



EQUITABLE GROWTH, FINANCE & INSTITUTIONS NOTES

GovTech: The New Frontier in Digital Government Transformation

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Introduction

This brief introduces GovTech for the World Bank staff and client countries to support public sector modernization using technology. The note helps teams and country officials working on the GovTech agenda by providing a clear definition and clarity on GovTech concepts for use in policy dialogues and operations. The note also provides information on the World Bank's GovTech Global Partnership (GTGP) that was established in the Spring of 2019.

The World Bank Group (WBG) has been financing digital government solutions for decades. GovTech is the term used to describe the latest generation of these reforms. Within the last five years, client countries are more frequently requesting support on how to design more advanced digital transformation programs to increase government efficiency and quality of service delivery, improve government-citizen communication, improve governance and oversight and modernize core government operations. The Bank's GovTech initiative is a response to this growing demand.



What is GovTech?

GovTech is a whole-of-government approach to public sector modernization and promotes simple, efficient and transparent government with the citizen at the center of reforms.¹ The GovTech approach represents the current frontier of government digital transformation. It is distinct from previous phases as it emphasizes three aspects of public sector modernization:

-  Citizen-centric public services that are universally accessible.
-  A whole-of-government approach to digital government transformation.
-  Simple, efficient and transparent government systems.

The World Bank, client countries and development partners have used the term “digital government” to describe modernization and transformation in public sector, and some still do^{2,3} and GovTech builds on that foundation. Figure 1 below shows the evolution of digital transformation in the public sector.

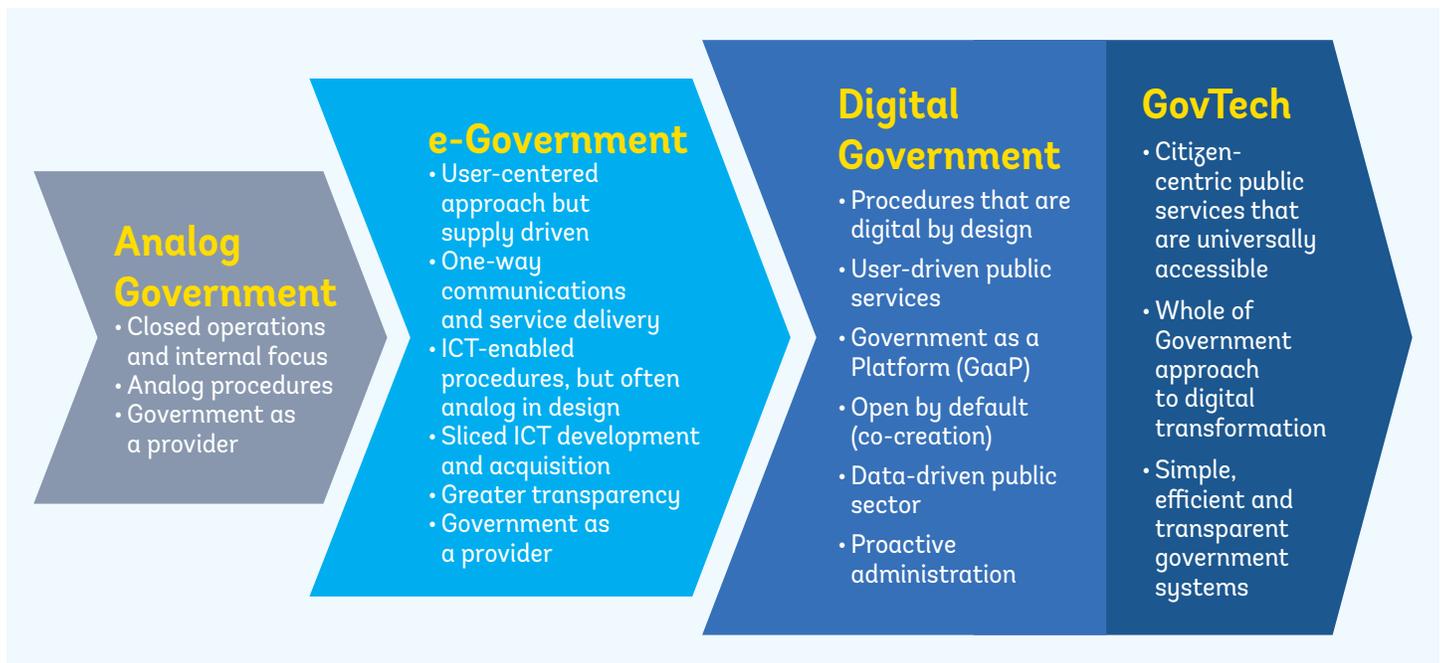
The GovTech agenda also encompasses effective use of disruptive technologies, which include: artificial intelligence and machine learning, cloud computing and the internet of things; public data platforms promoting the use of open public data by individuals and firms to create value; local GovTech ecosystem supporting local entrepreneurs and start-ups to develop new products and services for government; and greater use of public private partnerships to draw upon private sector skills, innovations, and investments to address public sector challenges.

