THE RISE OF DIGITAL CITIES
Scaling technology to build digital cities

Mert Tangonan
Chief of Party, USAID/E-PESO

Definition: DIGITAL CITIES

- Digital Cities feature the integration of digital technology into the city's core infrastructure systems.
  - *Smart Cities for Sustainable Development. UN University.*

- Key areas are urban mobility, sustainable housing, clean energy, waste management
  - *United Smart Cities. UN Economic Commission for Europe (UNECE).*

The journey to becoming digital cities require resources. Therefore, local revenue mobilization and resource management are critical. And cities may consider starting there….
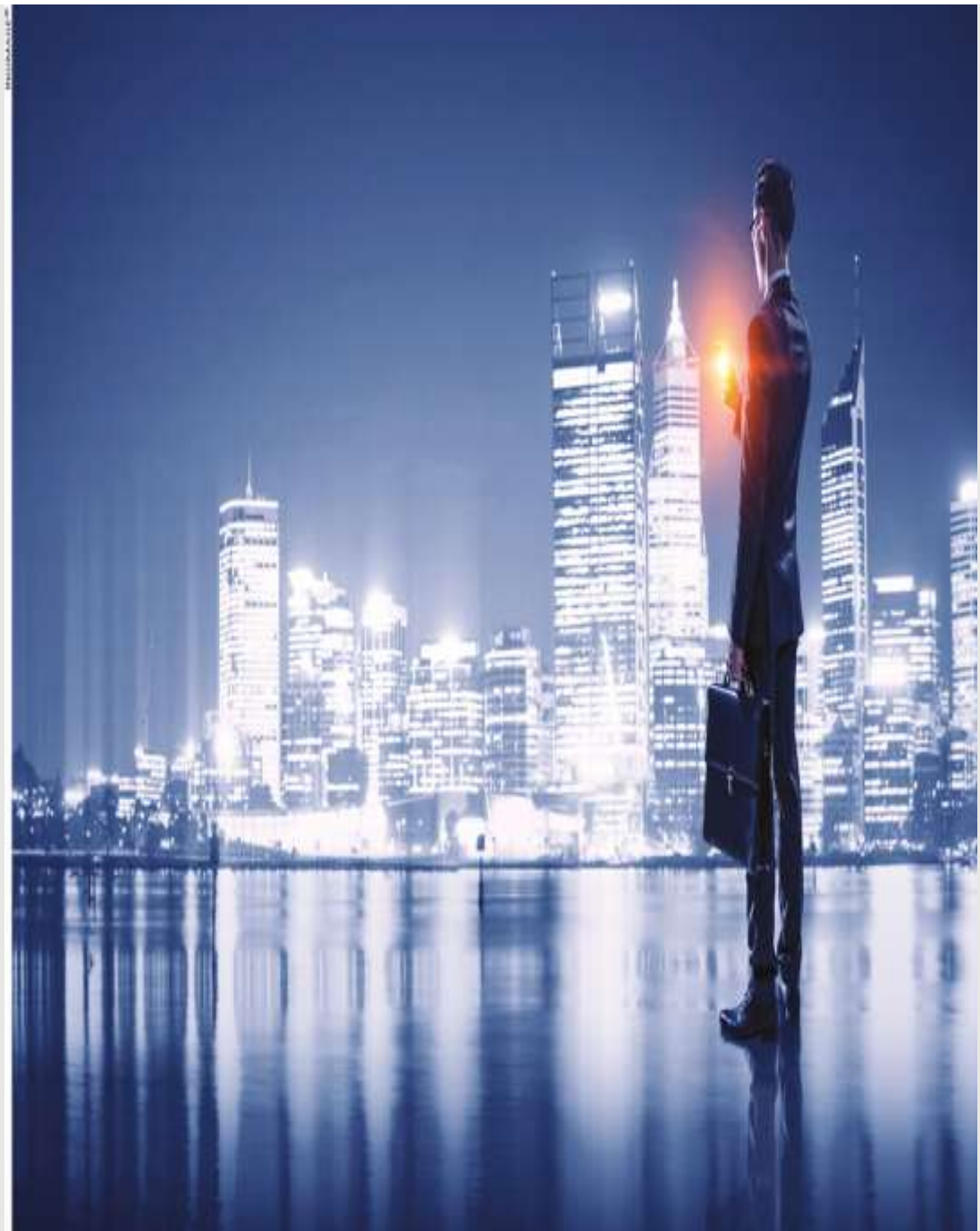
Issuing permits and collecting fees and taxes online improves ease of doing business and convenience and reduces costs for the citizens and the LGU

- Improved convenience to taxpayers. Based on survey in 2017, 52% of respondents who used mobile payments in Quezon City were very satisfied; while 48% were satisfied. There were no unsatisfied respondents. Main benefit cited was convenience.

- Improved cost of doing business and overall competitiveness. Zamboanga's ranking in the cost of doing business category by the National Competitiveness Council in 2017 improved by 45 notches from 81 to 36.

- Reduced costs. Zamboanga City: the LGU saved 97% on manpower costs after shifting the disbursements of city workers' allowances from cash to e-payments.

