increase in service quality or a focus on user preferences. To build a citizen-centred e-government, governments need to redefine their service strategies in a way that starts from the perspective of citizens and businesses. They must also anticipate future needs and the factors shaping online service delivery (*e.g.* demographic, technological, cultural), both from a demand and supply-side perspective. At the same time, governments must reconcile users’ needs and aspirations with hard budget constraints which will restrict the range of options available in practice.

21. In order to build user-centred e-government, governments need to integrate users’ needs into its vision for service delivery and government structures. Adding a user-centric perspective to typically government-centric structures and processes will have an impact not only on the way governments design online services, but also on how they redefine their internal structure and operations to accomplish this goal. As new user needs emerge, governments begin to upgrade and re-engineer services to best meet user needs. Governments’ first response may be to establish mechanisms to upgrade and re-engineer existing services. What is the organisational impact of integrating customers’ preferences into service delivery schemes, and the changes in internal service processes that are required to fine-tune services to meet customers’ evolving needs?

22. One of the major challenges in achieving user-centred government is that users, themselves, are not always able to articulate how their needs and preferences can best be met. This chapter will examine how countries have organised government structures in order to ensure the seamless delivery of services

and to bring services closer to citizens. For example, some have sought primarily to improve inter-agency collaboration. Others have made use of “middle organisations”, brokers, or one-stop shops as a common interface to channel contact between customers and existing government structures for the delivery of government services and the collection of data. Still others have outsourced certain sets of services. Most countries will use some combination of these approaches, and this chapter will examine the experiences to date, and any unexpected outcomes.

23. The introduction of common front office interfaces such as electronic portals and middleware to join-up the individual systems of separate agencies has improved the quality of government interactions with businesses and citizens, but does not guarantee that program rules are standardised or that agencies are sufficiently integrated to meet the higher expectations of users familiar with online transactions with the private sector. Identifying common services or user groups can help government agencies to further integrate and improve their services.

Chapter 5 - Multi-Channel Service Delivery: Aligning on-line and off-line services for seamless service delivery

24. The objective of this chapter is to better understand how electronic and traditional services can be synchronised in order to provide the best access to services at the lowest cost.

25. When governments begin to provide online services, they generally maintain offline services – at least at the beginning. This may mean an initial increase in service delivery costs, as governments are forced to maintain multiple delivery channels. Yet as the population adopts the Internet, governments will perhaps be able to reduce costs by shifting users to less expensive delivery channels. However, in order to do so seamlessly, governments must manage the multiple channels simultaneously, and ideally be able to integrate information from one channel with that of other channels.

26. The economics associated with the access and distribution of a given product or service are not yet well understood. An understanding of service delivery economics and a framework for decision making is fundamental to optimising channel management, distribution and investment strategies, and is required in order to maximise the benefits to both customers and government. This task increases in complexity as more agencies move through to a service delivery network.

27. Channel management is thus a key element of seamless service delivery. Agencies are simultaneously focused on both improving service levels to customers and reducing costs through better management of all service delivery channels. The transformation agenda involves more than the simple automation and transfer of existing services to new channels. It necessitates the redesign of processes and existing services, service amalgamation, and utilisation of new public and private service channels. The three stages of channel management are:

- Agency-based transaction services across multiple channels;
- Collaborative models, mostly ad hoc, across some agencies, jurisdictions and private providers; and
- A Service Delivery Network that provides a whole of government service delivery framework for agencies that embraces multiple service channels and providers.

28. Most agencies are at stage one - agency based integration. A few lead agencies - such as Centrelink in Australia – are moving to embrace ad hoc collaborative models across agencies and

jurisdictions. The lessons learned from these experiences will illustrate how e-government can better support broader policy objectives and have an impact on overall service delivery.

Chapter 6 - Making Change Happen: Identifying preconditions, partnerships and incentives for transforming public administrations

29. E-Government is a process, and it will take time to make significant changes in organisational structures and processes. The objective of this chapter will be to examine to what extent leaders can encourage change, the enablers for change that are needed (i.e. performance management systems, alignment of incentives) and the steps to make sure that e-government solutions are implemented successfully.

30. Transformation is not about information and communication technology (ICT), but about getting the right people to work together, rethinking how they can do their work more effectively and providing incentives for change. This chapter will look at the cultural and process changes that will need to take place in order for governments to make the most of the networking possibilities offered by ICT.

31. In particular, this chapter will consider the following questions:

- What are the preconditions for achieving change through e-government?
- What is the proper sequencing of reform?
- What progress have OECD countries made in managing the change process?
- Funding, creating incentives for, and sustaining change - how do incentives work?
- How can the private sector take part in the transformation?

32. Certain leaders argue that administrative change is difficult if the necessary pre-conditions are not in place. This chapter will examine the pre-conditions for change in terms of leadership (managerial and political), skills, administrative culture and ownership of e-government initiatives. It will also question the extent to which countries should wait until the pre-conditions are in place in order to begin e-government re-engineering, and to what extent is it better to begin the process while simultaneously making sure that the pre-conditions are put in place.

33. The chapter will also examine the means to achieve change, such as incentives and partnerships, and the extent to which e-government needs to be linked to broader good-governance goals in order to achieve change. OECD countries are employing different methods for managing the re-engineering process. For example some countries may believe that it is more useful to start with a broad strategic plan for e-government (top down approach), while others may think change is more effective when it happens through individual initiatives implemented by independent agencies (bottom up approach). In particular, the chapter will look at experiences of countries in re-engineering their processes *before* or *after* they have been digitised. It will also look at examples of countries that have used the introduction of ICT as a catalyst for re-engineering. How closely have the reform and digitization processes been aligned?

34. Incentives can be a powerful tool to implement change in administrations, and this chapter will look at the incentives that are best suited for e-government re-engineering. For example, is there a need for central funding in order to implement change, and how can change be operationalised and sustained in regular operations once central intervention is complete? How can leaders sustain momentum for change once the process has begun (especially as the benefits take time to emerge)?

35. This chapter will also consider the advantages and disadvantages of partnering with the private sector. Many OECD countries are exploring partnerships in order to fund the transformation process. This chapter will examine the difficulties that must be overcome in order for such partnerships to be successful.

Annex - E-Government Statistics: Uses and limits of comparative national e-government statistics

36. The objective of this annex is to provide a short overview of the state and approach of existing e-government statistics efforts, based on major known efforts by statistical offices and other organisations, and where possible, provide suggestions for alternative or additional approaches. It will also examine, compile and analyse relevant NSO data (held by the OECD or readily available from countries) on use of e-government services by individuals and businesses (this information may be included in a second Annex).

37. The annex may also include a short update on OECD efforts to develop model questions on e-government for inclusion in OECD model questionnaires on ICT use by households/individuals and businesses. When, and if, incorporated into national surveys, these questions would yield internationally comparable information on use of electronic government services by households, individuals and businesses. Because country priorities differ, it is not possible to be precise about the time frame for first inclusion in country surveys, nor the length of time the questions would remain in those surveys. However, an important first step is to have available and agreed model questions for countries to use.