



Digital Government Strategies: Good Practices



Portugal: Global Strategic Plan for Rationalization of ICT Costs in Public Administration (PGETIC) - Assessment of ICT projects and expenditure

The OECD Council adopted on 15 July 2014 the Recommendation on Digital Government Strategies. The Recommendation provides a set of 12 principles structured around 3 pillars. The OECD Secretariat is developing a Digital Government Policy Toolkit to support OECD member countries and non-member adhering countries with the implementation of the Recommendation. This practice was submitted by the government of Portugal to be considered as a good practice in the implementation of one or more of the principles contained in the Recommendation.

Description of the practice:

Organisation:	Agency for Administrative Modernization (AMA)
Name of the practice:	Global Strategic Plan for Rationalization of ICT Costs in Public Administration (PGETIC) - Assessment of ICT projects and expenditure
Principles implemented:	<p><u>Principle 7</u> – Establish effective organisational and governance frameworks to co-ordinate the implementation of the digital strategy within and across levels of government</p> <p><u>Principle 9</u> – Develop clear business cases to sustain the funding and focused implementation of digital technologies project</p>
Description:	Until 2011 the public bodies were free to acquire and manage their ICT infrastructures, build their own confined information systems, contracting all the needs autonomously, deploy all the necessary departments in order to maintain and manage ICT.

This level of autonomy led to:

- There was any integration between systems and data between the different information systems;
- The available resources, means and systems were duplicated, triplicated, ...
- There wasn't any scale effect on contracting, implementing or managing;



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- The Human resources were stagnated in small and inefficient IT departments;
- A study made in 2011 to 7 Ministries (totalled 11 in 2011) revealed 6.000 technical rooms/small datacenters in the Public Sector;
- Between 2006 and 2011 ICT spending increased 75%.

In the 14th November of 2011, in order to address the technological component of this issue, the Portuguese Government deliberated through the Council of Ministers Resolution n.46/2011 the setting up of the “Project Group for Information and Communication Technologies” (PGICT) to create a global rationalization and cost reduction Plan in Public Administration (PA) regarding the management and use of ICT.

In order to fulfill those goals, the PGICT drew the “Global Strategic Plan for Rationalization of ICT Costs in Public Administration (PGETIC)”. This strategic plan was organized around five main action axis:

- (i) Improvement of governance mechanism;
- (ii) Cost reduction;
- (iii) Using ICT to enhance administrative change and modernization;
- (iv) Implementing common ICT solutions and
- (v) Stimulating economic growth.

25 measures were identified for ICT rationalization based on their transverse character and potential impact on the Public Administration as a whole. Estimations, after the PGICT’s Plan full implementation, point to savings in the Central Administration up to 500 million Euros until the end of 2016 in administrative expenditure, considering not only those items more directly related with ICT management (software, hardware, services and communications), but also efficiency gains, namely in facilities management, human resources and other operational costs.

These 25 measures are:

Axis I

M1. ICT Governance

M2. ICT Function

M3. ICT Architecture, norms and Guidelines

M4. Information Security Strategy

M5. Ministries Action Plans

Axis II

Spending Reduction

M6. ICT Projects Evaluation

M7./M9. Communications and Unified Comms

M8./M18. Datacenters and Cloud



M10. Cross rationalization measures possible through ICT

Axis III

ICT as means for Public Sector Modernization

M11. Interoperability

M12. Authentication and electronic signatures

M13. Electronic Public Services

M14. Public Sector Modernization through ICT

M15. Central Document Archiving

Axis IV

Common ICT Solutions

M16. Human Resources Catalog

M17. Public Software Catalog

M19. B2B/G

M20. Best Practices Directory

Axis V

Economic Growth

M21. Open Source Software

After the nomination of the political and technical ministerial representatives and the governance definition, there were elaborated sectorial action plans, which identify the actions with which the ministries will implement the strategy defined by PGETIC (adapted to each Ministry's reality) and, subsequently, were identified the savings with which they undertake to achieve.

Because some measures are structural and accountable for most of the savings identified in the sectorial action plans these measures were defined as priority:

- Measure 2 – ICT Function: Consolidate at the Ministry level the main ICT Functions: Development, project management, support, service-desk, contracting, testing;
- Measure 6 – Assessment of ICT projects and expenditure: Assure that the ICT projects and investment are compliant with the guidelines and norms defined by the PGETIC and the Ministry action plans and that they incorporate the public sector best practices;
- Measures 7 and 9 – Communications and Unified Communications: Adopt a more efficient and secure data communications network architecture inter and intra Ministries and zero cost voice calls between public bodies;



- Measures 8 and 18 – Datacenters and Cloud computing: Better explore the available Datacenter capacity and use private, public or hybrid clouds when it's more advantageous and the nature of the data allows it – according with the classification regarding secrecy, security and personal data;
- Measure 21 – Open Source Software: Promote Open Source Software (OSS) in the Public sector by making available the best OSS practices and solutions and that all the software contracting is preceded by technical and economical (TCO) viability study is compared with OSS solutions. This measure also allowed to negotiate with the main software vendors better conditions for the public bodies.