Scaling technology to build digital cities

- Partnerships with private sector
  - Local government resource planning application software providers
  - Banks, electronic money issuers and mobile money operators
  - Engage local IT developers to solve problems of the city

- Leverage cost-effective technology platforms and business models
  - Consider using cloud-based solutions
  - Subscription-based, pay-per-use application software

- Leverage digital payments services under the National Retail Payments System (NRPS) of the BSP
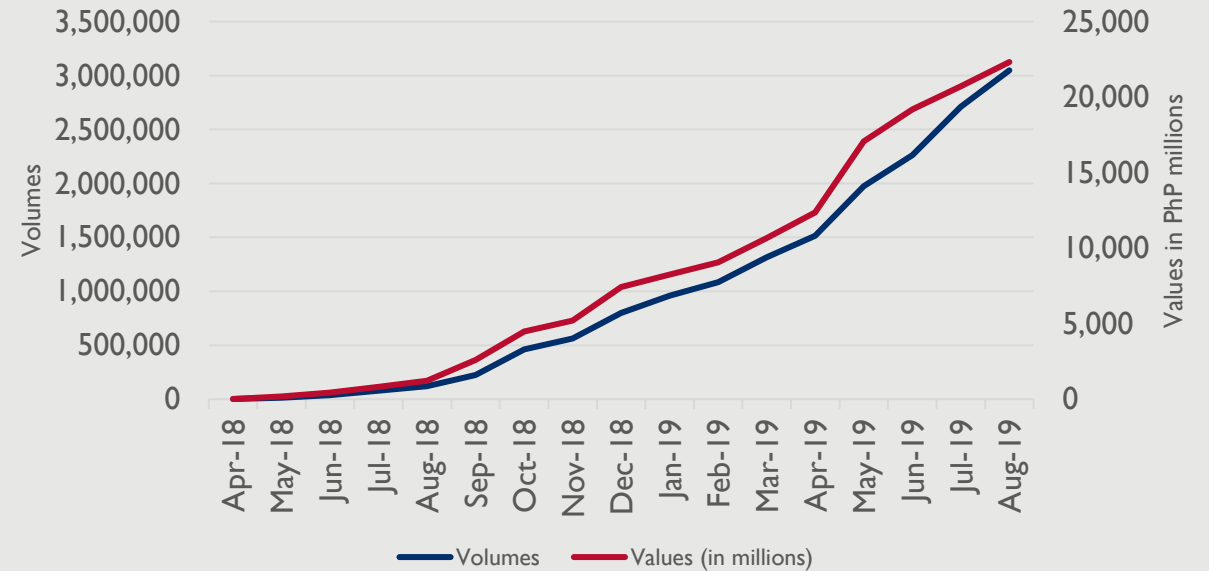
- Adopt open banking standards

Priority ACHs

PESONet

- Same-day credit
- Any amount
- 53 participants

Legend: Volumes (in thousands) — Values (in PhP billions)
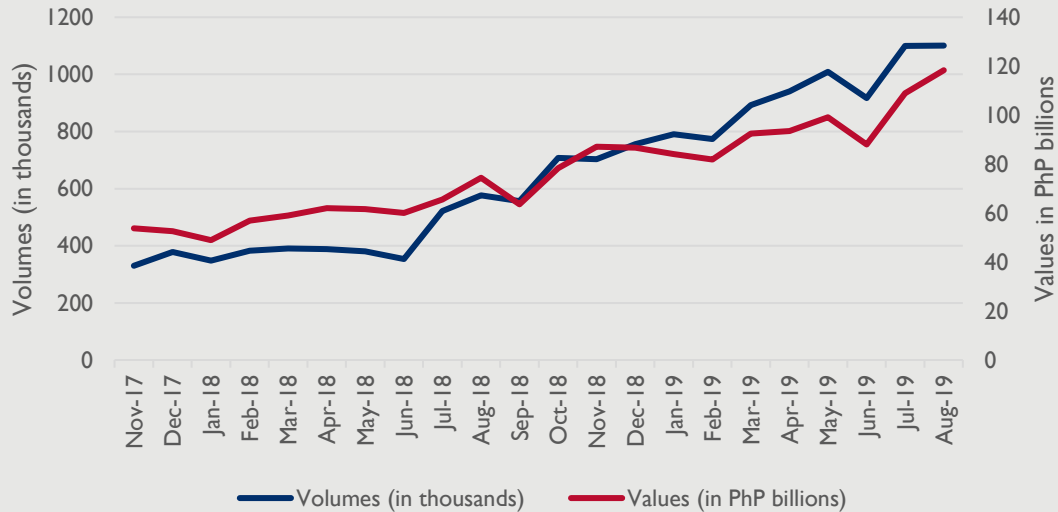
Volume per month		Value (PhP)	
Nov '17	Aug '19	Nov '17	Aug '19
330K	1.1 mil	53.76bil	118.4bil

instaPay

- Real-time transfer
- Low value
- 44 participants

Legend: Volumes — Values (in millions)

Volume per month		Value (PhP)	
Apr '18	Aug '19	Apr '18	Aug '19
2K	3mil	19mil	22.33bil

For more information, please visit

www.epaypilipinas.com

Or contact:

Mr. Mamerto Tangonan
Chief of Party, USAID / E-PESO Project
mtangonan@epeso.org.ph

USAID
FROM THE AMERICAN PEOPLE