2010, June 28

e-government in Denmark

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Agenda

- The Danish institutional setup
- The e-government development
- The Joint Public Strategy
- The e2012-goal
- The digital infrastructure
- The organisational impact
- Current and future challenges
- Perspectives for better management of ICT-projects
The Danish institutional context

- Large public sector encompassing most service areas.
- Small and relatively homogeneous country.
- Tradition with high degree of local responsibility and autonomy.
- High level of trust in the public sector.
- Long tradition and acceptance of work with public registers.
- Well functioning (digital) infrastructure.
Present challenges – a point of reference for digitalization in Denmark

• Demand for efficiency and clear priorities due to the crisis, the future budget deficits and the increase in public debt.

• Demographic challenges: More elderly people and a decrease in the work force.

• Greater expectations for solutions minded for specific users’ needs.

• International competitiveness requires an efficient public sector.

• Need to integrate local development and innovative solutions with whole-of-government efficiency and public sector interoperability.
The Danish history of e-government

- The E-government project” started in 2001.
- A consensus style cross-governmental co-operation.
- The e-government project has launched 3 national strategies
  - different regulation instruments in play (ie. legislation, political agreements, common goals, etc.).
- The role of digitalization – increasingly more important since 2001:
  - Transferring resources from administration to citizen-focused services.
  - From support to core for business development and service delivery.
  - Transforming public sector value, creating more value, creating new areas of value, and higher efficiency.
The institutional setup for e-government in Denmark

The Joint Committee for Cross Government Cooperation (STS)
- Permanent secretaries from the ministry of Finance (chair), Economy, Taxation, Science, Health and Interior
- Managing Directors from the Danish Regions and Local Government Denmark

Ministry of Finance: Centre for Administrative Efficiency and e-government
- The Digital Taskforce (Secretary for STS)

Agency for Governmental Management
- National IT and Telecom Agency

Agency for Governmental IT-services
- State (19 ministries)

The Cabinet Committee of Coordination
The Cabinet Committee on Economic Affairs

The Management Committee of LGDK
The Management Committee of Danish Regions

Prime Min. Off.
Min. of Economics
Min. of Taxation
Min. of Finance
Min. of Culture
Min. of Interior and Health
Min. of Science

Local Government Denmark

Danish Regions

98 municipalities
5 regions
Strategy for digitalization of the public sector 2007-2010

- A consensus style cooperation using all tools of implementation.
- The e-government project focuses on e-gov as an integrated part of modernization efforts.
- The strategy has a budget of approx. 40 mill. € from 2007-2010. (later revised and supplemented)
The e2012-goal: Complete digital communication with citizens and enterprises in 2012

- Citizens will by 2012 have the right to communicate digitally with the public sector in all relevant ways
- For enterprises digital communication will be mandatory by 2012
- Dual purpose of the initiative: Cost savings from downsizing/closing the analogue channels and delivering better service through the digital channels
The e2012 plan – efficient public service online

• To ensure that the e2012 objective is realized a cross-governmental effort is organized within the framework of the e2012 plan

• The e2012 plan contains a group of initiatives which aims at making electronic correspondence the obvious choice for citizens and business, when dealing with the public sector. The initiatives will make the authorities ready for complete electronic correspondence in 2012

• The e2012 plan states that government authorities shall carry out the organizational changes necessary in order for them to
  – Be able to communicate digitally with citizens and businesses in 2012
  – Be able to deliver all documents and letters digitally in 2012
  – Ensure that their digital public services are well functioning and efficient (that they live up to the seven e2012-criteria)
The seven e2012-criteria for digital public services

- Aim of the initiative is to increase user up-take by ensuring that in 2012 digital public services are well functioning and efficient
- In order for a digital public service to be characterized as “e2012-ready” it has to meet all of the seven criteria

The “e2012-ready” digital public service:
1. Is digital and online – meaning it is not just an online Pdf-document
2. Uses EasyLog-in and the new mobile Digital Signature if secure identification of the user is required
3. Is visually integrated with and can be accessed from the Citizen portal and the Business portal
4. Automatically inserts all relevant data about the citizen or business already gathered by a public authority
5. Gives the citizen or business a receipt whenever providing public authorities with data
6. Documents user up-take and functionality
7. Is perceived as well functioning and efficient by users
Introducing mandatory digital public services for citizens

