



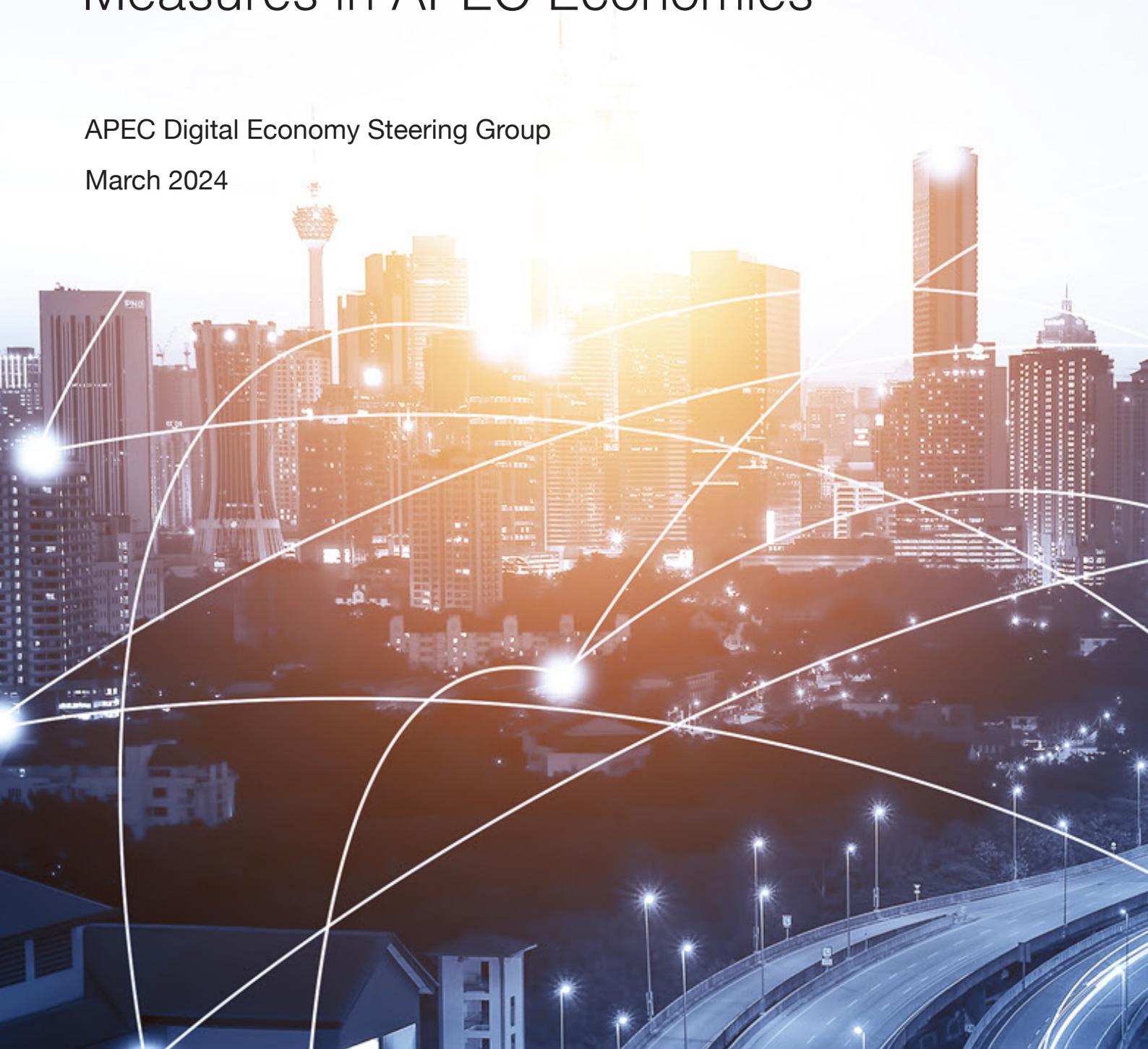
**Asia-Pacific  
Economic Cooperation**

## **Policy Recommendations:**

# Stakeholder Engagement to Promote Digitalization of Licensing and Permitting Measures in APEC Economies

APEC Digital Economy Steering Group

March 2024







**Asia-Pacific  
Economic Cooperation**

## **Policy Recommendations:**

# **Stakeholder Engagement to Promote Digitalization of Licensing and Permitting Measures in APEC Economies**

**APEC Digital Economy Steering Group**

**March 2024**

APEC Project: DESG 05 2022A

Produced by

Catalysing Stakeholders for Effective Implementation of Digital Licensing and  
Permitting Measures for Post-COVID-19 Economic Recovery Project Team

For  
Asia-Pacific Economic Cooperation Secretariat  
35 Heng Mui Keng Terrace  
Singapore 119616  
Tel: (65) 68919 600  
Fax: (65) 68919 690  
Email: [info@apec.org](mailto:info@apec.org)  
Website: [www.apec.org](http://www.apec.org)

© 2024 APEC Secretariat

APEC#224-CT-01.6

Note:

The terms “national” and the names of the public or private institutions used in this document are for purposes of this report and do not imply the “political status” of any APEC member economy.