1. The GovTech Launch Report can provide more information on the Bank’s GovTech approach and lessons learned from past projects. <http://operationsportal.worldbank.org/secure/P169482/home>.

2. [2020 UN e-Gov Survey](#) (July 2020) Chapter 7: “Digital Government Transformation refers to a process of fundamental change requiring a holistic approach that puts people first and revolves around the needs of individuals, including those left furthest behind, and the mitigation of risks associated with the use of technologies. The central feature of a holistic approach to digital government transformation is the alignment of institutions, organizations, people, technology, data, and resources to support desired change within and outside of the public sector for the generation of public value.”

3. [Strategy for National Open Digital Ecosystems](#) (NODE), Ministry of Electronics & Information Technology, India (2020).

FIGURE 1 - Digital Transformation of the Public Sector



Source: World Bank, based on the OECD's presentation of digital transformation in *Digital Government Studies* (2019).⁴

GovTech is an agenda that stretches beyond the Governance Global Practice and requires working as a whole-of-bank team. The following definitions help to articulate the new approach and how it differs from the past:

 The emphasis on *universal accessibility* is intended to ensure services and solutions are accessible by the widest range of beneficiaries, utilizing both online and physical means. By focusing on the ultimate user of government services, including non-citizens, *human-centric or citizen-centric* approaches refer to the design of solutions that consider device- and internet-access limitations, digital literacy, cultural norms, and other factors that might inhibit access.⁵ This is to ensure that government-provided services reach all intended beneficiaries and users.

 *Whole-of-government* approach promotes systems thinking and development of integrated approaches to policymaking and service delivery for accessible, transparent and efficient government. While this might be aspirational, the objective is to create a shared vision for effective use of digital platforms and data that are interoperable and secure, fundamentally changing the way government operates and provides administrative services.

 GovTech also encompasses deepening the citizen-government relationship through *CivicTech*, that is technology-enabled advances in citizen engagement. CivicTech solutions aim to increase civic participation, improve accountability, and build public trust in government.

 *GovTech Enablers* refer to the cross-cutting drivers of digital transformation agenda, such as digital skills in the public sector, an appropriate and conducive legal and regulatory regime, strong enabling and safeguarding institutions, and an environment that fosters innovation in the public sector. Effective regulations, improved technical skills, and accountable institutions are the *analog complements* of digital investments as highlighted in the World Development Report, [WDR 2016](#).

4. OECD Digital Government Studies, Digital Government Review of Sweden: Towards a Data-driven Public Sector (2019).

5. The word citizen is used here, but we recognize that services need to be accessed by anyone who is intended to use them, and, in some cases, this may mean residents who are not citizens.

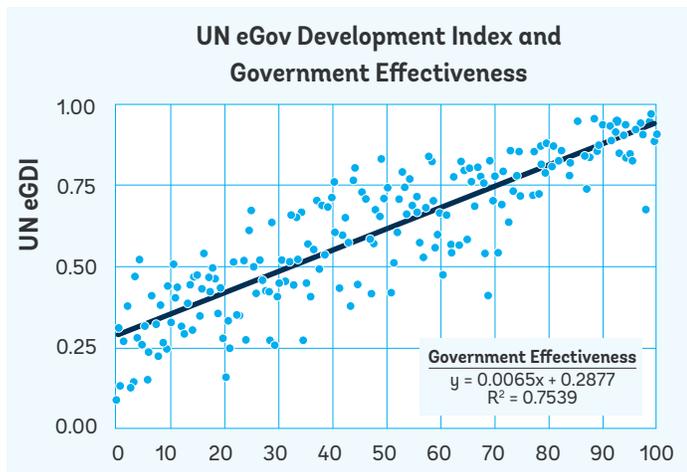
GovTech Focus Areas

GovTech is an agenda led by the Governance Global Practice (GGP), but it is a collaborative effort, bringing together other global practices, including those working on digital development, payment systems, data governance, and sector specialists. While each practice is using technology in its own way, GovTech aims to bring this expertise to the client through the whole-of-bank approach. The vision of GovTech is being implemented through the following four focus areas in different projects, assessments, and policy dialogue and is explained further in **Guidance Note 2: GovTech State of Play**.

