

Policy Reforms to Improve the Quality of Public Services in the Philippines<sup>1</sup>  
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Abstract:

The last decade has witnessed significant government focus on quality service delivery and good public administration. Significantly driven by two broad factors: public sector inefficiencies, and liberal economic ideology, these reforms have emphasized public service that is high in quality, efficient, continually improving and responsive to the needs of the people and provided in a manner that is transparent, accountable, participatory and predictable, in terms of the application of the rule of law.

Against this background, this paper examines recent (2010-present) policy reforms in the public sector in the Philippines, which aspire to improve the quality of public services. These include governance reforms that aim to curb corruption, improve the delivery of public services especially to the poor, and enhance the business and economic environment of the country as a whole. Focus will be on reforms in government procurement, bottom up budgeting, seal of good (local) governance, anti-red tape, and citizen satisfaction index system.

The paper will be descriptive and exploratory, relying mainly on secondary materials on the topic at hand. It will study the nature and progress, challenges and concerns of these policy reforms, with the end in view of recommending ways forward to better and higher quality delivery of public services.

Key words: policy reforms, quality of public services, Philippines

I. Development Challenges

The Aquino III administration took office at the time when corruption was perceived to have undermined the economy and the credibility of the country (<http://www.gov.ph/aquino-administration/good-governance-and-anti-corruption/>). The President believed that the nation needed transformational change and a vision of governance beyond political survival and self-enrichment (<http://www.gov.ph/about/gov/exec/bsaiiii/platform-of-government/>).

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Turning these challenges as opportunities to change mindsets and systems, the administration instituted a comprehensive set of policy reforms and good governance initiatives that aspires to engender a culture of integrity, accountability and transparency in the country. This was anchored on Aquino III's campaign slogan of "tuwid na daan" (literally translated as "the straight path") arguing that "kung walang corrupt, walang mahirap" (, i.e., "if there is no corruption, there are no poor").

Recently, such strategy seems to have bore fruits. The Philippines has been among the dynamically emerging markets in the region with its sound economic fundamentals and highly skilled workforce. Growth in the Philippines is on average about 5% since 2002, significantly higher than the rate achieved in the previous two decades (<http://www.worldbank.org/en/country/philippines/overview>).

Amid global uncertainties and a string of calamities that hit the country that included typhoon Haiyan (Yolanda), the economy posted 7.2% GDP growth in 2013, driven by the robust services and industry sector, and boosted by strong household consumption and government spending. Growth momentum was maintained at 6% in the first half of 2014, and remained one of the fastest in East Asia region, surpassed only by China (7.4%) and Malaysia (6.3%) (Ibid)

While the country is making headway in the economic front, inclusive growth is not yet felt by many of the Filipinos in the bottom of the pyramid. Also, some 25% of our population is still poor (Philippine Statistical Authority 2014). Thus the Philippine government needs to intensify efforts in reducing poverty, achieving universal primary education and in improving child and maternal health. It also needs to address the lack of good jobs among low- income earners, especially those from rural area where many poor people reside (<http://www.worldbank.org/en/country/philippines/overview>). It has also to deliver public services to its growing population not only efficiently and effectively, but also satisfactorily better in the new norms of good public administration and governance.

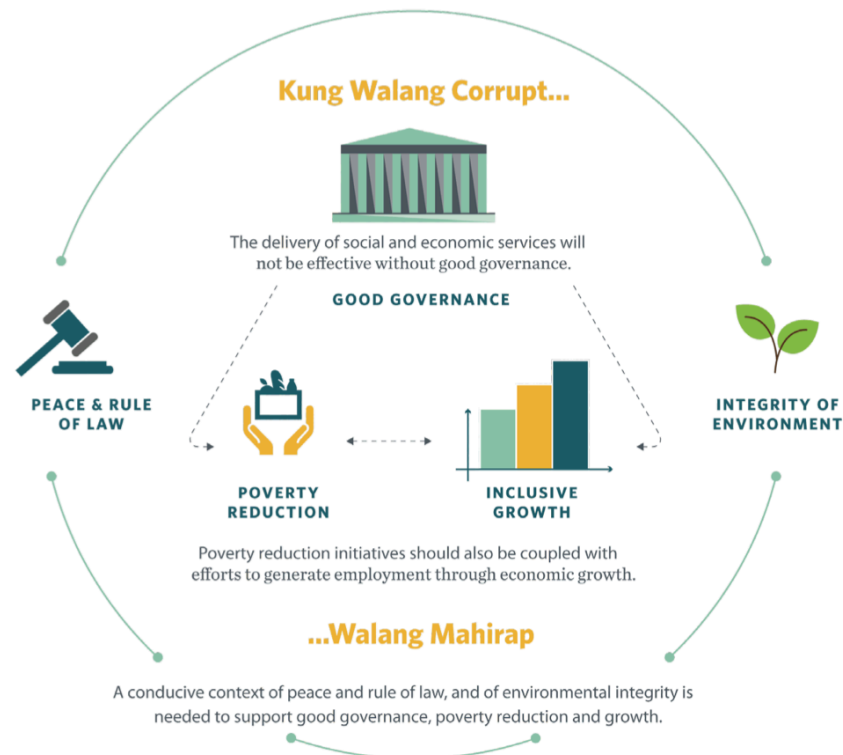
These challenges have been approached based on the Aquino III's philosophy of "good governance is good economics", which as earlier mentioned, is anchored on his campaign slogan of "kung walang corrupt...walang mahirap." (Fig. 1). Literally, this means, "if there is no corruption, there are no poor."

This basically summarizes his Social Contract with the Filipino people, which subscribe to good governance and anti-corruption as prerequisites to inclusive growth and poverty alleviation and all the progressive collaterals of development, e.g., lasting peace and the rule of law, integrity of the environment. A Governance Cluster within the Cabinet was also formed in 2011 under E.O. 43, which was tasked to pursue the following:

1. Upholding transparency in government transactions and commitment to combating graft and corruption
2. Strengthening of the capacity of government institutions to link their respective budgets with performance outcomes and enabling citizens and civil society to monitor and evaluate these
3. A professional, motivated, and energized bureaucracy with adequate means to perform their public service missions
4. Improvement of public sector asset and resource management and revenue performance
5. Establishing an improved policy and regulatory environment that will reduce the cost of doing business in the country and improve competition (E.O. 43 s 2011).