# Table of Contents

“

The time to act is now. Stakeholder involvement is the cornerstone of our journey towards a digitally advanced and prosperous future”

– Secretary Ernesto Perez,  
Director General, Anti-Red Tape Authority,  
The Philippines

- 04. Introduction
- 06. Evolution Of Digital Transformation In APEC Economies
- 09. Applying A Multi-stakeholder Approach To Digitalizing Licensing & Permitting
- 10. Recommendations For Stakeholder Engagement
- 11. Design
- 17. Implementation
- 19. Adoption
- 21. Conclusion
- 22. Acknowledgements

# 1

## Introduction

The acceleration of digitalization brought about by the COVID-19 pandemic has made it a staple for pursuing sustained economic development in the present day. This shift in perception is increasingly evident in all sectors including the public sector. Governments are not only leveraging policy-making to create an enabling environment for economy-wide digitalization, but are also committing resources to optimize their own processes and public services through digital transformation.



According to a 2022 survey by *Economist Impact* of senior-level employees from 150 government organizations across South-East Asia, **71.3%** said that the pandemic accelerated the pace of digital transformation in their field. Furthermore, 90.7% of the respondents emphasized that their governments have increased investment in digital technology since the onset of the pandemic.<sup>1</sup>

What started out as a move to maintain continuity of public services and build agility and resilience in governments has now evolved into an attempt to improve operational efficiency and keep up with technological innovation. Digitalizing commonly used public services can be a significant first step towards realizing domestic digital inclusion-related goals, as these services have the potential to reach all segments of the population and promote easy familiarity with digital interfaces due to constant interaction with them along with long-term use. Some examples of public services that may realize significant gains from being digitalized include licensing and permitting; tax administration; public procurement; and customs administration. Licensing and permitting processes in particular can be good candidates for early digitalization, as digitalization-based simplification of key processes such as business and construction permits can directly impact job creation and boost overall investment and innovation in an economy.

It is evident that the benefits from digitalization are manifold and include important components such as improvement in ease of doing business-related parameters and enhancement of overall transparency and accountability of governments.

<sup>1</sup> Economist Impact, *Digital transformation in South-East Asia: Reaping the fruits in government and society*, 2022, Available at: [https://impact.economist.com/perspectives/sites/default/files/eco151\\_microsoft\\_digital\\_transformation\\_10.pdf](https://impact.economist.com/perspectives/sites/default/files/eco151_microsoft_digital_transformation_10.pdf) (Accessed: 01 November 2023)

The current shift by governments to digitalize more of their public service delivery indicates an inherent belief in the increased value to society from this shift. Almost all APEC member economies have initiated or are in the process of initiating the transition to a digitalized government. This entails end-to-end delivery of the entire spectrum of public services through digital pathways.

Now that governments have committed to pursuing development through digital transformation, the inherent question is about maximizing implementation-related efficiency. On-boarding external stakeholders including the end users of these services as critical partners to facilitate implementation will be an important element of achieving this goal. These stakeholders may include the industry, professional associations, international organizations, multilateral banks, civil society organizations, and many more entities that add value to the process of digitalizing government services. Strategic engagements with these stakeholders will allow for leveraging of their expertise and networks to collaborate on designing, implementing, and ensuring citizen adoption of effective digital government services.

This is especially true in the case of licensing and permitting related services as they have the potential to create immediate value for the economy through job creation in the case of business licenses and investment generation through increasing the efficacy of obtaining construction permits.

According to United Nations Department of Economic and Social Affairs (UN DESA)'s *E-Government Survey 2022*, globally the most prevalent **online transactional service** is the registration of a new business.<sup>2</sup>

,

<sup>2</sup> United Nations, *UN E-Government Survey 2022*, Available at: <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2022> (Accessed: 01 November 2023)

With the above use-case as its focus, this report provides recommendations on structured pathways that may be adopted by governments to engage and build partnerships with stakeholders to effectively design, implement, and promote adoption of digital government services. It builds on the insights shared at the Asia-Pacific Economic Cooperation (APEC) Digital Economy Steering Group (DESG) workshop, “Catalyzing Stakeholders for Effective Implementation of Digital Licensing and Permitting”, held as an APEC Digital Month event on the sidelines of the third Senior Officials Meeting (SOM) in August 2023 in Seattle, Washington, United States.

The first two sections of this report provide a snapshot of the progress made by APEC member economies in creating domestic digital programs for licensing and permitting and the value-add to such programs through stakeholder engagement. Actionable recommendations on building relevant stakeholder partnerships right from the designing of a digital licensing and permitting (L&P) program, to ensuring successful implementation, and encouraging citizen adoption will be covered in the third section. This section will also feature case studies on current pathways being adopted by economies to engage with stakeholders to not only improve the quality of digital L&P services being offered, but also their effectiveness.

Ultimately, this report is envisioned to be a helpful resource to APEC economies looking at optimizing the provision of their digital L&P services or digital government services at large, to maximize benefits to the average citizen and re-affirm trust in the government, shaping it as an agile and resilient pillar of the economy.