- 1. SUPPORTING CORE GOVERNMENT SYSTEMS:** Client demand for modernization and integration of core government systems is an entry point for strengthening the GovTech approach, especially in projects and dialogue on next generation digital solutions for central and local government. For example, GGP is focused on better public financial management, human resource management, tax administration, public procurement, and public investment management systems. These interventions also include the development of an overarching digital government transformation strategy and a set of principles to foster effective use of digital platforms and data that are interoperable and secure, as part of the whole-of-government approach.
- 2. ACTIVITIES TO ENHANCE PUBLIC SERVICE DELIVERY:** In collaboration with other practices in the Bank, the GovTech Team led by the GGP supports the design of human-centered online services that are simple, transparent, and universally accessible. Special attention is paid to services that are accessible by low-cost digital solutions, such as mobile phones and free open source applications, tailored to digital literacy and reaching all intended beneficiaries and users.
- 3. MAINSTREAMING CITIZEN ENGAGEMENT:** Developing and deploying CivicTech tools including citizen feedback and complaint handling mechanisms can be done in high and low connectivity countries, using simple technology and free open source applications. Activities focus on accountability tools such as service charters and service standards with enforcement and monitoring mechanisms, and the use of technology to advance government's efforts at greater transparency.
- 4. GOVTECH ENABLERS:** Strengthening GovTech enablers includes work on how to build digital skills in the public sector and an environment that fosters innovation in the public sector.

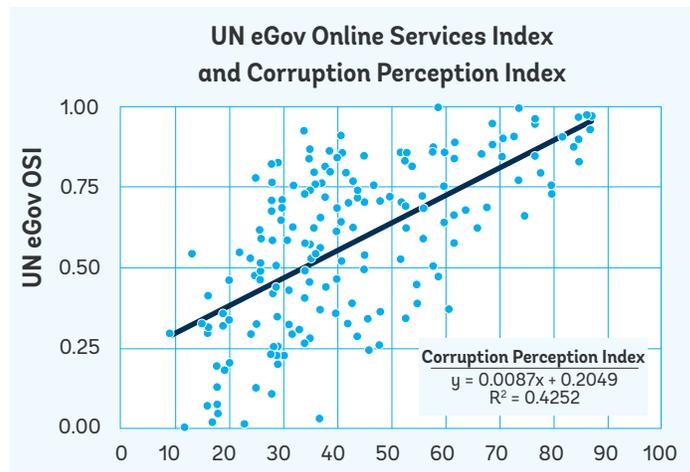
The adoption of e-Government systems and online services correlates with higher scores of government effectiveness and improved perceptions of corruption, as illustrated in Figures 2 and 3.⁶

FIGURE 2 - e-Government and Government Effectiveness



Source: 2020 [UN e-Government Development Index \(eGDI\)](#) and 2019 [Worldwide Governance Indicators \(WGI\)](#); 191 countries.

FIGURE 3 - e-Government Services and Corruption Perception Index



Source: 2020 [UN e-Government Online Services Index \(eOSI\)](#) and 2019 [Corruption Perception Index \(CPI\)](#); 177 countries.

6. The scatter diagrams are displaying the relationships between specific indices, without any control for Gross Domestic Product/Gross National Income (GDP/GNI).



GovTech Global Partnership

The GovTech Global Partnership (GTGP) was established by the GGP in 2019. The governments of Austria, the Republic of Korea and Switzerland are supporting the GTGP through a multi-donor trust fund. The Partnership's vision extends beyond the trust fund and includes potential partnerships and dialogue with other interested countries, private sector and civil society organizations involved in GovTech domain.

The GovTech Global Partnership has three work programs or components:



ANALYTICS AND THOUGHT LEADERSHIP. The Partnership is advancing the development of new knowledge, policy guidance and good practice examples. In the first year, the following reports were produced: Artificial Intelligence in the Public Sector; The GovTech Procurement Practice Note; and Finding Fraud: GovTech and Fraud Detection in the Public Administration. New reports include: The GovTech Handbook on Universal Accessibility and TechSavvy: How to Build GovTech Skills in the Public Sector.



GLOBAL PUBLIC GOODS. This work program includes the enhancement of the GovTech website where all analytical products can be found, together with links to other partners and relevant web sources, and the new GovTech e-learning courses to be launched soon. GovTech Maturity Index will be used to measure the state of GovTech building blocks in WBG client countries, building on knowledge already gathered in the GovTech database of systems and e-services. The Partnership will also host a series of learning events and knowledge exchanges including a government-to-government series open to our clients.