This governance framework focuses on quality service delivery and good public administration. Significantly driven by two broad factors: public sector inefficiencies (corruption and low credibility) in the past, and liberal economic ideology, New Public Management, e-governance and New Public Service, these reforms have emphasized public service that is high in quality, efficient, continually improving and responsive to the needs of the people and provided in a manner that is transparent, accountable, participatory and predictable, in terms of the application of the rule of law.

Fig. 1. The Governance Framework of the Aquino III Administration, 2011-2016



Source: NEDA 2010. Good Governance Cluster Plan 2011-2016

Against this background, this paper examines recent (2010-present) policy reforms in the public sector in the Philippines, which aspire to improve the quality of public services. These will include governance reforms that aim to curb corruption, improve the delivery of public services especially to the poor, and enhance the business and economic environment of the country as a whole. Focus will be on reforms in government procurement, bottom up budgeting, seal of good (local) governance, anti-red tape, and citizen satisfaction index system.

The paper will be descriptive and exploratory, relying mainly on secondary materials on the topic at hand. It will critically study the nature and progress, challenges and concerns of these policy reforms, with the end in view of recommending ways forward to better and higher quality delivery of public services.

## II. Policy Reforms and Good Governance Initiatives

### A. Open Government

The Philippines is one of the eight founding members of the Open Government Partnership (OGP). The OGP is a multilateral initiative that aims to secure

concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. In the spirit of multi-stakeholder collaboration, OGP in the Philippines is overseen by a Steering Committee composed of representatives from government, business and civil society organizations (Governance Cluster 2014).

For the second OGP Plan (2013-2015) nine commitments were included which adhere to the core principles adopted by OGP- transparency, citizen participation, accountability, use of technology and promotion of public accountability innovation (Mangahas 2014 OGP 2013-2015 Assessment Report).

To promote transparency, the Philippine government committed to disclose key plan and budget documents at the national and sub-national levels, develop a single portal where government data can be accessed in open formats, and support the passage of an access to information law.

For mainstreaming citizen participation, initiatives that engage civil society in sub-national planning and budgeting, and audit of key infrastructure programs were implemented. Commitments to promote public accountability include a law that protects whistleblowers, as well as participatory audit. As part of its commitment to utilize technology for transparent and efficient processes, the government will enhance its electronic procurement system through the addition of e-bidding functions (Ibid.)

While these commitments are independently implemented by various government agencies, they collectively address the three main OGP challenges such as 1) increasing public integrity; 2) more effectively managing public resources; and 3) improving public service delivery.

All these are embedded in the Governance Cluster and the Good Governance Initiatives under the Aquino III administration.

## B. Good Governance and Anti-Corruption Goals

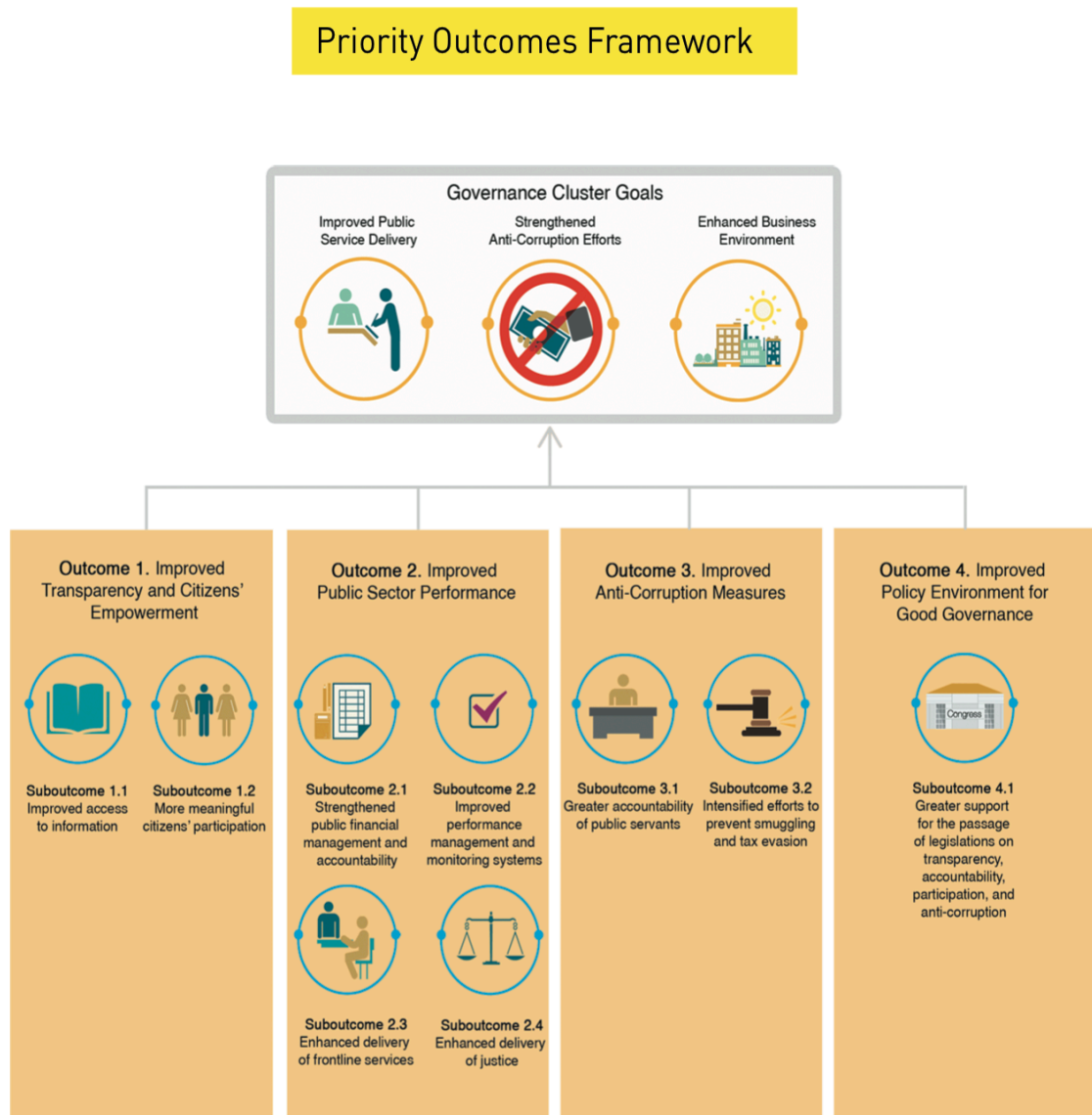
To achieve the goals of the Cluster, an Action Plan was crafted that outlines the key reform programs or initiatives of the Aquino administration in pursuit of good governance (NEDA 2011). This includes the goals of the Governance Cluster of improved public services delivery, curbed corruption, and enhanced business environment, with the following priority outcomes identified for 2013-2016:

1. Improved transparency and citizens' empowerment
2. Improved public sector performance
3. Improved anti-corruption measures

#### 4. Improved policy environment for good governance

For each outcome, sub-outcomes were identified. Indicators for each sub-outcome are tracked for the corresponding initiatives included in the Plan. These goals and outcomes are shown in Fig. 2 below:

Fig. 2. Policy Outcomes Framework of the Philippines, 2011-2016



Source: Cabinet Cluster on Good Governance 2014 Good Governance Initiatives of the Aquino Government 2013-2016 A Primer

## C. Outcomes

As explained in the Governance Cluster Action Plan for 2011-2016, these outcomes in Fig. 2 are below:

### Outcome 1. Improved transparency and citizens' empowerment

Transparency, as defined, is the exercise of openness in government processes, actions, and decisions through regular disclosure of pertinent information to the public, ensuring citizen's access to information on government affairs, and effectively communicating to the public (UNDP 1997).

In its broadest sense, empowerment is the expansion of freedom of choice and action. It means increasing one's authority and control over the resources and decisions that affect one's life. As people exercise real choice, they gain increased control over their lives (Governance Cluster, 2011)

#### Sub-Outcome 1.1. Improved access to information

Access to information as mandated by law (Article 3, Section 7 of the 1987 Philippine Constitution) is a requisite for good governance. Further, various policies have been issued that mandates LGUs to make local plans, reports, and budgets publicly accessible. These include provisions from the Local Government Code and the Government Procurement Reform Act. Information disclosure is not an end in itself, but elements of transparency should be considered, such as accessibility, timeliness, and quality of disclosed information.

#### Sub-Outcome 1.2. More meaningful citizens' participation in governance processes

Good governance entails opening as many areas of governance as possible to the participation of stakeholders, particularly civil society groups, grassroots organizations, business, academe, and development partners, among others. Crucial areas for participation are the planning and budgeting process and monitoring government performance.

### Outcome 2. Strengthened public sector performance

#### Sub-Outcome 2.1. Strengthened public financial management and accountability

Public Financial Management (PFM) is a system of rules, procedures and practices for government to manage public finances. It encompasses budgeting, accounting, auditing, cash management, management of public debt, revenue generation, and public reporting on public sector financial operations. PFM seeks to address the key challenges of controlling government spending and making agencies operate efficiently and effectively. It drives government policy-makers, managers, and implementers to ask: Is government spending within limits? Is it

spending on the right things? Does it obtain best value for money? In the long run, a sound PFM contributes to better delivery of government services to the people (Governance Cluster 2011).

#### Sub-Outcome 2.2. Improved performance management and monitoring systems

Performance monitoring, evaluation, information, and reporting are essential components of an effective and efficient performance management system. Crucial to measuring performance is how it leads to results and how these results contribute to a higher order goal. One mode of performance management is through an incentives system where good performance is rewarded.

Similarly, good performance of the public sector leads to effective and efficient delivery of services to the people. This could pertain to frontline services of national and local governments that are regularly accessed by citizens for personal and business concerns.

#### Sub-Outcome 2.3. Enhanced delivery of frontline services

As defined in the Anti-Red Tape Act (ARTA) of 2009, frontline services refers to the process or transaction between clients and government offices or agencies involving applications for any privilege, right, permit, reward, license, concession, or for any modification, renewal or extension of the enumerated applications or requests. Enhancing the delivery of these services is a change that will be directly felt by the citizens. Improving business-related services such as registering a business name and securing permits is an effective method to attract investors, thereby contributing to economic growth.

#### Sub-Outcome 2.4. Enhanced delivery of justice

When good governance is practiced, it ensures that those who are in power exercise fairness in managing public institutions and resources. It necessitates a system that not only enforces order but deters wrongdoing of citizens through punishments. Efficient delivery of justice translates to adherence to the principles of equitable, fair, and impartial administration of justice. It also entails a system that is adequate, inclusive, responsive, and sensitive to the rights of victims, accused, offenders, marginalized or vulnerable groups, and the general public.

### Outcome 3. Improved anti-corruption measures

#### Sub-Outcome 3.1. Greater accountability of public servants

According to Robert Klitgaard (1998), monopoly of power, when combined with discretion and absence of accountability, will result to corruption. Thus, the formula  $\text{Corruption} = \text{Monopoly} + \text{Discretion} - \text{Accountability}$ . Article XI of the Philippine Constitution outlines provisions for the accountability of public officers. Further, Republic Act No. 3019 or the Anti-Graft and Corrupt Practices Act defined what constitute corrupt practices. These may include persuading,



inducing, or influencing another public officer to perform an act violating any rules or regulations duly promulgated, or receiving any gift in connection with any government contract or transaction.

#### Sub-Outcome 3.2. Intensified efforts to prevent smuggling and tax evasion

As defined in the Tariff and Customs Code of the Philippines, smuggling generally refers to the importation of prohibited commodities, as well as the mis-declaration/misclassification/undervaluation of imported goods or products. On the other hand, tax evasion refers to an illegal practice where a person, organization, or corporation intentionally avoids paying its true tax liability. Both smuggling and tax evasion practices reduce government's revenues that will affect the capacity of government to provide for the needs of its citizens.