- The Danish students' Grants and Loans Scheme is currently a mandatory digital public service meaning that all written communication is digital. Applying for funding and adjusting payment plans etc. can only be done by students online.
- An important part of the e2012-plan is to introduce new mandatory digital public services.
- Prospective mandatory digital public services are:
  - Public universities: Within this area all written communication is expected to be digitized including the application process, exams, course registration etc.
  - Public Day-care: within this area the application process is expected to be fully digitized
  - Public schools: within this area the application process is expected to be fully digitized
  - Parental leave benefits: within this area the application process and the subsequent adjustments of payment plan etc. are expected to be fully digitized
  - Other areas: registering change of address, applying for health insurance card, etc.
eDay3 in 2010 – easy access to the public sector online

- An eDay marks a cross-governmental coordinated move forward in the use of digital communication in the public sector
- The first eDay in 2002 allowed authorities to send and receive documents and letters digitally. The second eDay in 2005 went a step further and allowed them to send sensitive information digitally.

The objective eDay3
- Objective of eDay3 is to bring all state institutions, regions and municipalities on to the digital infrastructure (borger.dk, NemLog-in, NemID and DokumentBoks)
- The initiative is followed by a large scale coordinated marketing campaign at the end of 2010 promoting digital public services to citizens

Three specific objectives of eDay3
- All pin codes for citizens are to be phased out in favor of the “Digital Signature“ using a so-called “Easy Log-in”
- All citizen oriented digital public service can be accessed from the ”Citizen Portal (Borger.dk), without the citizen being directed to other websites or pop-ups in new windows
- All authorities can be reached and respond via the digital Document Box, and all authorities must send all relevant e-mails to citizens and companies via the Document Box
A common digital infrastructure is in place

- One stop shops with visually integrated services (borger.dk and virk.dk)
- Single sign on-infrastructure for services (NemLog-in)
- New mobile and easier-to-use digital signature early 2010 (NemID)
- Messaging-service for delivering digital documents securely (DokumentBoks) and short messages by mail and SMS (NemSMS)
- A common business reference model outlining services and processes in a whole-of-government architecture (FORM/STORM)
OECD survey: Common ICT building blocks and infrastructures have been a support for the service delivery of your organisation?
Other key e-gov initiatives

• A business case model ensures the overall rentability of new it projects. Project management model recommended.

• Standards for digital solutions – and their integration in the national portals - are developed and decided upon through a joint public process.

• Increased harmonisation through joint procurement (state level)

• Public Welfare Technology fund invests in ICT projects increasing efficiency and reducing labour intensity
One-stop portals for Citizens and Businesses

The Citizen Portal

• Borger.dk (The Citizen Portal) is the generic online public service channel for citizens
• The Citizen Portal will make digital self-service more attractive and more widespread
• The Citizen Portal make way for taking a considerable strain off administrative staff and and for achieving savings in municipalities, regions and government authorities

The Business Portal

• Virk.dk (The Business Portal) is the generic online public service channel for businesses
• The Business Portal is intended to give businesses concrete administrative rely in their day-to-day work.
• The Business Portal will free up time for businesses so they can concentrate on running the business instead of dealing with public administration
Easy Log-in (NemLog-in)

- EasyLog-in is the world first cross-governmental Single Sign-On (SSO) solution.
- Single sign-on makes it possible for a user to log-in once and gain access to all systems without being prompted to log in again at each of them.
- Using EasyLog-in citizens only have to sign on once in order to get access to a multiple of digital public services, ranging from local authority services to national services.
- For the public authorities the EasyLog-in solution, creates an opportunity to use and offer a single log-in component, instead of developing and run several log-in services. This makes it cheaper, simpler and faster to create new identity-based services on The Citizen Portal (borger.dk) and other digital services.
New mobile Digital Signature (NemID)

- The Digital Signature enhances the scope for digital communication between citizens and the public sector.
- Through increased use of digital public services using digital signatures, the public sector will be able to offer better services to citizens and businesses, while at the same time improving efficiency in the administration.
- Using the Digital Signatur citizens are able to use public services all the 24 hours.
- In fall 2010 a new and improved Digital Signature is launched in cooperation with the Danish banking sector. With the new Digital Signature citizens can use the same digital signatur for online banking and digital public services.
Document Box and EasySMS

