
Policy Brief #2

Govtech and the future of government: the case of Visor Urbano in Mexico

Digital government
and public innovation

A study by CAF -development bank of Latin America.

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This article is based on the study: Govtech and the future of government: the Case of Visor Urbano in Mexico' developed by Lorena Rivero del Paso

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Translation: Visor Urbano

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Summary

- How should government adopt and implement digital innovation to support a deep, cost-effective digital transformation that impacts the quality of goods and services delivered to the population?
- To answer that question, the objective of this policy brief is to address the findings and recommendations of the study requested by CAF 'Govtech and the future of government: the case of Visor Urbano in Mexico', which documents and analyses the characteristics, operation, reach and results of the initiative.

The case of Visor Urbano in Mexico

1. Visor Urbano is an online urban planning platform used by the municipal government of Guadalajara, Mexico. Visor Urbano has an innovative business model, since it is a hybrid team specifically created to develop and operate the platform through seed funding from Bloomberg Philanthropies and coordinated by Guadalajara's Authority of Government Innovation.

The main objectives of Visor Urbano are to: prevent corruption, promote evidence based decision making and promote savings for government, but also for citizens, through the digitalization of licenses for:

- **Consultations on land use**, to know if a given service is permitted in the area.
- **Operating licenses for businesses that don't represent health or environmental risks, where alcoholic beverages are not consumed**, which can be done 100% online and which represent 67% of business licencing operations in the city.



- **Small construction licenses**, for new sites, remodelations, expansions, adaptations or demolitions, which represents 56% all license applications.
- **Renewal of licenses for type A and B commercial activities**, which enable direct payment to the Treasury.
- **Reporting of businesses and constructions**, to enable a vehicle of citizen information about possible irregularities.

2. Additionally, the platform can be consulted for information on urban planning, access to the local *LiDAR*¹ technology, and 3D model of downtown Guadalajara.

Implementation of Visor Urbano

The implementation of Visor Urbano can be divided into two phases: 1) design and development, and 2) stabilization and scaling.

During the first phase, the following activities took place:

1. **Analysis and identification**, of the most important procedures, as well as their level of complexity, existing regulation, available information and instruments used for urban planning and licensing.
2. **Digitalization**, where a georeferenced data infrastructure was built to manage license permits in real-time.

¹ LiDAR technology uses a laser scanner to scan the land surface, which generates a point cloud with up to 10 centimeter precision and a scan density between 6 and 8 points per square meter.

3. **Development**, of an interoperability framework through APIs², algorithms for each procedure and the inclusion of e-signatures for official calidity.
4. **Implementation**, through capacity building activities for users in government and society in general.

The second and current stage of Visor Urbano, the team is working in the following activities:

1. **Continuous improvement** of user experience, as well and scaling and communication efforts.
2. **Stabilization**, of the platform in terms of its performance, error detection and data supply.
3. **Scaling-up**, to incorporate new procedures..

Results

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As of May 2019, the total annualized cost of Visor Urbano was 15.6 million pesos (USD 819.000). By April 2019, the platform had been used to make 11 thousand consultations about land use, issued 2 thousand business licenses, and 17 small construction licenses.

As for specific results, Visor Urbano has had surprising impacts for government and citizens:

1. **Combating corruption**, by eliminating points of human interaction thus eliminating opportunities for petty corruption and discretionality.
2. **Evidence based decision making**, by having an updated digital cadaster and urban development plans.
3. **Citizen savings, in terms of time and money** by eliminating intermediaries in the procedures and costs associated to citizens' time and commutes. According to the case study, the social savings is equivalent to USD 60 thousand and will continue to grow as more complex procedures are included and more users complete their paperwork processes online.

² An Application Programming Interface (API) is a set of rules and specifications that applications can follow to communicate with each other. The implementation of Visor Urbano plays a vital role in the constant updating of the cadastre, as well as in the certainty of adherence to planning rules.

Besides the goals set out by the government of Guadalajara, it has been documented that platforms such as Visor Urbano can generate positive effects on public finance, thanks to increases in collection and efficiency in public services and expenditure. Evidence of this is that, as of February 2019, the Treasury of Guadalajara reported an increase of 21% in revenues (Arenas, 2018), mainly because of three main factors: correct operation of technological systems, rate update and registry update, identifying the works that weren't reported to the government. Even though the collection increase in 2018 cannot be attributed *per se* to Visor Urbano, the solution allows to manage and update the registry, and makes it easier to collect taxes and charge correctly for construction permits.

Conclusions and recommendations

Visor Urbano is an example of how data intelligence and digital technologies, paired with multistakeholder collaboration and innovation can result in win-win initiatives for citizens and governments.

In this sense, Visor Urbano also presents an opportunity to expand the *GovTech*³ concept beyond SMEs or *start-ups* whose main or only client is the government, to include government initiatives/areas that can develop, implement and offer innovative solutions to the government itself when there have agile work plans and support other cities to adopt and implement this technology.

³ The type of exchange is 19 Mexican pesos per dollar.

The case of Visor Urbano has **5 key insights for other decision-makers who are considering the design or the implementation of similar projects:**

1. **GovTech is more than implementing technology.** As shown by the design, development and implementation process of Visor Urbano, the government's digital transformation requires understanding and rethinking governmental processes from their origin, using digital technology and data as enablers of new service models.
2. **GovTech has a particular impact and importance at a municipal level.** As shown by this case, technology can help promote better experiences and more satisfaction for citizens, as well as support public finances.
3. **External financial support is key to boost the use of innovative technologies in the government.** In this case, the seed resources granted by Bloomberg Philanthropies supported Visor Urbano and its business case.
4. **Citizen ownership must be supported.** Communication must be taken into consideration so that citizens can know about the availability of new interaction media and have the digital skills to use it.
5. **The context counts.** Like in any other public policy, implementing innovative solutions requires know-how and adapting to local context, especially when it comes to the state of technology, data availability and quality, existing regulation and the government's skills to achieve it.





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