#### Outcome 4. Improved policy environment for good governance

##### Sub-Outcome 4.1. Greater support for the passage of priority legislations on transparency, accountability, participation, and anti-corruption

Policies provide the enabling environment to deter corrupt practices. Policies are necessary to make good governance more enforceable—that is, mandating transparency, accountability, and participation in government operations. Further, one of the modes to sustain good governance practice is by institutionalizing the reforms in our government processes. Existing policies need also to be amended to adapt to a changing political, social, and economic environment (Governance Cluster 2014).

#### D. Good Governance Initiatives

In sum, the Governance Cluster goals aspire to “institutionalize open, transparent, accountable and participatory governance.” These could be achieved through various initiatives that could address the goals of again, curbing corruption, improving the delivery of public services especially to the poor, and enhancing the business and economic environment (Governance Cluster 2014).

The 2013-2016 Governance Cluster Action Plan consists of 30 initiatives and 9 priority legislative measures. These include, among others, reforms in government procurement, bottom up budgeting, seal of good (local) governance, anti-red tape, and citizen satisfaction index system. The list and description of these initiatives are in Figs. 3 and 4 below.

**Fig. 3. List of Good Governance Initiatives  
Under the Aquino III Administration, 2011-2016**

<i>Initiatives</i>	<i>Implementing Agencies</i>
<b>Outcome 1. Improved Transparency and Citizens' Empowerment</b>	
<b>Sub-outcome 1.1. Improved access to information</b>	
1. Transparency Seal	DBM
2. Philippine Government Electronic Procurement System (PhilGEPS) Software Modernization	DBM
3. National Government Portal	PCDSPO
4. Open Data-Philippines	PCDSPO, DBM, OPS
5. LGU Disclosure Portal	DILG
6. Extractive Industries Transparency Initiative (EITI)	DOF
<b>Sub-outcome 1.2. More meaningful citizens' participation in governance processes</b>	
7. Citizens Participatory Audit	COA
8. Grassroots Participatory Budgeting Process	DILG, DBM, NAPC, DSWD, NEDA
9. Civil Society Engagement in the National Budget Process	DBM
<b>Outcome 2. Improved public sector performance</b>	
<b>Sub-outcome 2.1. Strengthened public financial management and accountability</b>	
10. Government Integrated Financial Management Information System (GIFMIS)	DBM, DOF, BTr, COA
11. Comprehensive Human Resource Information System (CHRIS)- National Payroll System (NPS)	DBM, DOF, COA, BTr, DOST
12. Local Government Units Public Financial Management (LGU PFM)	DBM, DILG, DOF, NEDA, COA
<b>Sub-outcome 2.2. Improved performance management and monitoring systems</b>	
<i>Monitoring Initiatives:</i>	
13. Seal of Good Local Governance (SGLG)	DILG
14. Anti-Red Tape Program	CSC
15. Citizen Satisfaction Index System (CSIS)	DILG
16. Medium-Term Information and Communication Technology Harmonization Initiative (MITHI)	DBM, DOST, NEDA
17. Monitoring and Evaluation of Government Services	NCC
18. Cabinet Performance Contracts	OCS
<i>Incentive Systems:</i>	
19. Performance Challenge Fund (PCF)	DILG
20. Results-Based Performance Management System (RBPMS)	AO25 Task Force (DBM, OES, NEDA, DOF, PMS)
21. Philippine Quality Award (PQA) for the Public Sector	DTI, DAP
<b>Sub-outcome 2.3. Enhanced delivery of frontline services</b>	
22. Business Permit and Licensing System (BPLS)	DILG, DTI
23. Gameplan for Competitiveness	NCC
<b>Sub-outcome 2.4. Enhanced delivery of justice</b>	
24. National Justice Information System (NJIS)	DOJ
25. Justice Sector Initiative	SC, DOJ, DILG

<b>Outcome 3. Improved anti-corruption measures</b>	
<b>Sub-outcome 3.1. Exact greater accountability of public servants</b>	
- Prosecution of High Profile Corruption Cases	IAAGCC
26. Revenue Integrity Protection Services (RIPS) Program	DOF
27. Income and Asset Declaration System Project	OMB
<b>Sub-outcome 3.2. Intensified efforts to prevent smuggling and tax evasion</b>	
28. Run After the Smugglers (RATS) Program	DOF-BOC
29. Run After Tax Evaders (RATE) Program	DOF-BIR, DOJ
30. Bureau of Customs Reform Project	DOF-BOC
<b>Outcome 4. Improved policy environment for good governance</b>	
<b>Sub-outcome 4.1. Greater support for the passage of priority legislations</b>	
1. Amendments to the Ombudsman Act	OMB
2. Freedom of Information Bill	PCDSPO
3. Civil Service Code	CSC
4. Uniformed Personnel Pension Reform Bill	DBM, DND
5. Whistleblowers Protection Act	DOJ
6. Amendments to the Witness Protection, Security, and Benefit Act	DOJ
7. Fiscal Responsibility Bill	DBM
8. Criminal Investigation Bill	DOJ
9. Criminal Code	DOJ

Source: Cabinet Cluster on Good Governance 2014 Good Governance Initiatives of the Aquino Government 2013-2016 A Primer

Figure 4. Brief Description of the Good Governance Initiatives Under the Aquino III Administration, 2011-2016.

## GOOD GOVERNANCE INITIATIVES

The Governance Cluster identified 30 initiatives and nine (9) priority legislative measures. Nine (9) initiatives were also committed under the OGP Philippine National Action Plan.

### OUTCOME 1. Improved Transparency and Citizens' Empowerment



#### Sub-outcome 1.1. Improved Access to Information

##### 1. Transparency Seal (DBM)

Mandatory disclosure of key budget and major plans of national government agencies (SAOB, disbursement and income, procurement plans) in their respective websites under the Transparency Seal

##### 2. PhilGEPS Modernization (DBM)

Additional functionalities in the current electronic procurement system will be installed, such as facilities for e-bidding, uploading of agencies' procurement plans, and e-payment



##### 3. National Government Portal (PCDSP0)

The Official Gazette ([www.gov.ph](http://www.gov.ph)) will be a one-stop source of information of government documents, calendar, and directory, including the development of mobile applications

##### 4. Open Data Philippines (PCDSP0, DBM, OPS)

A single portal ([data.gov.ph](http://data.gov.ph)) will be developed where comprehensive government data—covering all points from education to agriculture to public expenditure—will be presented in a more easily understandable manner through dashboards and infographics. The same data will be made accessible in open and machine-readable formats.



#### 5. LGU Disclosure Portal (DILG)

Mandatory disclosure of key financial documents of LGUs (e.g., budget, procurement, and special purpose fund reports, such as GAD and IRA) in their designated web portal, print media, and in conspicuous places

#### 6. Extractive Industries Transparency Initiative (DOF)

A tripartite initiative between government, civil society and business to ensure greater transparency in revenues from extractive industries, specifically through the publication of a report that compares government and industry figures on government revenues in mining, oil and gas. This publication is verified by an independent and internationally accredited auditor.

### Suboutcome 1.2. More Meaningful Citizens' Participation

#### 7. Citizens Participatory Audit (COA)

Conduct of joint audits by COA and CSOs of select infrastructure projects, including the setting up of systems, tools, and processes to institutionalize participatory audit

#### 8. Grassroots Participatory Budgeting (DILG, DBM, NAPC, DSWD, NEDA) [formerly Bottom Up Budgeting]

Enhancement of budget and planning process to involve grassroots organizations and local government units in the identification of priority poverty reduction projects that will be funded by national government agencies



#### LEGEND:



Initiative is also committed under the OGP Action Plan.

#### 9. Civil Society Engagement in the National Budget Process (DBM)

An initiative to enhance the policy framework and capacities of CSOs to participate in the national budget process. Select national government agencies (NGAs) and GOCCs have been mandated to hold public consultations with civil society on their proposed annual budgets.

## OUTCOME 2. Improved Public Sector Performance

### Sub-outcome 2.1. Strengthened Public Financial Management and Accountability

#### 10. Government Integrated Financial Management Information System (DBM, DOF, BTr, COA)

An integrated IT solution that will improve efficiency in the use of public resources through real-time online accounting, monitoring and control of public funds, an improved cash management system, and a more systematic recording of all real and contingent liabilities of government



#### 11. Comprehensive Human Resource Information System-National Payroll System (DBM, DOF, COA, BTr, DOST)

An integrated system encompassing the full cycle of human resource management—from recruitment and hiring to retirement—initially focusing on a National Payroll System that will remove ghost employees in the government payroll, as well as ensure the timely payment of government employees' insurance premiums

#### 12. LGU Public Financial Management (DBM, DILG, DOF, NEDA, COA)

An initiative that seeks to enhance fiscal and expenditure management among LGUs and selected national government agencies with oversight functions



## **Sub-outcome 2.2. Improved Performance Management and Monitoring Systems**

### **Monitoring Initiatives**

#### **13. Seal of Good Local Governance (DILG)**

Conferment of a Seal to LGUs that adheres to performance criteria on any of the following areas: good financial housekeeping, disaster preparedness, social protection for the basic sector, business-friendliness and competitiveness, environmental compliance, and law and order and public safety

#### **14. Anti-Red Tape Program (CSC)**

Conduct of various activities to monitor compliance of government agencies with the Anti-Red Tape Act, which includes Frontline Service Provider Empowerment, Report Card Survey, Service Delivery Excellence Program, ARTA Watch, Contact Center ng Bayan (CCB) and conferment of the Citizen's Satisfaction Center Seal of Excellence

#### **15. Citizen Satisfaction Index System (DILG)**

A system designed to collect and generate citizens' feedback on LGUs' service delivery performance in the following areas: health services, educational support services, social welfare services, governance and response, public works and infrastructure, environmental management, agricultural management and tourism support services

#### **16. Medium-Term Information and Communication Technology**

##### **Harmonization Initiative (DBM, DOST, NEDA)**

An e-Government and ICT support initiative that aims to harmonize and ensure interoperability among ICT-related resources, programs, and projects in all national government agencies, as well as address the gaps in computer network and broadband connectivity within government



#### **17. Monitoring and Evaluation of Government Services (NCC)**

Conduct of activities to track the quality of government services through third-party assessments, such as the Enterprise Survey on Corruption, Customer Satisfaction Feedback Surveys, and BPLS Field Monitoring and Evaluation

#### **18. Cabinet Performance Contracts (OCS)**

Signing of Performance of Contracts between the President and Cabinet members and monitoring of the commitments embodied in the Contracts through a Quarterly Performance Review

### **Incentive Systems**

#### **19. Performance Challenge Fund (DILG)**

A financial subsidy given to LGUs that were awarded with the Seal of Good Local Governance (SGLG) for projects that are aligned with national government priorities, such as achieving the MDGs, improved solid waste management, disaster risk reduction and management, and tourism and local economic development



#### **20. Results-Based Performance Management System (A025 Task Force)**

A unified system for monitoring, evaluating, and reporting the performance of national government agencies that serves as basis for determining entitlement of the performance-based bonus for national government personnel in the Executive Department

#### **21. Philippine Quality Award for the Public Sector (DTI, DAP)**

Annual award conferred to ISO-certified government agencies that meet the criteria for quality management systems

### Sub-outcome 2.3. Enhanced Delivery of Frontline Services

#### 22. Business Permit and Licensing System (DILG, DTI)

Streamlining of BPLS in LGUs that includes adopting a unified form, reducing the number of signatories, limiting the number of steps in securing permits and licenses, and reducing processing time through automation



#### 23. Ease of Doing Business-Gameplan for Competitiveness (NCC)

Conduct of activities that help improve the ease of doing business in the country, particularly for 10 specific processes: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency

### Sub-outcome 2.4. Enhanced Delivery of Justice

#### 24. National Justice Information System (DOJ)

A system linking the processes and databases on law enforcement, corrections, and judiciary for a holistic approach to crime prevention and resolution



#### 25. Justice Sector Initiative (SC, DOJ, DILG)

Conduct of priority reforms in the justice sector, including the harmonization and simplification of criminal justice processes and inter-agency anti-corruption efforts and enforcement procedures, such as the monitoring of high-profile corruption cases



### OUTCOME 3. Improved Anti-Corruption Measures



#### Sub-outcome 3.1. Greater Accountability of Public Servants

##### **\*Prosecution of High-Profile Corruption Cases (IAAGCC)**

##### **Subsumed under the Justice Sector Initiative**

Harmonization of inter-agency anti-corruption enforcement processes that are expected to result in the filing of strong cases—particularly against high-profile government officials suspected of corruption—in a collaborative and expeditious manner

##### **26. Revenue Integrity Protection Service Program (DOF)**

Enhance the capacity of RIPS to detect and investigate allegations of graft and corruption within revenue agencies

##### **27. Income and Asset Declaration System Project (OMB)**

Development of an IT-based system for electronic filing and disclosure of SALN of government employees



#### Sub-outcome 3.2. Intensified Efforts to Prevent Smuggling and Tax Evasion

##### **28. Run After the Smugglers Program (DOF-BOC)**

Program that focuses on monitoring or profiling, case-building, and prosecution of smugglers

##### **29. Run After Tax Evaders Program (DOF-BIR, DOJ)**

Initiative to identify and prosecute high-profile tax evaders, including deterring tax evasion through an extensive information campaign and periodic news reports on the prosecution of prominent individuals or entities engaged in tax fraud schemes





##### **30. Bureau of Customs Reform Project (DOF-BOC)**

Implementation of key reforms in the Bureau of Customs (BOC) that started with the appointment of new Deputy Commissioners and the creation of two new offices in DOF that will review the current system and propose policy and procedural reform to improve revenue collection and enable BOC to comply with international trade agreements

### OUTCOME 4. Improved Policy Environment for Good Governance

#### Sub-outcome 4.1. Greater Support for the Passage of Priority Legislations

1. Amendments to the Ombudsman Act (OMB)
2. Freedom of Information Bill (PCDSPO) 
3. Civil Service Code (CSC)
4. Uniformed Pension Reform Bill (DBM, DND)
5. Whistleblowers Protection Act (DOJ) 
6. Amendments to the Witness Protection Act (DOJ)
7. Fiscal Responsibility Bill (DBM)
8. Criminal Investigation Bill (DOJ)
9. Criminal Code (DOJ)



Source: Cabinet Cluster on Good Governance 2014 Good Governance Initiatives of the Aquino Government 2013-2016 A Primer.

The detailed profiles and targets for 2013-2015 of each initiative are shown in the full Report of the Governance Cluster Action Plan 2013-2016. For the purpose of this paper, focus will be on the on reforms and initiatives in government procurement, bottom up budgeting, seal of good (local) governance, anti-red tape, and citizen satisfaction index system. These were selected because of the their greater potential in achieving the goals of civic engagement, promotion of transparency, curbing corruption and improving the delivery of public services.

#### E. Snippets of Good Governance Initiatives

##### 1. Philippine Government Electronic Procurement System (PhilGEPS)

The PhilGEPS is an electronic bulletin board of bid notices and awards. The web portal seeks to establish an open, transparent, efficient and competitive marketplace for government procurement. The current PhilGEPS system was designed in 2004 and there is a need to re-design the system to include additional functionalities and related system integration, configuration and maintenance services. The initiative for 2010-2016 is a modernization of the software that aims to achieve the following: 1) Provide a total e-Government Procurement solution to achieve transparency in all stages of government procurement, i.e. from procurement planning to project management/contract implementation, 2) Ensure that the PhilGEPS can be linked with the Government Integrated Financial Management Information System (GIFMIS) for tracking budget and expenditure (Governance Cluster 2014).

The new system will be developed in phases:

Phase 1 – Installation of Base System Requirements	Phase 2 – Development of Management Information System	Phase 3 --Installation of features for e-Contract/Project Management (Contract Implementation) and linkage with the GIFMIS and other e-government systems
1. Annual Procurement Plan 2. Dashboard 3. Central Registrations Facility for System Administrators and Procuring entities 4. Site Administration 5. Government of the	1. Pre-bid Conference 2. Procurement Management Information System (PMIS) 3. Financial Management Information System 4. Feedback Mechanism 5. Mobile Application for	

Philippines Official Merchant Registry 6. Electronic Bulletin Board 7. E-bid Submission 8. Bid opening, Bid evaluation and Post-qualification 9. E-payment for the E- bid Submission 10. Security and Audit Logs 11. Integrated Notices Publication 12. Virtual Store (Common Use Goods) E-payment for Virtual Store	Android and IOS tablets and smartphones	
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The Plan was for Phase I of the three-phase Software Modernization Program be completed by 2014. The Department of Budget and Management (DBM) is the lead agency for this initiative (Governance Cluster 2014 pp. 11-12).

## 2. Bottom Up Budgeting

Bottom up budgeting or BUB is now called Grassroots Participatory Budgeting (GPB). The initiative's main development objective is the empowerment of the citizenry in the focus municipalities for poverty reduction so they are able to participate in governance and benefit from inclusive and sustainable socio-economic development and sound political systems in their communities and the broader society. Grassroots organizations are mandated to take part in the crafting of Local Poverty Reduction Action Plans through their inclusion in the Local Poverty Reduction Action Team.

The Department of Interior and Local Government (DILG), particularly its Office of the Undersecretary for Urban Poor, Informal Settler Families and Other Special Concerns, is the lead implementing agency, together with the DBM, the National Anti-Poverty Commission (NAPC) and the Department of Social Welfare and Development (DSWD) (Governance Cluster 2014 pp. 16-17).

3. Monitoring Mechanisms to Improve the Delivery of Public Services through

- a. The Seal of Good Local Governance
- b. Anti-Red Tape
- c. Citizen Satisfaction Index

a. *Seal of Good Local Governance.*

The DILG, in its unwavering commitment of scaling up interventions to elevate the practice of local governance that values development outcomes into institutionalized status, introduced the Seal of Good Local Governance (SGLG) in 2014. The SGLG distinguishes exemplary inclusive local governance by putting premium on performance measures, which are results-oriented. The SGLG aims for a condition where an LGU:

- 1. Sustains the practice of accountability and transparency, and espouses a pro-active financial management (Good Financial Housekeeping);
- 2. Adequately and effectively prepares for the challenges posed by disasters (Disaster Preparedness);
- 3. Is sensitive to the needs of vulnerable and marginalized sectors of the society like Women, Children, Indigenous People and Persons with Disabilities (Social Protection);
- 4. Encourages investment and employment (Business-Friendly and Competitiveness);
- 5. Protects the constituents from threats to life and security (Law and Order and Public Safety)
- 6. Safeguards the integrity of the environment. At the minimum, comply with the mandates of the Ecological Solid Waste Management Act of 2000 (Environmental Protection) (Governance Cluster 2014, pp. 20-21).

The Seal of Good Housekeeping is in line with the Department's commitment to aggressively scale up interventions aimed at elevating the practice of good governance that values desirable development outcomes into institutionalized status. Recipients of the Seal are eligible to access the Performance Challenge Fund (PCF), a support fund to finance local development initiatives in furtherance of national government goals and strategic thrusts (DILG 2015).

b. *Anti-Red Tape.*

The Philippine Congress, recognizing the pervasive impression of inefficiency, passed Republic Act No. 9485, better known as the Anti-Red Tape Act of 2007 (ARTA). The Civil Service Commission (CSC) has started implementing the Anti-Red Tape Program (initially via the Report Card Survey) in 2010. Since then, other program components have been added. The major activities of the program are as follows:

1. Conduct of ARTA-Report Card Survey (RCS) in high density/most complained agencies Section 10 of ARTA subjects all offices and agencies providing frontline to a Report Card Survey (RCS) to be initiated by the CSC, in coordination with the DAP, which will be used to obtain feedback on how provisions in the Citizen's Charter are being followed and how the agency is performing. Further, ARTA outlines that the RCS will also be used to obtain information and/or estimates of hidden costs incurred by clients to access frontline services which may include, but is not limited to, bribes and payment to fixers. Thus, the CSC has developed evaluation tools for the RCS and has drawn up plans for the conduct of the survey.
2. Surprise visits to government agencies in coordination with Civil Society Organizations (CSOs) (ARTA WATCH). The ARTA Watch, aside from being a mechanism to promote awareness and level of compliance of government agencies with the Act, also serves as a support to the ARTA RCS. The spot check is aimed at providing measures to agencies to correct/improve their frontline service delivery based on the observations obtained during the visit, particularly on the posting of the agency's Citizens Charter, observance of the "No Noon Break Policy" and Anti-Fixer Campaign. The ARTA Watch Team also provides general information on the ARTA, CSC Seal of Excellence and Service Delivery Excellence Program during said visit.
3. Conduct of Service Delivery Excellence Program (SDEP) to agencies, which failed in the ARTA – RCS. The SDEP is one of the programs of the CSC designed for agencies to review systems and procedures and identify appropriate interventions to address concerns, if any. The result of the RCS will be the basis of the level of SDEP assistance to agencies. It is aimed at providing immediate solutions and assistance particularly to agencies, which failed to comply with its Citizen's Charter.
4. Awarding of the Citizen's Satisfaction Center Seal of Excellence to agencies with excellent rating on ARTA- RCS. The Citizen's Satisfaction Center Seal of Excellence Award is conferred annually

to government agencies, which were subjected to the RCS and have demonstrated excellence in public service performance as selected by the CSC. It is awarded to agencies that passed all the areas of the RCS with an overall score of 90 – 100 points or a descriptive rating of Excellent and have passed the two-phased validation process.

All activities are undertaken on a service office level. For the purpose of this program, a service office is defined as an office under a government agency offering an array of face-to-face transactions/services to the public. Central, regional, provincial, city, municipal, district, satellite, branch and extension offices offering frontline services are all considered service offices.

The key performance targets and indicators of this Program are as follows:

Key Performance Indicators	Targets		
	2013	2014	2015
Percentage of surveyed service offices passing the ARTA-RCS	85%	95%	98%
Percentage of agencies with “Failed” rating provided with SDEP	100%	100%	100%
Number of offices assessed under ARTA Watch	614	820	1,023

Source: Governance Cluster 2014, pp. 21-22

*d. Client Satisfaction Index System (CSIS).*

The CSIS is a set of data tools designed to collect and generate relevant citizens’ feedback on local governments’ service delivery performance. It conceptualizes the citizen as the center of local government performance. The CSIS will gauge the delivery of LGU services in the following areas:

- a) Health
- b) Education
- c) Social welfare
- d) Governance and participation (responsiveness of officials and local agencies, participation in local assemblies, peace and order)
- e) Public works and infrastructure
- f) Environmental management
- g) Agricultural management
- h) Tourism support services.

The CSIS data complements the Local Governance Performance Management System of the DILG. A target city or municipality has a sample size of 150 respondents regardless of population, with a +/-8% margin of error. Multi-staged random sampling is utilized wherein barangays, households, and respondents are randomly drawn in order to have a population-representative sample. Data

gathering is administered by field interviewers using questionnaires, rating boards, and show cards (Governance Cluster 2014, pp. 22-23).

### III. Progress and Accomplishments

Based on self-assessment of the Aquino III government, the following are the (self-proclaimed) achievements of the good governance initiatives as of 2015 (Fig 4.).

Fig. 4. Achievements on Good Governance of the Aquino III Government, 2011-2013



## Deepened Citizens' Participation

Budget Partnership Agreements (BPAs) were forged between government and civil society organizations (CSOs) as part of participatory budgeting initiatives. In 2012, six national agencies and three GOCCs were included in this exercise. This was expanded to cover twelve national agencies and six GOCCs in 2013.



More than P8.3 billion worth of priority poverty reduction projects for 595 cities and municipalities were identified through a grassroots participatory budgeting process. These have been incorporated in the 2013 National Budget and are currently being implemented. Furthermore, 1,226 cities and municipalities carried out participatory budgeting for the 2014 budget preparation process, and allocated roughly P20.0 billion for identified local projects in the 2014 national budget.



## Enhanced Accountability and Performance Measurement Systems



A performance-based incentive system (PBIS) was implemented on a pilot basis in 2012. Participation rate of national government agencies in the PBIS in 2012 is at 96% with more than 945,000 government employees granted with the performance-based bonus.



Activities to monitor the compliance of government agencies in the Anti-Red Tape Act have been conducted. In 2013, 725 out of 929 (78%) surveyed government service offices got Excellent or Good ratings in the 2013 ARTA Report Card Survey (RCS).



Seal of Good Housekeeping is conferred to LGUs that exercise transparency and sound fiscal management. In 2012, 1,365 or 86% of LGUs were awarded with the Seal.



As one of the building blocks for the Government Integrated Financial Management Information System (GIFMIS), the account code structures of government were unified and used in the preparation of the 2014 national budget. The design and implementation plan for the integrated system was also finalized in mid 2013.



Significant progress was made in resolving and going after corruption-related high profile cases, including the successful impeachment of the former Ombudsman and Chief Justice, as well as the pursuit of cases involving the former President, the former COMELEC Chair, and the dismissal from service of PNP officials involved in the anomalous procurement of helicopters, Senators and Congressmen involved in the PDAF scam, among others.

Source: Cabinet Cluster on Good Governance 2014 Good Governance Initiatives of the Aquino Government 2013-2016 A Primer



These numerous initiatives benefited from consultations with various stakeholders who recommended the streamlining of these initiatives to commitments with greater impact, wide reach and directly adhere to the Open Government Partnership principles.

As of 2014, the 30 or so initiatives were reduced to nine, as follows:

Commitment	Initiative/Program	Implementing Agencies
Sustain transparency in national government plans and budgets	Transparency Seal (National) Full Disclosure Policy (Sub-national)	DBM DILG
Support for the passage of legislation on access to information and protection of whistleblowers	Freedom of Information Bill, Whistleblowers Protection Bill	PCDSPO, DOJ, PLLO
Engage civil society in public audit	Citizens Participatory Audit	COA
Enhance performance benchmarks for local governance	Seal of Good Local Governance	DILG
Enhance the government procurement system	PhilGEPS Modernization	DBM
Strengthen grassroots participation in local planning and budgeting	Bottom-Up Budgeting Program	DILG, DBM, DSWD, NAPC
Provide more accessible government data in a single portal and open format	Open Data Philippines	PCDSPO, DBM, OPS
Initiate fiscal transparency in the extractive industry	Extractive Industries Transparency Initiative-Philippines	DOF
Improve the ease of doing business	Game plan for Competitiveness	NCC

Source: Governance Cluster 2015. Philippine OGP Action Plan 2013-2015 Assessment Report Draft.

With the reduced number of initiatives, tracking of progress, reporting of progress and addressing the challenges should have become more effective.

#### IV. Challenges and Prospects and Some Concluding Notes

The scanning of assessment reports on the policy reforms and good governance initiatives of the Aquino III administration left the author with mostly self-

assessments (and therefore more favorable reviews), interim reports and preliminary reviews. In fine, these assessments paint a favorable picture of successful or succeeding initiatives, with almost 75% of the targets met.

As of the last quarter of 2014, the Governance Cluster (2015b) reported that of the 30 initiatives that aim to curb corruption, improve service delivery and enhance the business and economic environment, 15 were on-time in their implementation and with Good Performance (75-100% of milestones/KPIs are achieved); 12 were delayed in their implementation (by 3 months or less) and with average performance (50-75% achieved milestones/KPIs); and 3 were very delayed (for more than 3 months) with poor performance (less than 50% of milestones/KPIs).

Among the poor performers is PhilGEPS as the Phases 2 and 3 of the software modernization are not yet completed and additional functionalities have to be installed by 2015 (Governance Cluster 2015b). Among the very good performers are on the Seal of Good Local Governance and the Integrated ARTA. This maybe explained by the fact that these are mainly monitoring mechanisms that are tied up with incentives and awards. Local governments scoring high in the Seal are eligible for the Performance Challenge Fund (PCF), a P1-million support fund to finance local development initiatives in furtherance of national government goals and strategic thrusts. High scorers (excellent ratings) in the ARTA-Report Card System are awarded the Citizen's Satisfaction Center Seal of Excellence, which could be bragging rights of public agencies and service centers.

The interim report (Mangahas 2014) meanwhile, raised some concerns such as more work has to be done; participatory road map has to be designed; "selectivity" in the choice of CSOs to be engaged in the processes has to be corrected; project is slow moving and disbursements were 'clouded with controversy" (e.g., the BUB appears to be politically infected and there is a need to insulate the process from partisan politics; in addition, the budgeted amounts for the BUB projects have to be verified because "it seems to be a discretionary fund like pork barrel,..."); lack of capacity for such participatory audits. In addition, particularly for the Seal, it needs to be validated by independent assessors or citizens and stakeholders at the town level in order not to make the award "a dime a dozen"; it is also "incentivized" by a grant of P1 million even as the requirements are "very low," that is, financial disclosure online of a few public funds documents, and getting Commission on Audit reports with no adverse findings.

The 'adverse' observations are basically to improve the implementation of these initiatives and enhance the capacity of stakeholders to do their parts in these reform initiatives. These are not harsh criticisms or very bad reviews. This may mean that the policy reforms and good governance initiatives are perceived to be successful or working well. This is complemented by the sustained high trust ratings of the present administration, despite recent controversies in the country

(the Supreme Court ruling on the unconstitutionality of the pork barrel funds of the Legislature-Priority Development Assistance Fund or PDAF and to some extent, that of the Executive-Disbursement Acceleration Program or DAP; the Mamasapano incident and the peace process in Mindanao).

To be fair, though some of these initiatives have started as early as the Ramos and Macapagal administrations, these recent reforms have been perceived and accepted as good governance initiatives that work. Reports have it that good governance has contributed to some extent in curbing corruption, engaging citizens in governance, improving the delivery of public services as well as improving the trust and confidence of stakeholders, particularly investors, in government.

Consequently, the country's credit rating and competitiveness have improved. Our fiscal and macroeconomic fundamentals have improved as well, contributing to increased revenues and savings, greater economic and other gains. To what extent these are verifiable or have indeed trickled down to the poor, promoted the rule of law or contributed to inclusive growth is however another matter.

Nevertheless, fine-tuning and correcting infirmities as observed above have to be done in order to ensure that these initiatives are done more properly, consultatively and transparently. Alternative assessments of these initiatives are also needed. In addition, with the coming changing of the guards in 2016 as the present administration's term expires that year, efforts have to be exerted to sustain the gains in these policy reforms so that the quality of public service is continuously assured and the agenda of reforms for true and honest government continues. We should accelerate the momentum for the sake of our present and future generations.

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