Enables citizens and businesses to

- Receive and send digital documents in a secure manner
- Get an overview of their communication with public sector institutions
- Receive SMS reminders from public sector institutions about meetings and appointments

The public sector effects of the initiatives are

- Reduced costs to regular mail correspondance in public sector institutions
- Reduced costs due to less cancelled meetings and appointments
- Increased service level regarding communication with citizens
Achievements

- Core building blocks of a digital infrastructure with common components
- Strong drive for e-government through the efficiency agenda
- Awareness of the potentials of procurement, economies of scale and automatisation
- Broad civil servant engagement in the joint public e-government project
- Awareness of the e-government challenges

but...
The challenges of user-uptake

- A joint public channel strategy as such? The public organisations differ in their current channel management and prioritisation
- Systematic marketing of existing digital services and solutions
- Accessibility, user centrism and coherence. Full exploital of the potentials of personalisation
- Strengthening of the incentives for the use of digital services can be politically delicate
- Mandatory use of digital channels can be difficult as not all citizens segments have the needed ICT skills or desire to communicate online

... What do you think?
OECD survey: Constraints limiting users' demand for e-government services

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Very important</th>
<th>Important</th>
<th>Somewhat important</th>
<th>Not important</th>
<th>Don't know</th>
<th>Not relevant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived lack of user-friendliness (e.g. services not seen as sufficiently well packaged and designed, disability-friendly, multilingual)</td>
<td>19%</td>
<td>26%</td>
<td>31%</td>
<td>8%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Related services are insufficiently linked up or integrated</td>
<td>19%</td>
<td>26%</td>
<td>30%</td>
<td>10%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Inexperience regarding use of digital services, or lack of the necessary skills</td>
<td>17%</td>
<td>35%</td>
<td>29%</td>
<td>12%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Online service delivery not seen as sufficiently advanced (e.g. interaction or transaction not possible)</td>
<td>17%</td>
<td>20%</td>
<td>28%</td>
<td>20%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Lack of awareness of digital provision of services</td>
<td>16%</td>
<td>38%</td>
<td>21%</td>
<td>17%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Low interaction frequency</td>
<td>14%</td>
<td>20%</td>
<td>22%</td>
<td>15%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>Lack of user access to the internet</td>
<td>9%</td>
<td>12%</td>
<td>12%</td>
<td>57%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Perceived lack of online ICT security protection in comparison with offline security protection for the same service</td>
<td>7%</td>
<td>17%</td>
<td>21%</td>
<td>47%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Perceived lack of personalisation (e.g. services not seen as responding to the specific needs of the user)</td>
<td>6%</td>
<td>26%</td>
<td>34%</td>
<td>24%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Perceived lack of online privacy protection in comparison with offline privacy protection for the same service</td>
<td>6%</td>
<td>15%</td>
<td>28%</td>
<td>47%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Perceived lack of reliability of digital services (e.g. services not seen as updated, correct, complete)</td>
<td>6%</td>
<td>9%</td>
<td>40%</td>
<td>31%</td>
<td>2%</td>
<td>6%</td>
</tr>
</tbody>
</table>
The challenge of benefit realisation

- The existing business case model works well – the use could be broadened. Societal benefits, such as fx. policy goals or service quality, could be stronger included.

- Work on the development of business cases is needed, including also a systematic risk assessment.

- Transparent and systematic follow up on the e-government project portfolio – particularly on the realisation of benefits

- Key competencies are needed in the public administration – both regarding it project management and technical it skills.

- Existing data should be fully exploited and reused – there is not one national overview of core public data and information.
The challenges of organisation

- A limited political interest in the e-government agenda.
- Joint public collaboration is difficult during tight economic frames and when efficiency targets are ambitious and demanding.
- E-government *is* government. Future e-government requires business development insight within central service domains.
- Economies of scales can be difficult to harvest in the regions and the municipalities due to local autonomy.
Perspectives for better management of ICT-projects
ICT as a major driver for modernization
Problems in completing government ICT-projects on time and/or budget

The Folketings (parliament) Committee on Financial Affairs asked the Minister of Finance about the state of government ICT-projects and requested a list of large government ICT-project, for which there has been a substantial overrun of budget and/or timeframes.