REGIONAL AND COUNTRY ENGAGEMENTS. The Partnership provides support to our work with specific clients. The work program supports technical advisory work, strengthening capacity and skills in country, piloting GovTech solutions, and helping country teams to advance the GovTech dialogue and partnerships at the local level. The first call for proposals for grants to support country work was launched in September 2020 and 70+ applications were received.

GovTech Global Solutions Group

The technical aspects of the GovTech agenda including provision of operational support, delivering training and helping to produce new analytical work are supported by the GovTech Global Solutions Group (GSG), which was founded in early 2020 under the Public Administration and Institutional Reform global unit of the GGP. The GovTech GSG has two Global Leads and includes a group of 12 WBG experts located in headquarters and country offices around the world. The experts provide support to country programs and regions and cross-support and collaboration on new operations and activities. GSG team members are available to provide feedback on new ideas, strengthen in-country dialogue and nascent partnerships, exchange lessons learned and advice on what works and what does not in practice, and to mentor staff keen on learning more about this agenda. The Group provides a sounding board for all Partnership work programs, and in many cases team members are leading and contributing to GTGP deliverables such as the upcoming GovTech 101 course and GovTech Maturity Index.

GovTech Learning from the Past

A good starting point for developing the GovTech approach was to learn from what the Bank has been doing. The GovTech approach therefore builds on two decades of support to clients' efforts to modernize the public sector.

The WBG has been funding investments in digital government (DG) solutions to support various public sector reforms in client countries since the 1990s. Since 2015, two global datasets have been used to monitor WBG investments in client countries and the status of government operations, institutions, systems, and services in 198 economies.

 The latest version of the [DG Projects Database](#), updated in July 2020, provides details of 1408 projects— including 965 closed, 355 active and 87 pipeline—funded by the WBG in 147 countries since 1995.

 The [GovTech dataset](#), updated in December 2020, presents the status of GovTech foundational blocks (online services, core government systems, citizen engagement and enablers) and other in 198 economies.

The latest version of the GovTech dataset presents new findings on GovTech initiatives that have emerged in 80 countries mostly within the last five years as well as the use of disruptive technologies and data governance initiatives in public sector. These datasets reflect the transition from e-Government to digital government to GovTech within the last twenty years in line with the United Nations (UN),⁷ European Union (EU)⁸ and Organisation for Economic Co-operation and Development (OECD)⁹ definitions, as illustrated in Figure 1.

A review of our past efforts shows that despite the complexities and challenges of advancing on this agenda, the Bank's financing of governments' digital solutions has yielded good results based on our internal rating systems.¹⁰ This augurs well for our work as we roll out the GovTech approach.

Where to go for more information

 Public Administration and Institutional Reform Practice Manager:
Tracey Lane (tlane@worldbank.org)

 GovTech Global Solutions Group Leads:
Kimberly Johns (kjohns1@worldbank.org) and Cem Dener (cdener@worldbank.org)

 GovTech Global Partnership Program Manager:
Reinhard Haslinger (rhaslinger@worldbank.org)
General inquiries: govtech@worldbank.org

7. According to the UN, [e-Government](#) is the use of ICTs to more effectively and efficiently deliver government services to citizens and businesses. It is the application of ICT in government operations, achieving public ends by digital means. More recently, [digital government](#) definition (2020) is focused on the advancement and transformation of public institutions, and the public-sector landscape more broadly, and their service delivery capabilities using new/disruptive technologies. 2020 UN e-Gov survey is also focused on data governance.

8. According to the EU (2019), [digital government transformation](#) within the last twenty years covers four different phases from e-Government (1.0) (focused on the applications of World Wide Web technology in the public sector), to open (2.0), smart (3.0) and eventually transformed (4.0) government, which is a citizen-driven government that uses cognitive systems and advanced analytics.

9. The OECD's definition of e-government (2004) is similar: "the use by the governments of ICT, and particularly the Internet, as a tool to achieve better government." [Digital government](#) (2014) is defined as "the use of digital technologies, as an integrated part of governments' modernization strategies, to create public value. It relies on a digital gov ecosystem comprised of gov actors, non-gov organizations, businesses, citizens' associations and individuals which supports the production of and access to data, services and content through interactions with the government".

10. "An Overview of WBG Digital Governance/GovTech Projects" (January 2020) and "Up and Running the GovTech Launch Report" (July 2020).

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