

The financial impact of regulations aiming to unify government digital platforms: Insights from Saudi Arabia

Fahad K. Al-Thobaiti, Digital Government Authority, Saudi Arabia

Abstract

As Governments worldwide accelerate their digital transformation, rationalizing government digital platforms and websites remains a focal point to enhance public service delivery, streamline operations, and ensure fiscal and environmental responsibility. This paper delves into the supporting regulations of the digital platform's governance component of Saudi Arabia's Whole-of-Government program, precisely, policies and regulations focusing on digital platforms governance that aim to reduce platform number and consolidate digital services. Drawing from a comprehensive analysis of the current digital landscape, the study elucidates the potential benefits of this consolidation, highlighting prospects of an improved government expenditure and an enhanced user experience and beneficiary satisfaction. This obviously would contribute to enhance transparency, and develop effective institutions (SDG 16), as well as create a positive impact on the environment by reducing the carbon footprint contributing by that to combatting climate change and its impacts (SDG 13).

The study focuses on quantifying the impact on government expenditure. The analysed data revealed that by the end of 2023, the implementation of the Digital Government Authority (DGA) policies resulted in reducing the number of overall existing platforms in the kingdom by 21% (from 817 to 642 platforms) and in rejecting applications for creating 187 new platforms. As a result, total Government spending saving was estimated at 798 million SAR over a period of 10 years.

Through a balanced examination, this policy brief underscores Saudi Arabia as a benchmark in digital governance, offering insights for nations aspiring to rationalize the number of their government digital platforms in the pursuit of exemplary public service delivery, contributing by that to the achievement of SDGs.

With the increasing reliance on the internet for information and services, governments face a unique challenge – maintaining an efficient and accessible online presence. Over the years, the increase in government platforms and websites has been nothing short of remarkable. However, as the number of government websites continues to soar, a pressing need has emerged for a re-evaluation. The sheer abundance of government websites and platforms, while a testament to the commitment to transparency and accessibility, has inadvertently led to a fragmented and un-orchestrated online ecosystem. This lack of orchestration poses significant challenges for both the public sector and the citizens they serve. In this paper, we embark on a journey to explore the need to reduce the number of government platforms and its impact on Saudi Arabia. We will delve into the Digital Government Authority (DGA¹) Whole-of-Government program that focuses on the governance of digital platforms, and the role of regulations in supporting the achievement of this program goals.

This paper seeks to address the following questions: What is the impact of digital platform regulations on government efficiency? And what are the additional measures to be taken to sustain and build on the achieved impact?

To answer these questions, we conducted an empirical study on the current state of government websites and platforms in Saudi Arabia, analysed the impact of regulations in governing these platforms, and come up with recommendations to sustain this impact.

Current State

The number of government services and digital platforms in Saudi Arabia continues to rise in various sectors, creating several challenges and issues. In the Saudi context, digital platforms are defined as 'Technical solutions on which digital products and digital services are built, that provide beneficiaries with an enhanced digital experience through digital portals or smart device applications'. These platforms witnessed a continuous rise to reach

¹ In 2021, the Digital Government Authority (DGA) was established by the Council of Ministers decision n° 418 to support achieving the strategic objectives of Vision 2030. Its mandate includes regulating the work of the digital

government programs, operation, management, and projects, and rationalizing the costs of the digital government services [2].

817 government platforms in 2021. More than 5,000 digital services are scattered in these platforms and delivered through more than 1300 digital channels [1]. Additionally, DGA received 696 requests to create new platforms between July 2021 and September 2023.

Upon first inspection, these numbers could be seen positively since they reflect the engagement of the country toward digitalization. However, an internal DGA report showed that several challenges and issues had appeared, such as: Duplication of digital content, overlap of digital services, inconsistency and incoherence of user experience and high government expenditure.