# 2

## Evolution of Digital Transformation in APEC Economies

While adoption of electronic government (or e-government) services has been on an upward trajectory over the last two decades, efforts dramatically accelerated since the COVID-19 pandemic began in 2020. The UN's *E-Government Survey* documents this trend by tracking the UN E-Government Development Index (EGDI). As per the survey, the global average EGDI has shown an increase from 2020 to 2022, with Europe leading e-government development followed by Asia, the Americas, Oceania, and Africa.

Additionally, this survey assessed a total of **22 government services offered online** (including licensing and permitting-related services), with Europe offering online the highest average number of services (19), followed by Asia (17), the Americas (16), and Oceania and Africa (12 each).<sup>3</sup>

”

Such targeted efforts towards digitalization of services and processes have enabled governments to reap greater efficiency and cost savings. In turn, digital services have helped transform citizens into more independent digital users by empowering them with the right tools and motivating them to become more digitally savvy. The report is a part of the APEC project, "[Catalysing Stakeholders for Effective Implementation of Digital Licensing and Permitting Measures for Post COVID-19 Economic Recovery](#)", for which a survey was circulated to all APEC member economies in July 2023 to gather information on their ongoing efforts to digitalize government-mandated licensing and permitting processes. The below case studies highlight key details from such programs implemented by Peru; the Philippines; and Chinese Taipei as per responses submitted by them.



<sup>3</sup> United Nations, *UN E-Government Survey 2022*, Available at: <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2022> (Accessed: 01 November 2023)

## Case Study I - Peru

### System for Monitoring Procedures and Issued Licenses (SIMPLE) Platform

The SIMPLE Platform has been developed by the Ministry of Housing, Construction, and Sanitation to issue licenses for urban building permits. This platform is leveraged by local governance units, specifically municipalities, to enter information and track developments across the decision line for granting building permits. Municipalities also leverage this platform to upload compliance-related information to support applications. Efforts are underway to expand the functionality of this platform to make it citizen-facing in the future. **This is a good example of habituating local governance units to digital platforms to strengthen their implementation capability for more citizen-facing digital applications in the future.**



## Case Study II - The Philippines

### Integrated Business Permits and Licensing System (iBPLS)

iBPLS was born in 2017 and is considered as one of the flagship digital transformation projects of the Department of Information and Communications Technology (DICT). The web-based software solution houses modules of various permits and certifications-related prerequisites for doing business in the Philippines. As of July 2023, there were 970 local government units across the Philippines' archipelago that had employed this domestically-developed system in facilitating the application and issuance of business permits and other licenses to their constituents.

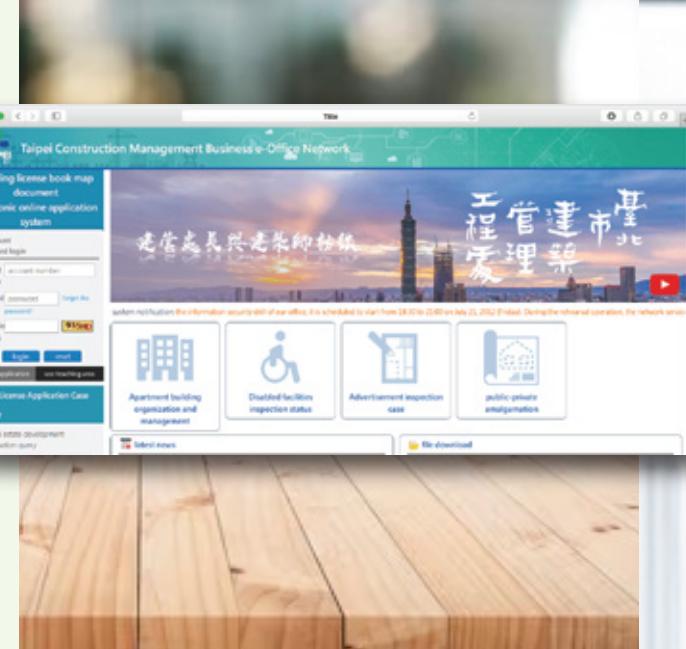
### Electronic Local Government Unit (eLGU) Application

The Philippines' Electronic Local Government Unit (eLGU) Application is a comprehensive mobile application developed by DICT to provide local government services directly to constituents through their smartphones, including but not limited to business permits and licenses, real property tax, barangay clearance, and national and local government news and information. President Ferdinand Marcos Jr launched the application in July 2023, with the vision of delivering a citizen-centric, digitally-resilient, and accessible eLGU application to all Filipinos.

## Case Study III - Chinese Taipei

### Taipei City Smart Construction Management Project

Taipei City developed a digital platform to offer support on the entire cycle of services related to Building Permission management. This platform has the unique feature of government officials participating in and providing value to architects during the application process, moving beyond their role as passive reviewers, through assistance via computer-aided design to evaluate compliance with existing regulations. Evaluators are also leveraging technology to spot-check results through big data analysis.



These efforts are augmented by additional digital features to create this 24/7 e-submission system, which has resulted in less mistakes to correct and less paper to print – leading to more time- and money-related savings for both architects and government reviewers.