The “Assessment of ICT projects and expenditure” measure (M6)

As the objective to implement a mandatory and binding ICT projects and expenditure (above 10k€) assessment process ex ante and ex post, establishing formal mechanisms for multi-criteria assessment of investments, ensuring that only projects with real guarantees of return in the various dimensions in analysis are financed and implemented, reducing investments which are redundant and out of line with national politics for ICT in PA.

Business cases for PGETIC were prepared at a central and at a sectorial level. The strategic plan was approved by a council of ministries resolution and the sectorial action plans was submitted by the ministries representatives and were approved by each Ministry.

The “Project Group for ICT (PGICT)” is composed as follows: a representative appointed by the Prime Minister; a representative appointed by the Minister responsible for the area of administrative modernization; a representative appointed by the Minister responsible for Public Administration; the Agency for the Public Services Reform (AMA); the Center for the Management of Government Information Network (CEGER); and the Informatics Institute of the Finances Ministry (II).

With the approval of the global strategic plan was defined a governance for the plan implementation:

- Executive committee: composed by the prime minister, minister of finance and the public administration modernization secretary of state representatives
- PGETIC PMO
- Technical committee: composed by the shared services, government ICT and public administration modernization agency representatives.
- Advisory board: national and international academics
- Ministry representatives: technical and political

<https://www.tic.gov.pt/pgetic>



Results

ICT Savings:

- PGETIC global savings: 147.477.480,20€;
- Measure “Assessment of ICT projects and expenditure” specific savings: 3.769.508,86€.

Main Achievements:

- Until the end of 2014 the reported savings were of 130M€, above the estimated 119M€ in the Ministries Action Plans for the same period;
- In April 2015 the Ministries reported savings above 147M€ in line with the 157M€ expected in the end of 2015;
- Since September 2012 all ICT projects and investments are subjected to evaluation and alignment with the PGETIC, Ministries Action Plans, the existing norms and guidelines and best practices – More than 4000 processes with an initial the value of 736M€ were analyzed, this alignment generated savings of at least 18 M€;
- The main Software vendors negotiated/are negotiating better conditions for the Public Sector: as an example the MOU signed with MSFT generated savings of more than 8,8M€ since;
- The use of open standards and norms are mandatory in the Public Sector since 2012 when the RNID was approved –review is ongoing;
- Currently there are proposals in open discussion for de definition of strategies for:
 - Voice and data Communications;
 - Datacenters and cloud computing;
 - ICT Governance in the Public sector;
 - ICT Function organization.
- Through the Interoperability platform the public bodies can share information in order to provide more efficient public services – and apply the only once principle;
- Using the national eID citizen card any citizen can authenticate in public services and electronically sign documents;
- There’s a pilot to test the use of professional attributes using the national eID citizen card;
- Using the Digital Mobile Key solution any citizen can use his mobile phone for authenticate in electronic public services;
- The common Financial ERP for public sector implemented in more than 350 public bodies;



- Since 2013 is mandatory to compare the TCO of all software solutions against equivalent Open Source alternatives;
- Was made available an Enterprise Architecture solution for all public administration;
- As an example, in a Ministry the centralization of the ICT function of one public body resulted in savings of more than 50% of the existing budget for ICT;
- The Ministry of Defense saved more than 8 million € with the integrated data and voice and fixed and mobile communications solution available worldwide;
- The National Center for Cyber Security was created and is responsible for coordinating the actions between the several Ministries;
- There's a new Citizen Portal available in www.portaldocidadao.pt where the citizens can find any content through a simple search;
- With the Citizen Map APP and website www.mapadocidadao.pt the citizens will be able to find any public service and body by proximity, get directions, access relevant information regarding the services, including the current waiting time, to know when is their turn and in the near future to get an electronic ticket;
- In www.tic.gov.pt/pgetic any citizen can find updated and transparent information regarding the Public Sector main projects ICT. Including many other projects implemented by the Ministries and more detailed.

Results at July/2015.

Development

The first step for the creation of the Global Strategic Plan for Rationalization of ICT Costs in Public Administration (PGETIC) was on the 14th November 2011, with the Ministers Council Resolution n.46/2011 that formally created the Project Group for ICT, named PGICT.

As mentioned before, the Group was composed by a representative appointed by the Minister responsible for the area of administrative modernization; a Representative appointed by the Minister responsible for Public Administration; the Agency for the Public Services Reform (AMA); the Center for the Management of Government Information Network (CEGER); and the Informatics Institute from the Ministry of Finance (II).

