

Measuring the effects of public policies allows policy makers and public sector managers to draw lessons and allocate limited financial resources where they can have the biggest impact, thereby increasing efficiency and effectiveness. In the case of ICTs this is particularly important since the business case to support digital government projects is usually based on the time and cost reduction that technology generates for governments, as well as the ease of access to services by businesses and citizens and the resulting level of satisfaction.

Slightly less than one third of LAC countries measure the direct financial benefits of ICT projects for the central government. Costa Rica, Ecuador, Mexico and Panama are the only LAC countries that reported consistently measuring such benefits. An even lower share of LAC countries, only 22%, reported measuring the benefits of ICT projects for citizens and businesses. Chile reported measuring the results for citizens and not for businesses, while Costa Rica reported doing the opposite. Argentina, Brazil, Colombia and Mexico reported measuring the benefits consistently for both groups.

Information technology spending in the central government includes the creation of new capabilities or the maintenance of existing ones. On average, LAC countries estimated spending 40% of their IT budget on the creation of new capabilities. This is slightly lower than in OECD countries where the average reported expenditure on the creation of new capabilities is 45% of the existing IT budget. Within the LAC region the situation varies significantly from country to country. While Trinidad and Tobago spends as much as 80% on the creation of new capabilities, Costa Rica only devotes about 10% and Chile and Jamaica less than 15%. Countries starting from a lower existing stock of IT infrastructure are expected to devote a higher share of resources to creation rather than maintenance of IT capabilities.

Methodology and definitions

Data are derived from the 2015 OECD-IDB Survey on Digital Government Performance. The survey collected responses from 22 LAC countries as well as Grenada. Respondents were predominantly chief information officers or their equivalent at central government.

Implementing productivity enhancing ICT projects can result in significant time savings. Time can be saved for example by the elimination, reduction or automation of service delivery or administrative processes. Time savings within the public administration are measured in full time equivalents (FTEs) annually and can be attributed a financial value. Time savings for citizens and businesses are measured in hours annually, and can equally be attributed a financial value.

Further reading

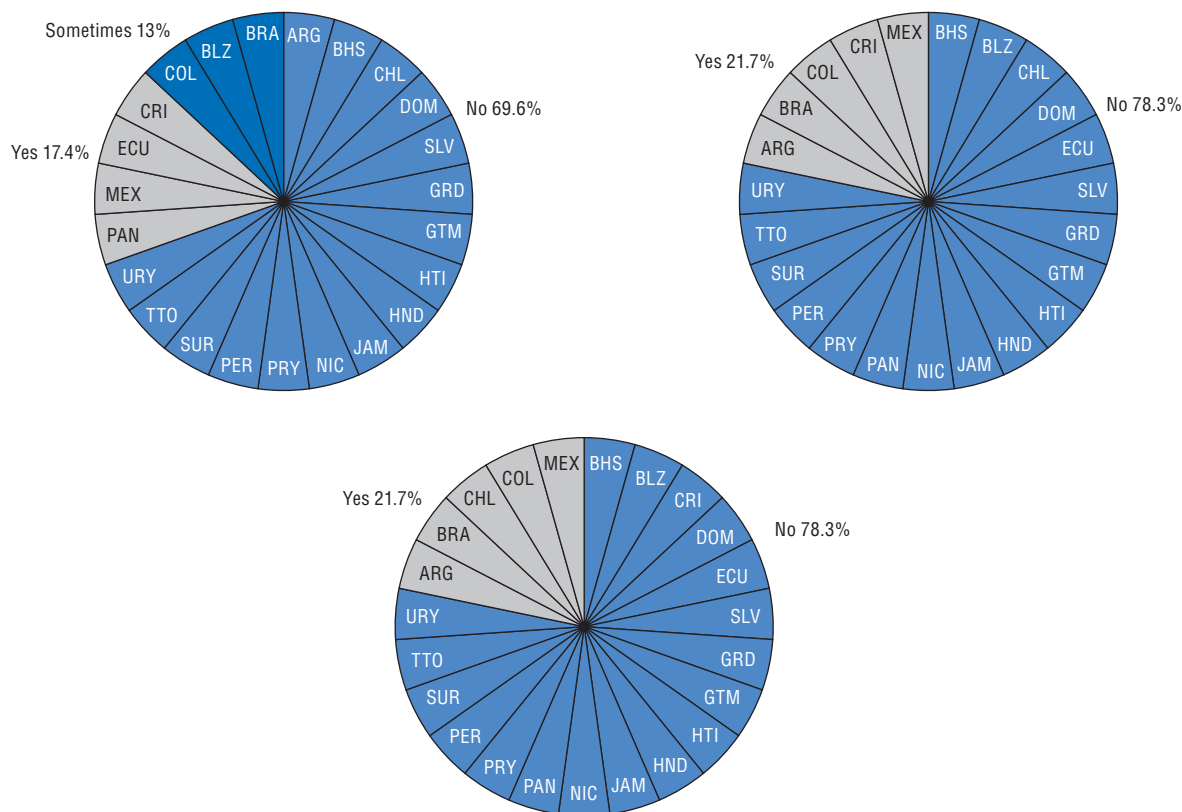
Cabinet Office, Government of the UK (2012), “Digital Efficiency Report”, Government Digital Service, <https://www.gov.uk/government/publications/digital-efficiency-report>.