# 3

## Applying a Multi-Stakeholder Approach to Digitalizing Licensing & Permitting

Digitalization of legacy systems and streamlining processes can be complex undertakings for government and public sector entities. There are significant efficiencies to be unlocked, therefore, by taking a partnership-based approach to this process. External stakeholders can provide on-ground insights and real-world experience on the tools, systems, and solutions that may work best for government end users, the citizens. Potential partners may include industry and professional associations, think tanks, private sector entities, civil society organizations, and international organizations. Although there may be challenges related to identification of relevant stakeholders with the right capabilities for engagement, there are a number of benefits from adopting a multi-stakeholder approach:



### *Design better programs*

Due to their diverse experiences, stakeholders can provide a nuanced understanding of the key features to be built into citizen-facing digital L&P programs and also extend support on easier identification of issues, which will lead to them being mitigated early on in the digitalization process; subject-matter specific expertise, especially from the private sector and professional associations can help design more user-friendly and well-tailored initiatives.



### *Champion accelerated adoption*

When stakeholders are involved in developing a digital L&P program right from the design phase through implementation - they believe in its value for enhancing citizen welfare and become its earliest adopters and also encourage entities in their own extended networks to become active users. Thus, turning into champions for the program's success.



### *Drive last-mile inclusion*

Domestic stakeholders such as non-government and civil society organizations can support local-level adoption especially in rural or underserved areas of the economies, thus helping bridge the digital divide. They can also prove to be channels for obtaining on-ground feedback to improve the efficiency of live digital L&P programs.



### *Bring international best practices home*

International organizations can provide capacity building support by contextualizing global best practices for domestic applicability; they can also provide a platform for governments to connect and share knowledge on key learnings from successfully implemented digital L&P programs and allow for collective ideation on challenges faced in the process.

# 4

# Recommendations for Stakeholder Engagement

External stakeholder perspectives and expertise should be leveraged through three key stages in the development of digital L&P programs:



## Design

Initial design and development of the digital infrastructure for the program



## Implementation

Capacity building and technical assistance to ensure effective implementation of the program



## Adoption

Promote citizen adoption of the program through awareness creation and public education on its value-add and usage along with contribution to incentives for enhancing citizen adoption.

This section consists of key challenges faced by governments in each of the three steps listed above along with actionable recommendations on stakeholder engagements to address these challenges.

These challenges are summarized in the table below:

1	2	3
DESIGN	IMPLEMENTATION	ADOPTION
<b>CHALLENGE 1.1:</b> Creation of an enabling environment for development of digital L&P programs.	<b>CHALLENGE 2.1:</b> Adoption of centrally developed digital L&P programs by local governance entities.	<b>CHALLENGE 3.1:</b> Awareness creation and education of citizens on using digitalized L&P programs.
<b>CHALLENGE 1.2:</b> Development of a functional digital L&P program with relevant features for end-users.		<b>CHALLENGE 3.2:</b> Enhancing accountability of and trust in digital government services.
<b>CHALLENGE 1.3:</b> Capacity building of government officials to design and run a digital L&P program.		

# I. DESIGN

## CHALLENGE 1.1:

### Creation of an enabling environment for development of digital L&P programs.

This involves implementation of relevant laws, regulations, and institutions along with the corresponding operational guidelines to support the development of digital L&P programs. A successful example of such a dedicated law is Chile's Law 21,180 on the Digital Transformation of the State, 2019, which has set a goal for digitalization of the complete cycle of administrative procedures of all state administration by December 2027. This has given a significant push to digital transformation efforts within the government. The Law is part of the Strategy of Digital Transformation of the State, one of the key objectives of which is to improve public services for citizens and businesses.

**“ As of July 2023, 89% of state procedures had been digitalized.**

To facilitate digitalization, this Law has mandated appointment of a Digital Transformation Coordinator in every government organization as the key point of contact to drive implementation.

These coordinators also liaise with stakeholders such as international organizations, technology associations, and academia; the last one specifically for knowledge sharing and development of training courses.

Institutionalizing digital transformation through implementation of such laws can be a significant tool for initiating a sustained shift towards digitalizing public services. Some governments have explored creation of dedicated entities to create an enabling environment and advance their digitalization-related goals. The Anti-Red Tape Authority (ARTA) in the Philippines is a good example of such a direct approach, the case study below elaborates this further.

### CASE STUDY: The Anti-Red Tape Authority (ARTA), The Philippines – Advancing ease of doing business through digitalization of public services



ARTA is a dedicated government entity in the Philippines, established with the unique mandate to reduce red tape in the economy by implementing the Ease of Doing Business Law. Adoption of digital technology has been identified as a critical step to achieving this goal. ARTA works with public sector entities at all levels of governance to fulfill its two-pronged function of:

- **Empowerment:** Streamlining, re-engineering, improving regulatory management systems, and building capacity in stakeholders; and

- **Enforcement:** Conducting investigations, case build-up, entrapment operations, and filing cases against violators of the Ease of Doing Business Law.

It has implemented and supported a number of initiatives to bring about whole-of-government digitalization including:

- **Philippine Business Hub:** A one-stop portal for business registration, which has reduced the processing time to incorporate a business from 33 to three working days and reduced the number of steps in the process from 13 to six; this was made possible by interconnecting six government agencies.