To deal with such fact, DGA launched in 2022 a three-component "Whole-of-Government" program to achieve 4 main targets by 2025 and supported it by multiples regulations. The "Whole-of-Government" program is shaped around the following components:

a. Unified design system: A set of standards and guidelines intended to manage the design of government platforms and websites by providing reusable components and patterns that ensure a consistent user experience,

b. Platforms governance: Unifying the provision of all digital services for the sector on a single platform and govern the development of new digital platforms,

c. Shared IT resources: A digital component that is designed and developed once and is reusable for government entities.

Targets were fixed for each component along with supporting regulations to foster goals achievement as showed in table 1.

Methodology

Data collection

The data was collected from internal and published government documents, such as reports, strategies, policies, regulations, controls, and guidelines. The list of rejected platforms was extracted from two different DGA databases that allow registration via an online form for all government entities applications to create new platforms. The online form allows to capture a wide range of data such as the scope of the platform, owner, rationale of creation, and e-services.

Moreover, semi-structured interviews were conducted with number of government entities and with the businesses and digital transformation department

within DGA, to mainly analyse the impact of the regulation on government entities.

Data Analysis

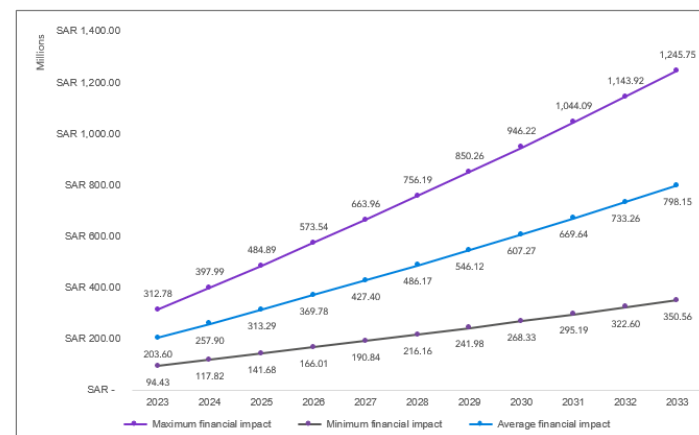
To estimate the potential savings, we followed a 3 steps approach: Data cleansing and consolidation, costing model and scenarios development and cost estimation.

Findings

DGA avoided 798 million SAR in spending over 10 years by rejecting 187 platform creation applications between July 2021 and September 2023. DGA processed 696 applications between July 2021 and September 2023. 187 applications were rejected for several reasons such as overlap in the scope with existing platforms, weak rational to create a new stand-alone platform, similarity of platform names, etc.

For the first year, estimated savings from the avoided 187 platforms range between 95 million and 313 million SAR. The average value is 204 million SAR. We projected these numbers over a period of 10 years while considering annual operational expenses only and a 2% annual inflation rate. Data showed that, on average, the Saudi Government saved 798 million SAR only thanks to the governance of the new digital platform creation (Figure 1).

Figure 1. Estimated financial savings over 10 years



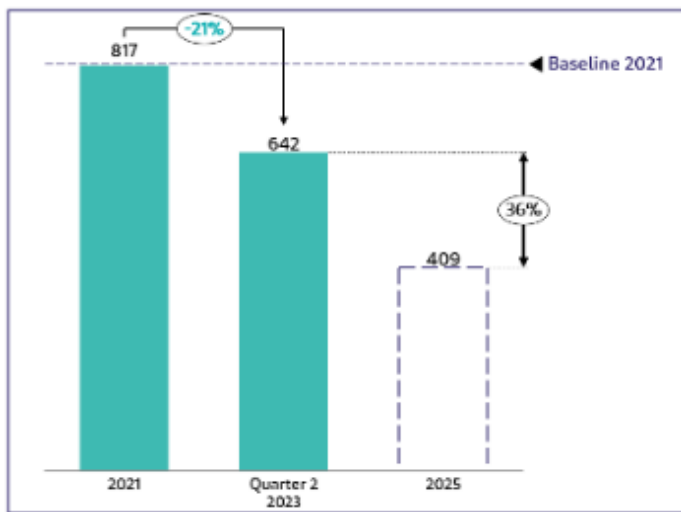
Data source: Business and digital transformation department within DGA

In addition to the cost saving, this policy will contribute to streamline the work of government agencies, reduce fragmentation, and increase effectiveness which in turn will contribute to strengthening public institutions and develop effective institutions in line with SDG 16. Consolidating government platforms will provide a more cohesive and user-friendly online experience, reducing the need for users to navigate through multiple sites. It will also centralize information and

services, making it easier for citizens, businesses, and other stakeholders to access the information they need. This can lead to increased transparency and accountability, as well as improved public engagement.

