

# Investment Plans for Government Information Systems

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**Organisation:** Administrative Management Bureau, Japan Ministry of Internal Affairs and Communications (MIC)

**Country:** Japan

**Level of government:** Central government

**Sector:** General public services

**Type:** Digital, Organisational Design, Public Service

**Launched in:** 2013

**Overall development time:** 1 year(s)

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# Description

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“Investment Plans for Government Information Systems” is a tool for strategic management of government information systems, while securing transparency in IT Investment for system integration, cloud computing or improvements to functions as listed in RRGIS, i.e., “Roadmap for Renovation of Government Information Systems.”

Since FY2014, AMB of MIC, in partnership with the Comprehensive IT Strategy Unit of Cabinet Secretariat, compiles “Investment Plans” every fiscal year to articulate the status of multi-year investment plans and effects of each investment.

Whereas conventional approaches targeted cost reduction only in specific big projects, “Investment Plans” have broadened the scope of management. They are also designed to sufficiently manage return on investment and to secure transparency through information disclosure.

In FY2014, 145 Plans were listed in the “Investment Plans.” In FY2014, the investment of the 145 Plans listed in the “Investment Plans” covered 97% of the cost of all the investment plans except for the operating cost, etc. The total estimation of investment is 848.1 billion yen.

Expected effects resulting from the “Investment Plans” include: reduction in system operation cost worth of 55 billion yen per year; reduction in processing time through improved business efficiency worth of 143.4 billion yen per year; and reduction in opportunity cost through improved convenience for users worth of 48 billion yen per year. All these account for a total estimated saving of 269.2 billion yen per year.

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## Why the innovation was developed

- A response to a problem: with the introduction of RRGIS (the “Roadmap for Renovating Government Information Systems”) in 2013, a new management tool was needed. RRGIS set up blueprints for consolidation and migration to cloud computing for all existing government information systems.
  - A conventional management approach, however, concentrated only on cost reduction in big systems, while letting ministries take care of other information systems on their own. Therefore, a new management tool covering all of the government information systems was needed to follow up, year by year, the contents of RRGIS.
  - As the new management tool for RRGIS, the Investment Plans for Government Information Systems started in 2014 to follow up on the status of multi-year investment plans and effects (return on investment) of each investment, while securing transparency through information disclosure.
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## Objectives

Improve access, Improve effectiveness, Improve efficiency, Improve service quality, Improve user satisfaction

- Build management approaches to steadily accomplish the goals and time-tables articulated in the RRGIS for investments in the reduction of operating costs.
  - Manage the timing and contents of quantitative indices of effects arising from IT investment.
  - Review the progress of emerging effects of respective investment plans to make it possible to take necessary actions to make up for the deficits against the plan.
  - Secure transparency of government information systems by making public every year the contents of the Investment Plans of Government Information Systems.
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## Main beneficiaries

Businesses, General population, Government bodies, Government staff

- Citizens that use public and government services.
- Vendors that provide contracted services for government information systems.

# Results

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## Results not available yet

- In FY2014, “the Investment Plans” of 2014 that include 145 projects were created. Effects including the return on investments of the projects will gradually emerge in 2015.

# Development

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## Design

Those taking charge of RRGIS ("Roadmap for Renovating Government Information Systems") were also engaged in designing this innovation, "Investment Plans for Government Information Systems." This included staffers of the Administrative Management Bureau (AMB) of the Ministry of Information Communications, as well as those of Comprehensive IT Strategy Unit of the Cabinet Secretariat including the Government CIO.

Contents of the Investment Plans were prepared by the staffers designated to specific projects/systems through consultations and discussion with the Ministries concerned.

The final draft of the plans were referred to a meeting of Chief Information Officers (CIO) of all ministries for authorisation: thus it is "the CIO Council" that decided upon the "Investment Plans."

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## Testing

- No test was undertaken of the innovation.
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## Implementation

### Tools used:

- Management approaches: In May 2013, the post of a Government Chief Information Officer (CIO) was created by law. The CIO is responsible for:
  - The promotion of the Business Process Re-engineering (BPR).
  - Government-wide IT investment management ensuring that the IT investments contribute to the BPR.
  - Planning, drafting and promoting strategies for e-government.At the same time, central apparatus of coordinating government information systems took shape at the e-Government Ministerial Conference, and government committees endowed with planning and coordinating functions.

### Resources used:

- 30 staffers
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## Challenges and solutions

- Since the "Investment Plans" were to be released to public, it was required for the ministries concerned to illustrate the details of the planned investments for the information systems they are in charge of in a manner understandable to the public. Nevertheless, some Ministries had failed to come up with sufficient presentation of return on investment by the time the publication of the Investment Plans was scheduled.
  - The team of staffers of the MIC (and the Comprehensive IT Strategy Unit of the Cabinet Secretariat) took the lead in making suggestions and proposals to the Ministries concerned relating to how to grasp, and present to the public, future return on investment including the timing of production of effects of respective systems. This situation illustrates the problem inherent in the traditional approach before the introduction of Investment Plans. Simply put, ministries are not necessarily used to presenting to the public their business case for investment in the information systems they are in charge of.
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## Partnerships

### The Government of Japan's Chief Information Officer and Cabinet Secretariat Staff

#### Other Public Sector

This partnership with the Government CIO and the Cabinet Secretariat, who are in the upper stream of command-line of the government, helped build the frameworks needed for effective coordination with the Ministries.

This provided the working conditions for MIC to make requests to departments taking charge of information systems at the respective ministries relating to demands to reduce the number of information systems and operating costs.

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# Lessons Learned

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## Lessons Learned

- It is possible to do management by objectives in the budget execution process appropriately by identifying the contents and cost breakdown of investment, medium-term total estimation of investment, and return on investment. It is also possible to verify return on investment by setting a quantitative index.
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## Conditions for success

- Policies
  - Leadership
  - Supervision
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