- **Tradenet:** The central single window for processing import/export permits, licenses, and clearances; as it becomes fully operational, it is expected to reduce the number of days required for import permits from 27 to just one working day, the same for export permits will be reduced from 9.7 to just one working day, this will be through the involvement of 73 trade-related agencies brought together by ARTA's coordination.

- **Electronic Business One-Stop Shop (e-BOSS):** Digitalizes local government unit (LGU)'s licensing and permitting processes and is considered to be one of the most successful digital initiatives of the economy. It has brought down the processing time of a business license from 30 days to just 30 minutes.

Additionally, governments must ensure there is adequate infrastructure to support citizen use of digital programs. This will involve availability of internet connectivity even in rural and remote locations and of corresponding energy resources to power digital devices. Private sector stakeholders can be critical partners in strategizing and executing programs for provision of sufficient digital infrastructure.

## CHALLENGE 1.2:

### Development of a functional digital L&P program with relevant features for end-users.

Digitalizing processes in a manner that is truly beneficial to end-users is an important factor to ensure adoption of these programs, new features such as enhanced interoperability through use of digital identity and digital signature can be leveraged to add value. Stakeholders can provide crucial on-ground and expert feedback right from the design phase.

- Stakeholders can leverage their own ecosystem of stakeholders (employees, suppliers, distributors, and other actors across their value chains), which will include end users, for consultation and collection of insights to provide functional design inputs. This group can later be early adopters of the program and champion it to expand user base.

## CASE STUDY

### Private Sector leading from the front on support to governments for digitalizing L&P

Multinational companies, such as Walmart, tend to work with a range of stakeholders across their entire value chains spread over different economies. Currently, Walmart leads a multi-stakeholder initiative, *Digital Tools for Rule of Law and Recovery (DT4RR)*, which promotes digitalization in key government processes, including L&P. As a part of this initiative it works with its own stakeholders, along with government partners and global economic institutions, both bilaterally and through multilateral engagements.

For example, in the lead up to the 8th Summit of the Americas, Guatemala, with support and coordination from the Organization of American States (OAS) and Walmart, stepped forward at the Ministers level to promote language on streamlining government

processes, specifically licensing and permitting, in the Declaration of Lima (paragraph 32). Based upon this commitment in the Declaration of Lima, Guatemala actively participated in setting up a working group at the multilateral level with OAS to create a pilot project to implement digital licensing and permitting within the country. This working group was part of the impetus for Guatemala making legal reforms to improve the digitalization of government processes – particularly for licensing and permitting, and now has a new digital licensing & permitting single window.

DT4RR serves as a solution to support anti-corruption efforts across sectors and prioritizes the digitalization of licensing and permitting with an inclusive design. It ensures there is strong inclusion, resilience, and transparency at the design level when creating digital licensing and permitting tools and facilitates cross-sectoral partnership focused on strengthening public institutions, giving the private sector an important role in this effort.

- Pilot a digital L&P program with industry associations to resolve key design issues before public introduction. Peru proactively undertakes collaborative work with business associations of various sectors to pilot digital platforms in a secure manner. Such piloting by a select group of end users allows for proactive mitigation of bottlenecks in the system before opening it up for wider public adoption.
- Outsource designing of the digital L&P program to a consortium of external stakeholders with the right expertise, capability, and consultative capacity.

## CASE STUDY

### Driving investment through partnerships to digitalize permitting processes in Costa Rica

Private sector companies in Costa Rica worked with the Federated College of Engineers and Architects (CFIA) to identify bottlenecks in permitting-related processes in the construction sector. CFIA is an independent association with mandatory membership for all professional engineers and architects in Costa Rica, it has 36,000+ active members featuring more than 2,500 consulting and construction companies.

Prior to this collaborative exercise between private companies and CFIA, the permitting process used to require face-to-face interaction between applicants and reviewers, it was very linear and included submission of numerous copies of paperwork to various government agencies. After completion of this bottleneck mapping exercise, CFIA launched a digital platform, the *Administrador*

de Proyectos de Construcción (APC), comprehensively covering provision of most permits for construction projects.

Now all project submissions run through APC and are fully digital, the platform has been adopted by most municipalities and relevant national institutions. When the approval process on a project submission is completed, it gets stamped with a digital seal, a QR code, with all the relevant building permit and related information.



“ This has led to increased transparency, traceability, and accountability of the system.

CFIA started rollout from three major cities and worked through two different political administrations to get widespread local-level adoption. Additionally, CFIA has its own diverse network of active stakeholders, which it leverages for consultation and feedback.



### Success Indicators:



Monthly processing capacity increased from **2,000** to **4,500** projects;



Response time reduced from **10 working days** to **24 hours**;



Average review time reduced from **40 to 15 minutes per project**;



Before there was no record of submitted projects, **now a live database is digitally** maintained with sealed blueprints for all projects;



**77 municipalities are now 100%** digital and the remaining five are almost there by being 99% digital.

### Key learnings from this case study include:



Building a mobile-friendly platform to increase citizen adoption;



Developing the digital solution at a central government level, to be shared by local government units for better quality control and cost efficiency;



Realizing the benefits from picking permitting as an early step for digitalizing public service delivery;



Having user buy-in right from the beginning by incorporating customers (engineers and architects) insights directly into the design of the platform.