<table>
<thead>
<tr>
<th>Planed budget</th>
<th>Average budget overrun</th>
<th>Planed timeframe</th>
<th>Average time overrun</th>
<th>Mayor changes in project scope</th>
<th>Change of mayor suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>282 mio. dkr. (37,9 mio. €)</td>
<td>39%</td>
<td>41 months</td>
<td>74 %</td>
<td>10 of 15</td>
<td>4 of 15</td>
</tr>
</tbody>
</table>
The need for better completion of state ICT-projects

1. Institutions lack the sufficient maturity to complete ICT-projects on time, on budget and with the expected utility.
2. Institutions take on very risky and to some degree hazardous ICT-ventures and projects.
3. The relationship between state institutions, suppliers and advisors are at best problematic.
Lack of maturity

• Even agencies with very low institutional and organisational maturity undertakes very risky ICT-projects
• The agencies compensates for this lack of maturity by extensive usage of external consultants
• This has the consequence, that knowledge and experience generated from projects does not accumulate and remain in the agencies.
• Furthermore, there is not a clear opportunity of a career as a project manager, as successful project managers often are recruited ‘back into the line’ as a head of division.
Very risky projects

- Government ICT-projects are often very risky and to some extent based on untested technology
- The projects are often implemented without any handling of these significant risks
- There is no interconnection between risks and neither budget nor timeframes
Problematic relationships

• The relationship between government costumers, external advisors and suppliers are often problematic

• The experience from many agencies is that the suppliers promise more than they can deliver

• On the other side, many suppliers and advisors feel that government institutions interprets the EU directive on procurement the rigidly

• This means that requirements specifications are often very comprehensive (several thousand pages!) and that dialogue is close to non-existent
Professionalization as a main target

Optimal level of professionalization

Financial services

Manufacturing

Government

Strategic importance of ICT

Professionalization
The initiatives to achieve better completion of ICT-projects

1. A general boost of competences and common methods
2. Focus on risky ICT-projects
3. Better cooperation between state institutions, suppliers and advisors
Boost of competences and common methods

- A central project office across ministries and agencies
- One common, mandatory project management method
- One common model for development of competences
- A cross-government project manager and ICT-specialist unit
- Update of the cross-government business case-model
Focus on risky ICT-projects

- Five strategic principles for ICT-projects
- A cross-government council for ICT-projects
- Risk self-assessment for projects with an accumulated cost of more than 10 mio. dkr. (1,3 mio. €)
- External reviews of projects with critical risk assessment
- Changes of some budgetary rules on ICT-project
- Quantitative risk assessments
Five strategic principles for ICT-projects

1. Government agencies shall pursue ambitious solutions in relation to digitization but is obliged not to be ‘first mover’ in the usage of immature technologies unless there are special perspectives in doing so.

2. Already purchased or developed solutions must be reused wherever possible.

3. Only projects with clearly specified cost, benefits and effects should be implemented.

4. Projects must be divided into smaller and individual value-creating parts and their implementation should be decided independent of each other.

5. Projects shall follow the common methods and use qualified resources, so that every project has a sufficient level of project-maturity.
Cross-government council for ICT-projects

Reference to the government economic council

Main tasks:

• Assess large projects individual and technical risks
• Recommend external reviews
• Every six months report to the government economic council on government ICT-project-portfolio
• Order and approve new or changed methods
External reviews of projects with critical risk assessment

• To be held by the cross-government council on ICT-projects

• Is carried out by external consultants with aid from the cross-government council on ICT-projects’ secretariat

• Focuses on all aspects of the project – business case, technology, implementation, realization of benefits, etc.

• Agencies can refuse to carry through an external review, but their decision will be made public through the cross-government council on ICT-projects’ report to the government’s economic council
Better cooperation between state institutions, suppliers and advisors

- Pilot on smaller specification requirements
- Cross-government, current evaluation of the cooperation between state institutions, suppliers and advisors
- Catalogue on the possibilities for dialogue under the EU directive on procurement
Thank you!

Questions can be addressed to lfp@fm.dk.

For more information on the Danish e-government strategy and the specific Danish projects, see fm.dk and modernisering.dk.