Cresswell, A., G. Burke and T. Pardo (2006), *Advancing Return on Investment. Analysis for Government IT. A Public Value Framework*, SUNY, Albany, NY.

Figure notes

8.4: For central government, Brazil measures financial benefits for selected projects. In Colombia, measures of financial benefits are produced within specific projects. In Suriname benefits are estimated for projects led by the ministry of finance. In the case of Costa Rica evaluations on the ICT benefits for government are carried out by the office of the comptroller general.

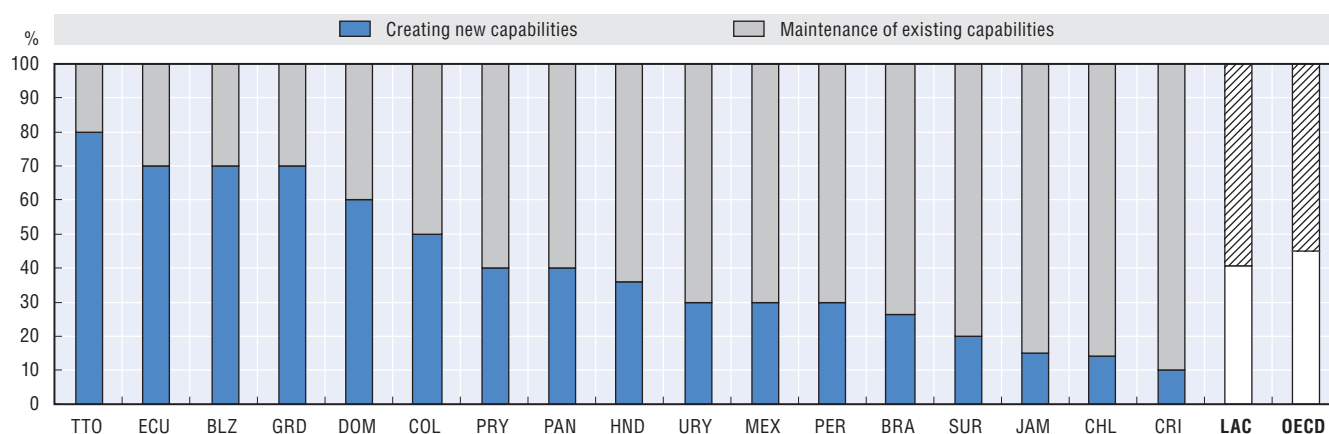
8.4. Measurement of ICT financial benefits in the central government, for businesses and citizens (2015)



Source: OECD 2015 Survey on Digital Government Performance.

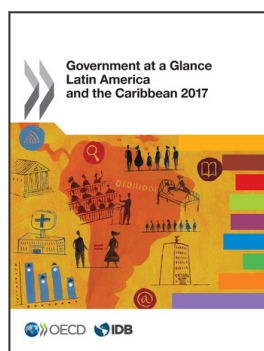
StatLink <http://dx.doi.org/10.1787/888933431421>

8.5. Reported share of IT central government spending for creating new and maintaining existing capabilities (2015)



Source: OECD (2015) Survey on Digital Government Performance.

StatLink <http://dx.doi.org/10.1787/888933431435>



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