- Partner with an international organization for design support and knowledge exchange on best practices from other economies. Peru has worked with technical experts from the World Bank and the Inter-American Development Bank (IDB) on regulatory formulation, deployment support, and testing assistance for the development of its digital platforms.

## CASE STUDY

### Leveraging collaboration with international organizations to streamline ideation processes

The Anti-Red Tape Authority (ARTA) of the Philippines developed a system with assistance and support from the United States Agency for International Development (USAID), called the Philippines Business Regulation Information System (PBRIS). As a part of this, all government entities including local government units (LGUs), with the requisite capacity building and training support, will be required to upload information on all the regulations they issue and implement. This will be an open platform providing access to not only government agencies but also the public. The latter will also have the capability to submit comments. This System provides visibility on overlapping regulations and provides an opportunity subject them to regulatory impact assessment.



## CHALLENGE 1.3:

### Capacity building of government officials to design and run a digital L&P program.

One of the key challenges in digitalizing L&P processes is the information and communications technology (ICT)-related readiness and capacity of government stakeholders. While central governance entities tend to have some baseline knowledge on developing and implementing digital programs, majority of local governance units such as those at the municipality, city, or province-level require training and support to graduate from legacy systems to digital programs. Additionally, capacity building programs need to account for the turnover of civil servants at various levels of government. Training and upskilling needs to be undertaken at a frequent pace to maintain continuity of digital services.

- Collaborate with academia to develop customized training modules on designing and implementing digital L&P programs. Chile has cooperative agreements with regional universities to deploy a “train the trainer” approach. Under this, the central government will train university stakeholders to then provide this training support to municipalities.

- Before digitalizing external citizen-facing platforms, governments should start by digitalizing their internal processes to get officials familiar and comfortable with working with digital applications. The Federal Telecommunications Institute (IFT) in Mexico is “walking the walk” by making its internal, employee facing processes digital.
- Collaborate with private sector experts to provide holistic capacity building support to all governance levels.

## CASE STUDY

### Engagement with private sector entities to leverage their expertise for capacity building support

The Anti-Red Tape Authority (ARTA) of the Philippines, in partnership with the Aboitiz Group, launched the Pinas Bilis program in May 2022. This program is intended to provide end-to-end assistance for target national government agencies (NGAs) and local government units (LGUs). This will be done through a number of activities Headlined by provision of relevant competencies through targeted training to streamline their processes. In the initial phase, five trainings were scheduled for 13 NGAs and 10 LGUs between mid-2022 and early 2023, benefiting about 250 civil servants at no cost to the government. Key subject matters covered in these trainings include Business Process Improvement Toolbox; Data Management and Analytics; Agile Project Management; Regulatory Impact Assessment Training; and Customer Service Delivery, among others. This training will include special emphasis on NGAs and LGUs using their learnings in the day-to-day operations of the Electronic Business One-Stop Shop (e-BOSS).



ARTA and Manila Electric Company (MERALCO) launched their flagship public-private partnership initiative, “Paspas Pilipinas Paspas” in March 2023. This project aims to boost the streamlining and digitalization of business permits, related clearances, licenses, and authorizations of LGUs across the economy through capacity building trainings and other support. These trainings will be led with the support of the Department of Information and Communications Technology (DICT). The project intends to provide end-to-end assistance to LGU beneficiaries, from the initial distribution of 500 computer units and capacity building trainings to having the option of using the integrated Business Processing and Licensing System (iBPLS), a free software developed by the DICT. This project is specifically expected to support complete implementation of the eBOSS initiative by 166 LGUs, which mandates cities and municipalities to automate their business permitting and licensing system or set up an eBOSS.



# II. IMPLEMENTATION

## CHALLENGE 2.1:

### Adoption of centrally developed digital L&P programs by local governance entities.

One of the key challenges to last mile delivery of digital services is initial adoption and implementation of centrally-developed digital L&P programs by local governance entities such as municipalities. This will also ensure that a standardized digital program is adopted across the economy as opposed to varying programs developed by government entities at various levels and in different geographies. Unilateral implementation of a standardized digital L&P program across all levels of the government will ensure greater uptake by citizens and will also simplify awareness creation and digital literacy efforts.

- Central governments can provide infrastructure-related installation support and capacity building at no cost to local governments for adoption of digital L&P programs developed by them. They could partner with external stakeholders such as private sector entities with the relevant subject matter expertise to develop and offer these trainings, as seen in the case of ARTA's partnerships with the Aboitiz Group and the MERALCO Group in the Philippines. Universities are also important partners for developing structured training programs targeted to local government units.
- The above top down approach of offering implementation-related support may be more easily adopted by the more proactive set of local governments. A peer learning-based approach for knowledge sharing and capacity building may be considered to maximize participation by all local governments. This platform may include setting up a regular cadence of meetings connecting local governments to share learnings from their implementation journeys and collectively ideate on challenges being faced. Relationships with external stakeholders may be leveraged to organize and facilitate such peer-to-peer learning and discussion sessions. Mexico has platforms in place for municipalities to get together and exchange best practices.
- Fiscal and non-fiscal incentives may be offered to make the process aspirational by providing recognition and commendation to proactive local government adopters. In the Philippines, well performing LGUs are given a certificate of appreciation to recognize their adoption-related efforts.