The Resolution also defined the Strategic Plan's objectives: a) Promote the study and analysis of the structures of ICT Public Administration; b) To study and develop a global strategic plan rationalization and cost reduction in ICT in Administration public; c) Implement the measures contained in the global Strategic which fit directly perform; d) Monitor and ensure proper and timely implementation measures the overall Strategic Plan be handled by other entities.

For the PGETIC's development, the Project Group promoted a lot of meetings, debates involving people of diverse areas, including national and international enterprises, Universities, Public



Organizations with the objective of identifying the problems existing in Public Administration and analyzed possible solutions.

In 7th February 2012, these meetings and debates resulted on the consolidation and definition of the 25 measures to be implemented on Public Administration. This Strategic Plan was named “Global Strategic Plan for Rationalization of ICT Costs in Public Administration (PGETIC)”, to be implemented on a timeline of 2012 – 2016 and formally published in the Ministers Council Resolution n.12/2012.

The next step was defining how this strategy would be implemented. As so, the governance model of the Plan was formalized in the Ministers Council Resolution n.60/2012, on the 10th July 2012, based on the creation of 3 committees: a) The committee for implementing PGETIC; b) The advisory board for PGETIC; c) The technical committee of PGETIC. The committee for implementing PGETIC is responsible for defining how the measures will be implemented. The advisory board PGETIC verifies and advice for the type and the model of solutions need to be implemented. Finally, the technical committee of PGETIC is responsible to define technically the solutions.

These committees have regular meetings to align strategies and share the results obtained. Bellow this three committees are public entities and Ministries responsible for implementing the resolutions defined superiorly. To manage all this process, AMA ensures the Project Management to guarantee the correct implementation of the defined measures and the communications across all entities involved.

In terms of the “Assessment of ICT projects and expenditure” measure, in July/2015 its progress is of 85%. This measure address the following initiatives:

- Design and publishing legal framework to support the evaluation process – Finished;
- Development / acquisition of the support tool – Finished;
- Implementation of ICT projects and expenses evaluation– Finish
- Publication of the approved projects– In implementation
- Ex-post projects evaluation - In implementation;

Model definition for Local Administration – To Start

Design: With the official approval of the PGETIC, AMA became responsible for the implementation of the Portuguese ICT strategy, closely to the Prime-Minister cabinet, and is now at the core of the entire restructuring process inside PA by transforming into practical and measurable projects the 25 measures established by the Project Group.

Nonetheless, the stakeholders involved on PGETIC are the Central Government, including all ministries and related public institutions and the local government represented by all municipal councils.



It was also necessary the involvement of local authorities in those measures applicable to Local Government, through the Portuguese National Association of Municipalities. It is noteworthy, given the specificities of Local Government, that obtaining the estimated savings for this was achieved through the strengthening of mechanisms and collaborative inter-government movements.

In sum, the Project Groups and its Plan involved the public administration as a whole.

Testing:

To implement the measure “Assessment of ICT projects and expenditure” it was necessary to define the ICT project and expenditure evaluation form and the respective evaluation / scoring model.

After the definition of these components, it was executed a pilot to test the fulfillment of the ICT project and expenditure evaluation form, and to assess the results obtained evaluation / scoring model.

With the results obtained where made some improvements on the form, and evaluation / scoring model was calibrated before the implementation of a specific tool to support the assessment.

Implementation:

To analyze the current reality of the country with regard to ICT expenditure, comparing with the public services delivery, a benchmark was done at European level. It allowed the Project Group to understand that the Portuguese expenditure average was above the European one.

To interpret and cope with this challenge, Portugal decided to join a group of experts and authorities of public administration - thus allowing the construction of a network of working groups with different entities, to analyze this cost-related situation.

These working groups begun to make a diagnosis through analyst reports, query entities specialized in ICT, academia, associations, and other entities from the civil society. The Project Group for ICT rationalization promoted a lot of meetings, debates involving people of diverse areas, including national and international enterprises, universities and public institutions, with the objective of identifying the problems existing in Public Administration and analyzed possible solutions. Entities from the AP were heard, which exposed what they considered to be appropriate measures for the rationalization of ICT Public Administration. Additionally, international case-studies (U.S. and Brazil) were also taken into account for this diagnosis.

To tackle the problem, resulting from the applicability of the results of the benchmark, 5 axes were defined with specific global goals:

- (i) Improvement of governance mechanisms,
- (ii) Cost reduction,
- (iii) Using ICT to enhance administrative change and modernization



- (iv) Implementing common ICT solutions and
- (v) Stimulating economic growth.