Till the end of September 2023, DGA reduced the number of overall existing platforms in the kingdom by 21%. In 2021, DGA conducted an inventory to count the number of governmental digital platforms. The number of active platforms using the domain name "gov.sa" was estimated at 817. After their feasibility assessment, 175 digital platforms were removed as a part of the whole of government program, dropping the count to 642 in September 2023. By doing so, DGA reduced the number of digital platforms by 21% which is almost 43% progress toward reaching its 2025 target of halving the number of digital platforms (figure 2).

Figure 1. Reduction of the number of Government Digital Platforms



Data source: Business and digital transformation department within DGA

The reduction in the number of active platforms along with the optimized governance of new platforms would decrease the demand for technical resources to develop, host and maintain the platforms and would consequently reduce e-waste. This will lead to lower electricity consumption thereby less CO2 emissions, even though expanding the capacity of current platforms and data centers may slightly increase it. These achievements shall add up to the Kingdom efforts toward its Vision 2030 objective to "Ensure Environmental Sustainability" which is in line with the SDG 13 (Take urgent action to combat climate change and its impacts).

Policy recommendations/ conclusions

Policy recommendations

To sustain and build on the above-mentioned achievements, the Kingdom should consider the following:

- Issue regulations that further support digital platforms consolidation and merger,
- Develop regulations that clarify the roles and responsibilities related to merged platforms,
- Promote the development of shared resources and tools to facilitate the design of digital services,
- Enhance the back-end integration of the unified national platform for government services.
- Accelerate the implementation of the life events program in designing digital services to improve the beneficiary experience.

Conclusion

The decision to govern government digital platforms in Saudi Arabia as part of its broader Whole-of-Government program underscores the Kingdom's commitment to optimizing public service delivery and aligning with global best practices. As this research has delineated, such an undertaking presents potential benefits, from enhanced user experience to the efficiency of government expenditure.

Given the global trend towards digitalization and the increasing public demands for seamless, integrated services, Saudi Arabia's initiative can offer invaluable insights for other Governments considering similar digital consolidation. As the Kingdom takes calculated strides in this direction, its success will hinge not just on technological integration but also on its ability to foster change management, ensure security, and maintain an unwavering focus on the beneficiary.

References

- [1] Digital Government Authority, "DGA annual report for the year 2022," 18 05 2023. [Online]. Available: <https://dga.gov.sa/ar/node/1271>. [Accessed November 2023].
- [2] "Digital Government Authority Mandate," 9 October 2023. [Online]. Available: <https://dga.gov.sa/en/commission-mission>.

Appendix

Table 1: Whole-of-Government program components, targets and supporting policies and regulations

Whole-of-Government program components	Platforms Governance		Shared IT resources/ services	Unified design system
	Existing platforms merging	New platforms creation		
Targets	Reduce the number of digital platforms and government websites by 50% through mergers or rebuilding	Raising the rate of using shared services for digital government products to 75%	Raising the unification rate of interface designs for digital platforms and websites to 80%	
		Increasing the proportion of OpEX operational costs through framework agreements to 70%		
Supporting Policies and Regulations	<ul style="list-style-type: none">• Circular n° (1/42/5589) for obtaining prior approval from the DGA before building or launching any digital platform• Circular n° (955) for registering existing digital platforms.• Circular n° (6262) related to Government digital transformation• Digital transformation standard	<ul style="list-style-type: none">• Whole-of-Government platforms policy• Regulatory controls for the Whole of Government platforms	<ul style="list-style-type: none">• Regulatory controls on the use of information and communications technologies in government entities (Resolution 555)	