A sense of healthy competition among local governments may spur action and increase adoption of digital L&P programs. Stakeholder partnerships may be utilized to offer training, software/hardware infrastructure update, talent acquisition, and other incentives that may be relevant to local governments.

”

- Specific funding may be sought from multilateral development banks to bear the one-time cost of creating digital capacity (both infrastructure and skills-related) at the local government level for adoption of digital L&P programs. Peru has worked with IDB to facilitate integration of its municipalities to the central government's platform for digital public services (gob.pe).



## CASE STUDY

### Spotlight on a Successful Program to Facilitate Adoption by Local Governments *– The eBOSS initiative of the Philippines*

The Electronic Business One Stop Shop (eBOSS) is a digital platform to streamline processes for filing of applications and issuance of local business licenses, permits, clearances, and authorizations through LGUs. It was established immediately after the COVID-19 pandemic to encourage more entrepreneurs to register their business and support local economic recovery. All LGUs are mandated to set up an eBOSS as per the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (RA 11032).

As of May 2023, 75.28% of LGUs in the Philippines had established their own eBOSS with the automation requirements stated. The LGUs that have set up an eBOSS have reported an increase in collection of fees from business registrations, funds from which are being used for the provision of social services to their respective constituents. **The introduction of eBOSS has brought down the time taken to produce a business license from 30 days to just 30 minutes.**

Core features responsible for its success include:

- Provision for online submission of applications;
- In-built gateway facility linked to courier services to support applicants who prefer hard copies;
- Acceptance of online payments;
- Issuance of electronic tax bill/order of payment; and
- Issuance of electronic versions/digital copies of permits, licenses, and clearances.

ARTA is currently working with regulating agencies and major telecommunications players to improve internet connectivity at the locality level, as it is one of key issues cited by LGUs hampering their full implementation of eBOSS.

# III. ADOPTION

## CHALLENGE 3.1:

### Awareness creation and education of citizens on using digitalized L&P programs.

An important final step for a successful digital L&P program is also widespread adoption and long-term use by the citizens. To ensure this, it is critical to convince citizens of the “value-add” from digital public services so that they do not view this shift as an added complication to availing government services. The challenge for governments is to increase adoption of well-designed digital L&P programs by proactively enhancing digital inclusion, especially for currently disadvantaged population groups.

- Non-government organizations (NGOs) can play an important role in leading grassroots outreach to socialize digital L&P programs with citizens, as they tend to have good community-level relations. These relationships give them insight into the evolving needs of the community, which can be valuable feedback for the government. Partnerships with NGOs can be leveraged to create awareness programs, targeted training sessions, and general advocacy on the benefits of the digital program.
- To support the government’s broader mandate of digital literacy, community centers may be set up to serve as hubs for citizens to get training on using digital L&P programs. These centers may also host the relevant equipment to facilitate digital submissions in case citizens do not possess the relevant internet-connected devices. External stakeholders may provide the strategic support needed to set up and/or run these centers. Chile has set up a network of Family Centers on the local level to support citizen-targeted training efforts.
- Creating pathways for involvement of citizens in the design phase will not only provide governments with relevant inputs on functional design features for the digital L&P program, but will also instill a sense of ownership in citizens – leading to proactive adoption. Stakeholders can play an important role in on-ground feedback collection from citizens. Additionally, governments can directly crowdsource ideas on developing user-centric digital L&P programs from citizens through competitions and hackathons.
- Governments can explore partnerships with private sector stakeholders or civil society organizations to provide incentives focused on accelerating citizen adoption. An example of an incentive for promoting electronic business license applications is the provision of basic training/advisory support on steps necessary for setting up a new business to entrepreneurs,

Awareness programs in general may be **implemented through various channels, including social media, television, radio, or community events** and would be beneficial in dispelling myths and fears about technology.

such as creating a business model, identifying relevant financing pathways, or even designing a go-to-market strategy. Governments can go further by offering tax incentives to new businesses applying for digital licenses.



## CHALLENGE 3.2:

### Enhancing accountability of and trust in digital government services.

An important outcome of digitalizing L&P services is greater transparency in government processes along with reduction in corruption. In order to scale citizen adoption of digital services, these outcomes need to also translate into greater trust and confidence in governance systems while keeping them accountable to citizens. Furthermore, an important factor associated with gaining citizen trust is by digitalizing the right public service first to demonstrate early success of the “digital approach”. Strong contenders for early digitalization include business licenses and construction permits for the immediate gains and economic value associated with the job creation and in-bound investment they can potentially bring about.

- Governments would benefit from institutionalizing robust grievance redressal mechanisms either by opening direct lines of communications with citizens or via stakeholders such as NGOs to collect information on challenges faced while using digital L&P programs.
- Avenues may be opened directly or via stakeholders, for feedback collection or evaluation from citizens along with provision of updates on action taken to address this feedback. Such a mechanism will signal governments' willingness to hold themselves accountable.
- An important factor in enhancing citizen trust will be ensuring security and privacy of their data collected and stored for provision of digital L&P services. Citizens' confidence will increase if governments share information on the security standards deployed to protect citizens' data; external stakeholders may be onboarded to audit and certify the credibility of these standards.

#### CASE STUDY

##### Importance of collecting instant feedback from active users.

ARTA in the Philippines has a built-in process called the “Report Card Survey (RCS)”, it is a feedback mechanism that measures the specific and overall satisfaction of the transacting public for every service that government agencies offer. It is designed for implementation by all government agencies and local government units. The RCS is a holistic initiative to evaluate government service delivery and consists of a mechanism to survey client satisfaction along with compliance report, and awards and grants from other government agencies. It encourages citizen participation by allowing citizens that have interacted with its digital services to rate the quality of the service received.

One of the key objectives of RCS is to also promote health competition among government agencies to motivate them to improve their services. The result of RCS is the basis for the grant of awards, recognition, and/or incentives for excellent delivery of services to government agencies.

# 5

## Conclusion

The push towards digitalization of public services introduced by the COVID-19 pandemic has now turned into an ingrained belief in the power of digitalization to promote economic development, adopted by governments across APEC economies. Governments of today are in various stages of designing and implementing digital programs for public services and are proactively considering pathways to enhance the effectiveness of these programs. External stakeholders such as professional associations, academia, civil society organizations, private companies, and international organizations can play an enabling role in helping governments achieve this goal of optimizing their efficiency for executing digital programs.

They can do so by leveraging their own networks and expertise to support governments across all stages of executing a digital L&P program, right from the design and ideation phase, through effective implementation and subsequent adoption by citizens.

Institutionalizing pathways for sustained stakeholder engagement will not only ensure the development of functional and usable digital L&P programs, but will also **allow stakeholders to have a say in the shaping of public services thereby enhancing overall transparency, accountability, and most importantly trust in the government.**

”



Partnering with external stakeholders in execution of digital L&P programs is also an important pathway for connecting with the end-users of these programs, that is, the citizens. Oftentimes, these stakeholders tend to have stronger community relations and grassroots reach as compared to governments. Additionally, reaching out to stakeholders with the relevant subject matter expertise on L&P processes can help ensure that digitalized versions of these processes retain their rigor and standards while being optimized for citizen use. Ultimately, building constructive partnerships with external stakeholders will lead to APEC economies effectively executing successful digital L&P programs and achieving their broader goals of creating a digitally inclusive and progress-oriented society.

# 6

## Acknowledgements

This report is the outcome of the APEC-funded project, “Catalysing Stakeholders for Effective Implementation of Digital Licensing and Permitting Measures for Post COVID-19 Economic Recovery,” facilitated by the APEC Digital Economy Steering Group (DESG). The project aims to accelerate effective digitalization of government-mandated licenses and permits in APEC economies by building partnerships with a diverse set of stakeholders with complementary capabilities. The project is sponsored by the United States (overseen by the U.S. Department of Commerce) and co-sponsored by Australia; Chile; and Chinese Taipei.”

The information and recommendations in this report are built on the discussions and insights from the APEC workshop, “Catalysing Stakeholders for Effective Implementation of Digital Licensing and Permitting,” held on 10 August 2023 as part of the third Senior Officials Meeting (SOM3) and APEC Digital Month suite of events in Seattle, Washington. It featured senior government officials covering digitalization of public services in general or L&P processes specifically, along with participation from the private sector and representatives from international organizations such as the OECD, the United Nations, Transparency International, and the Inter-American Development Bank (complete list of speakers and experts included below).

## List of Expert Contributors

No.	Name and Economy/Organization	Designation
01.	<b>Isabel Silva</b> Chile	Head of Digital Service Experience, División de Gobierno Digital
02.	<b>Lourdes Chero</b> Peru	Adviser, The National Council of Competitiveness and Formalization, Ministry of Economy and Finance
03.	<b>Ernesto Perez</b> The Philippines	Director General, Anti-Red Tape Authority
04.	<b>Rachel Ann P Grabador</b> The Philippines	Director I, Department of Information and Communication Technology
05.	<b>Yu-Chia Lee</b> Chinese Taipei	Associate Engineer and Subdivision Chief, Taipei City Construction Management Office
06.	<b>José Luis Hernández Carrión</b> Inter-American Development Bank	Senior Specialist in Digital Government, Innovation in Citizen Services Division
07.	<b>Javier Chacon Hernandez</b> Federated College of Engineers and Architects, Costa Rica	Director of Operations
08.	<b>Manuel Gerardo Flores</b> OECD	Coordinator of Regulatory Policy Programme in Latin America
09.	<b>Gary Kalman</b> Transparency International	Director U.S. Office
10.	<b>Arpine Korekyan</b> United Nations Department of Economic and Social Affairs	Governance and Public Administration Officer
11.	<b>Welby Leaman</b> Walmart	Senior Director, Global Policy Strategy



**Asia-Pacific  
Economic Cooperation**