These goals consisted in 5 measures each, which formed the Global Strategic Plan for Rationalization of ICT Costs in Public Administration (PGETIC), to be implemented transversally in the PA, involving all the referred stakeholders.

Concerning the “cost reduction” axe, it was identified the “Assessment of ICT projects and expenditure” measure (M6). In order to implement this measure, in addition to the actions provided for under the Sectorial Action Plans, it proposed to perform the following actions:

- Design and publishing of legal framework to support the evaluation process - Completed
- Development/ acquisition of support tools – Completed
- Application of evaluation of ICT projects and expenditures underway - Completed
- Publication of the projects approved under the public dashboard - Running
- Ex-post project evaluation - Running
- Model definition and implementation for Local Government – To start

In order to support the actions above described, the following actions were already taken:

- (i) Definition, implementation, evaluation and improvement of the procedures:
 - Definition of internal procedures of the evaluation team of ICT projects and expenditures, ensuring the standardization of practices and definition of hinge mechanisms with other teams involved in the process of evaluating ICT projects and expenditures;
 - Implementation of procedures / training of the various players concerned, particularly in the standardization of the technical analysis and operational coordination of the team in terms of procedures, task assignment, execution timings and response mechanisms;
 - Definition and monitoring of key performance indicators, in terms of execution of tasks of the process itself and concerning the expense reduction goals associated to M6 measure;
 - Elaboration of templates and supporting documentation to the evaluation process and respective procedures;
 - Structuration and consolidation of the requests for support from agencies, under this service (to support and maintain in relational repository).

- (ii) Adequacy of the support platform to the process of evaluation of ICT projects and expenditures with the following goals:
 - Identification and characterization of new requirements resulting from applicable rules/ regulations changes;
 - Platform adaptation according to the new requirements identified;
 - Adjustment/ recalibration of the evaluation model;



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- Creation of a relational repository for the platform support, in the components of process of evaluation of ICT projects and expenditures and users support;
- Training of users and administrators.

Resources: The resources involved in the creation of the Project Group for ICT and its Global Strategic Plan for Rationalization of ICT Costs in Public Administration were associated with human resources.

The representatives of the Project Group worked with each other while civil servants of their actual institutions, and the meetings and debate involved did not demand for additional costs.

There was a great commitment of key members of the Government in order to explain the stakeholders involved, and all the Public Administration players, the importance and benefits of the initiative to Portugal.

AMA was appointed responsible for the measure 6, and appointed two internal managers to coordinate all initiatives related with the implementation of this measure.

Diffusion and scaling:

In terms of diffusion and scaling, a specific website was developed (<https://m6.ama.pt/>), and content was produced for publication in other government and PGETIC websites (e.g., <http://tic.gov.pt>).

During the execution of several initiatives related with this measure, the ministries and principal institutions of PA were involved (e.g., pilots, training sessions).

Additionally, AMA attended the main ICT forums in Portugal to publish the objectives, the progress, the main results with the purpose of creation public awareness and the mobilization of PA.

Each two months there's a Global Meeting involving all the governance bodies and ministries that's preceded by bilateral meetings between the PMO and each Ministry.

The Project Group and its Global Plan itself is a Sustainability Plan for ICT to the whole Portuguese Public Administration.

The Global Strategic Plan for Rationalization of ICT Costs in Public Administration (PGETIC) underlined the need for rationalization initiatives to be implemented across all sectors of the Public Administration, being designed to enhance a national cross change and help achieving the goals of cost and ICT rationalization.

It is then fully replicable at the national level, and also internationally, because this issue is on the agendas of almost every country. It provides a set is measures and initiatives that can be fully replicated in other countries.



Partnerships: Public Sector Organisations

Partners: Ministries and IGF (Inspeção-Geral de Finanças)

Nature of the partnership: The Ministries had a key role in the implementation of the measure, quickly adopting the evaluation form to assess the potential value added of each proposed ICT project (assessment before submission).

IGF as a specific role, evaluating and auditing the ICT projects implemented.

Lessons learned

The major lessons learned were that, to implement a plan (and specific measures) with this comprehensiveness and complexity it is fundamental to mobilize all stakeholders involved and give them active voice to propose solutions. It is necessary to commit all organizations affected with the implementation of the measures.

Last, but most important, it is fundamental to obtain a highest level of commitment and responsibility of the Government decision-making authorities.

Conditions required: Strong political sponsorship to motivate the Institutions to adopt new processes regarding the assessment and process approval of ICT projects and expenditure;

Well defined objectives (functional and technical) and a strong will to pursue them facing natural resistances of the Institutions;

IT resources (human and technical) availability to define, implement and operate in a short time frame;

Existence of a comprehensive communication and change management plan to mobilize Institutions throughout the measure implementation until its full adoption.

Additional information: