Assessment of the Anti-Red Tape Act (2007 ARTA):  
EFFICIENCY, EFFECTIVENESS, AND RELEVANCE, Towards the Expanded ARTA/Ease of Doing Business act Implementation

Evaluation Report

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This evaluation is supported by the partnership of the National Economic and Development Authority (NEDA) and the United Nations Development Programme (UNDP) in the Philippines under the Strategic Monitoring and Evaluation (M&E) Project.[May 31, 2019 version]

# Executive Summary

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**Efficiency, Effectiveness, and Relevance, Towards the Expanded ARTA/Ease of Doing Business Act Implementation**

**Executive Summary**

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| By Czarina Medina-Guce (Governance Specialist/Lead Evaluator), with: Kidjie Saguin (Associate Evaluator: Quantitative Analysis), Kathleen Jovellanos (Associate Evaluator: Qualitative Analysis/Case Studies), and Thinking Machines Data Science  This evaluation is supported by the partnership of the National Economic and Development Authority (NEDA) and the United Nations Development Programme (UNDP) in the Philippines under the Strategic Monitoring and Evaluation (M&E) Project. |

**Introduction**

In 2018, Republic Act 11032 or the *Ease of Doing Business and Efficient Government Service Delivery Act* (EODB Act) was passed, which expands Republic Act 9485 or the *Anti-Red Tape Act* of 2007 (2007 ARTA). The law seeks to “promote integrity, accountability, proper management of public affairs and property as well as to establish effective practices aimed at efficient turnaround of the delivery of government services and the prevention of graft and corruption in government (Section 2, Declaration of Policy)”. The EODB Act takes off from the achievements of the 2007 ARTA as implemented by the Civil Service Commission (CSC) through its *ARTA Integrated Program*, and further incorporates the lessons and momentum from the *Ease of Doing Business* initiatives of the Department of Trade and Industry, the National Competitiveness Council, and their partners.

The National Economic and Development Authority (NEDA) takes keen interest in the implementation of this law as it monitors and contributes to the achievement of the Philippine Development Plan 2017-2022. In this medium-term plan is Chapter 5: People-Centered, Clean, and Efficient Governance. This section includes the indicator, “Government agencies with frontline service offices passing the Report Card Survey (RCS) increased,” so far declared at an 88.5% baseline in 2016,and targeting above 90% results from 2017 onwards. Moreover, strict enforcement and monitoring of the 2007 ARTA is also identified as one of the strategies under the subsector outcome, “Corruption reduced”.

Under the EODB Act, the ARTA Authority will be implementing the RCS in collaboration with the CSC, with the interest of monitoring and evaluating not only the frontline services, which had been the focus of the 2007 ARTA, but also the expanded outcome areas within the EODB Act scope. It is against this backdrop that NEDA partnered with the United Nations Development Programme (UNDP) for the Strategic Monitoring and Evaluation (M&E) project for a third-party evaluation that fleshes out the 2007 ARTA and its relationship with frontline services, and provides inputs to the rollout of the EODB Act.

Applying an integrative mixed-methods evaluation approach, the study draws insights from (a) a Quantitative Analysis of the RCS and Contact Center ng Bayan (CCB) datasets, (b) a Data Science Methodology analysis also from the RCS and CCB data, (c) eight case studies on selected national government agencies, government-owned and controlled corporations, and local government units, and (d) supplementary interviews with implementing and oversight national government agencies. The various evaluation tracks, integrated in the evaluation report, focused on a set of questions addressing efficiency, effectiveness, relevance, and sustainability of the 2007 ARTA for the EODB Act implementation.

**Evaluation Results**

*Efficiency:* Focusing on the 2007 ARTA’s effect on government processes, there is substantiated evidence supporting how its implementation (through the Integrated Program of the CSC) has been able to influence efficiency levels of frontline government services, as evidenced by client satisfaction. Factors contributing to this success areas are leadership and management prioritization, agency-level initiatives, and technology investments – all of which are seen to be mutually reinforcing each other. The relative successes of these initiatives, however, are still impeded when volume, density, and levels of complexity of transactions are high in frontline government offices. Any deviation from the prescribed processes, such as paying for hidden costs, tend to lower client satisfaction.

Meanwhile, for process improvements, the positive influence of agency-level initiatives on the 2007 ARTA implementation poses a challenge on monitoring and evaluation, since the law’s standards are subsumed under agency program-level outputs and outcomes (including *Doing Business*-related programs in line with the EODB initiatives prior to the law). On field implementation, frontline government managers and employees noted that they do not receive RCS results on their level. While CSC provides the agencies copies of their respective RCS results, such information that could improve frontline service implementation by the offices and employees do not trickle down. Additional insights may be learned on efficiency interventions from the ISO accreditation and certification process, as preliminary analysis shows positive relationship between ISO certification and client satisfaction.

*Effectiveness:* While there is overall improvement in efficiency of frontline services, not all the 2007 ARTA program implementation components contribute to effectiveness outcomes. Those with evidence supporting effectiveness contribute to the frontline experience of quick response time and positive transaction outcomes, such as agency-level initiatives and leadership and management prioritization as earlier noted. However, an unintended consequence of the drive to meet the 2007 ARTA standards is the stretch on the time and welfare of frontline government employees, as offices exhaust the limits of their manpower. Adding to the stretch are what employees describe as aggression from clients threatening to report them via the hotlines, and compromised time for lunch breaks. The frontline government employees hope that their own satisfaction, motivation, and welfare can be better accounted for in future 2007 ARTA/EODB Act implementation.

Meanwhile, evidence is weak and unsubstantiated on the effects of the 2007 ARTA implementation on the integrity and anti-corruption outcomes that the law aspires to achieve. RCS data show that the Anti-Fixing Campaign is found to have no correlation to client satisfaction. While technology investments (such as computerization of transactions) have been employed partly as an anti-fixing strategy, both big-time and small-time fixers remain prevalent in many frontline offices, with fixers themselves sharing how they have appropriated their strategies for conducting business despite the 2007 ARTA provisions. Data is available on administrative cases filed and resolved against erring government employees, as well as potentially important data on fixing from the RCS datasets. However, all these data have not been consolidated and processed to generate insights to improve policy and program interventions. Inter-agency collaboration and prioritization for implementation is also a gap that is yet to be sufficiently addressed.

Continuing with Effectiveness assessment dimensions, the evaluation identified the need to provide purposive, rationalized capacity-building interventions for frontline government employees, specific to the knowledges and skills they need to learn to improve on the services they deliver. This is in response to feedback received that 2007 ARTA-related trainings (mostly orientations on the RCS) have been too general or too thinly dispersed, limiting the relevance and usability of the interventions to government employees.

Furthermore, the evaluation also underscores the need to review the guidelines and indicators measuring the Citizen Charters (CCs), since the value of availability of information through CCs are compromised by the client perceptions of CCs being overwhelming, unreadable, and in effect, unhelpful. Preference of clients is still to interact with persons (e.g., PACD, guard-on-duty), to provide them the specific information they need. Hence the indicators for evaluating CCs in the RCS need to be reviewed to emphasize usability to clients, and appropriate support to innovations in presenting CCs are identified. On the process, guidance may be given to agencies how to make the development of CCs more inclusive of government employees and citizens alike.

*Relevance:* Strictly on a question of extent, all the components of the 2007 ARTA are relevant to the implementation of the EODB Act, since it was framed as an expansion of the 2007 ARTA, and the ARTA Integrated Program has been the only direct and attributed programming of the law. Within the scope of the 2007 ARTA implementation, there is benefit on taking off from the components that resulted to efficiency in frontline transactions. However, critical attention is needed to strategize policy and programs to address the integrity and anti-corruption components of the 2007 ARTA towards EODB Act implementation. Moreover, it is important to note that the relationship between these two laws is beyond the expansion of the 2007 ARTA because many documented agency-level and LGU programs have been subsuming law compliance under *Doing Business* efforts. The EODB Act also covers significant provisions that cater to ease of business transactions in the local frontline offices. These interrelationships among frontline efficiency, doing business, integrity and anti-corruption, their translation to a Theory of Change, and a corresponding results framework are important to be addressed collaboratively among oversight and implementing agencies moving forward.

*Sustainability:* The various evaluation tracks provide layered approaches into answering an improved implementation of the 2007 ARTA in light of the EODB Act. On short-term change management, communicating the transition plans and support to be given to frontline government offices and employees is seen to be important in light of growing concerns on the more stringent standards under EODB Act. In terms of a strategic and evaluative framework for this law, the importance of articulating a Theory of Change and a results framework is again emphasized. These can be expressed in a Governance Roadmap that provides logic to the priorities of EODB Act implementation, and the improvements it seeks to achieve towards higher-level outcomes throughout the years.

Technical recommendations on revising the RCS indicators and implementation are provided, as well as support follow-through protocols on the CCB. For both RCS and CCB, more disciplined and robust data gathering protocols must be in place, especially when it comes to nuancing indicators to reflect complexity of transactions and range of services per office or agency, and upholding consistency of scope and coverage through years of data gathering. Should the limitation in resources to implement RCS across more agencies and offices stand in light of the EODB Act implementation, the RCS may instead focus on a handful of agencies, offices, and/or transactions that it can monitor and evaluate, to reflect priorities of change areas in the proposed Governance Roadmap and results framework.

Meanwhile, improving the manner of implementing higher-level outcomes on integrity and anti-corruption, the EODB Act implementation will benefit from expanding its efforts by working with existing and even broader integrity advocacies with government and civil society organizations. The innovations that fixers have undertaken to prevail despite the 2007 ARTA should be studied for appropriate responses. For instance, suggestions to include costs that clients are willing to pay (expedite fees) for efficiency into the main transaction cost. It is also noted that the No Contact Policy under the EODB Act may produce an unintended boost to the fixing market since clients prefer to have a personal interaction to ask for precise information about their transactions.

Meanwhile, for further studies, this evaluation recommends that analysis be further made on:

1. the different components of the RCS database, such as those specific to the anti-fixing campaign and the PACD, given issues identified on pursuing integrity and assuring a “personal” interaction option for the EODB Act, respectively;
2. a nuanced take on the RCS results per NGA, GOCC, and especially on the LGUs, given the significant provisions of the EODB Act for local implementation.

A monitoring, evaluation, and learning (MEL) research agenda is also necessary to support evidence-informed policymaking for the EODB Act implementation. This necessitates instituting a MEL system and capacities within the ARTA Authority, with the CSC, for the RCS and other surveys or data gathering strategies, including a team of qualified researchers for regular and disciplined insight-mining into the available and developing datasets, and a knowledge management system to store all raw datasets and relevant information through many years.

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# List of Acronyms

|  |  |
| --- | --- |
| ASEAN | Association of Southeast Asian Nations |
| ARMM | Autonomous Region of Muslim Mindanao |
| 2007 ARTA | Anti-Red Tape Act |
| BIR | Bureau of Internal Revenue |
| CAR | Cordillera Administrative Region |
| COA | Commission on Audit |
| CC | Citizen Charter |
| CCB | Contact Center ng Bayan |
| CMCI | Cities and Municipalities Competitiveness Index |
| CSC | Civil Service Commission |
| CSC-SE | Citizen’s Satisfaction Center Seal of Excellence |
| CSS | Client Satisfaction Survey |
| DAC | Development Assistance Committee |
| DBM | Department of Budget and Management |
| DFA | Department of Foreign Affairs |
| DICT | Department of Information and Communications Technology |
| DILG | Department of Interior and Local Government |
| DTI | Department of Trade and Industry |
| DTI-CB | Department of Trade and Industry - Competitiveness Bureau |
| eBPLS | Electronic Business Processing and Licensing System |
| EODB | Ease of Doing Business |
| EODB Act | Ease of Doing Business Act |
| FGD | Focus group discussion |
| GOCC | Government-owned and controlled corporations |
| IRR | Implementing rules and regulations |
| KII | Key informant interviews |
| LBP | Land Bank of the Philippines |
| LGU | Local government unit |
| LRA | Land Registration Authority |
| LTO | Land Transportation Office |
| LWD | Local Water District |
| MEL | Monitoring, Evaluation, and Learning |
| NCC | National Competitiveness Council |
| NCR | National Capital Region |
| NGA | National government agency |
| NNBP | No Noon Break Policy |
| NSO | National Statistics Office |
| OECD | Organisation for Economic Co-operation and Development |
| OGP | Open Government Partnership |
| OMB | Office of the Ombudsman |
| OP | Office of the President |
| OSS | One Stop Shop |
| PACD | Public Assistance and Complaint Desk |
| PHIC / PhilHealth | Philippine Health Insurance Corporation |
| PNP | Philippine National Police |
| PPA | Philippine Ports Authority |
| PSA | Philippine Statistics Authority |
| PWD | Persons with Disability |
| RCS | Report Card Survey |
| SDEP | Service Delivery Excellence Program |
| SDGs | Sustainable Development Goals |
| SMS | Short Messaging System |
| SSS | Social Security System |
| SUCs | State Universities and Colleges |
| UNCAC | United Nations Convention on Anti-Corruption |

# Evaluation Team: Profiles

***Governance Specialist, Lead Investigator***

**Czarina Medina-Guce** ([mmedina@ateneo.edu](mailto:mmedina@ateneo.edu)) works on public policy, governance, and development issues, particularly on areas such as subnational governance, transparency, accountability, citizen participation, and anti-corruption, and impact and outcomes assessments. Currently, she works as faculty in the Development Studies Program of the Ateneo de Manila University, and Senior Advisor for the Leadership and Exchange Programs (LeadEx) of The Asia Foundation (San Francisco, USA), and consults for government and development organizations. She completed executive courses on public policy and leadership from Lee Kuan Yew School of Public Policy, National University of Singapore, and is taking up her PhD in Sociology in the University of the Philippines-Diliman. She has written articles for international and local academic journals, and has co-written and co-edited several publications. She is an alumna of the Asia Foundation Development Fellows in 2014, and was member of The Asia Foundation's Board of Trustees (San Francisco USA) from 2017 to 2019.

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# 1 Introduction

Republic Act 9485 or the *Anti-Red Tape Act* (2007 ARTA) was passed in 2007 to “improve efficiency in the delivery of government service to the public by reducing bureaucratic red tape, preventing graft and corruption, and providing penalties therefor.” The law seeks to promote “integrity, accountability, proper management of public affairs and public property, as well as establishing effective practices aimed at the prevention of graft and corruption in government” (Section 2, 2007 ARTA). The law covers all government agencies with frontline service delivery functions (agencies that have direct interaction with the public), including national government agencies (NGAs), government-owned and controlled corporations (GOCCs), and local government units (LGUs).

For the years that followed, the Civil Service Commission (CSC), as mandated by the law and its implementing rules and regulations, led the implementation of the 2007 ARTA through its Integrated ARTA Program. This is composed of the Report Card Survey (RCS), Contact Center ng Bayan (CCB), Service Delivery Excellence Program (SDEP) and Citizen’s Satisfaction Center Seal of Excellence (CSC-SE).

The National Economic and Development Authority (NEDA) takes keen interest in the implementation of this law as it monitors and contributes to the achievement of the Philippine Development Plan 2017-2022. Included in this medium-term plan is Chapter 5: People-Centered, Clean, and Efficient Governance. This section covers the indicator, “Government agencies with frontline service offices passing the Report Card Survey increased,” so far declared at an 88.5% baseline in 2016, and targeting above 90% results from 2017 onwards. Moreover, strict enforcement and monitoring of the 2007 ARTA is also identified as one of the strategies under the subsector outcome, “Corruption reduced”.[[1]](#footnote-2)

The evaluation is also conducted with the intent to help inform the implementation of Republic Act 11032 or the *Ease of Doing Business and Efficient Government Service Delivery Act* (henceforth, EODB Act).[[2]](#footnote-3) The EODB Act, enacted in 2018, effectively modifies and expands the 2007 ARTA.

This evaluation report is structured as follows: Section 2 discusses the evaluation questions and scope of the research. Section 3 provides for the overview of the 2007 ARTA and the Integrated ARTA Program as implemented by the CSC, and the overview of EODB Act. The implications of evaluating in between the implementation of the two policies are also discussed. Section 4 discusses the evaluation approach and methodology used. Section 5 presents the results and findings of the evaluation. Lastly, Section 6 summarizes the findings and lays out the recommendations.

The report includes executive summaries of the Quantitative Analysis, Data Science Analysis, and eight case studies.[[3]](#footnote-4) Part of the submission to NEDA and UNDP are recommendations for the communication of the report with an analysis of potentially interested stakeholders.

# 2 Evaluation Questions

This study develops an implicit theory of change between the objectives of the 2007 ARTA and its relationship with frontline services, and derives recommendations for consideration in the implementation of EODB Act. The study draws lessons from the 2007 ARTA implementation over the last eight years, particularly, analyzing trends emerging from its implementation, identifying the elements and practices that helped improve the efficiency of frontline services and constrained the effectiveness of anti-red tape interventions, as well as to identify areas of unintended consequences. Furthermore, the study provides recommendations for designing a framework and methodology for the future conduct of impact evaluations on the implementation of EODB Act.[[4]](#footnote-5)

Anchoring on the Organization for Economic Cooperation and Development’s (OECD) Development Assistance Committee (DAC) framework criteria, this evaluation answers the following questions:

**Table 1. Evaluation Questions (Ref: Project Terms of Reference)**

| DAC Criteria | Questions |
| --- | --- |
| Efficiency | [a] How has the 2007 ARTA been implemented by NGAs and local government units?  [b] What are costs and benefits associated with the 2007 ARTA implementation?  [c] What can the RCS/commendation/complaints database of CSC reveal about the 2007 ARTA implementation?  [d] How do agencies monitor their compliance to the standards in their Citizens Charters (CCs) and revise the standards when necessary? |
| Effectiveness | [a] How has the implementation of the 2007 ARTA policies improved frontline services?  [b] What are the elements which helped achieve the goals of the 2007 ARTA, and what are the constraining factors?  [c] Has the improvement in frontline services of key national and local agencies translated in improved perceptions on business-friendliness, government effectiveness and corruption? Why or why not?  [d] What factors influence various stakeholders in the implementation of the 2007 ARTA? How do they collaborate?  [e] What are the good practices from the most improved agencies?  [f] What kind of support can be extended to agencies in difficult situations or to agencies failing in the RCS?  [g] What are the facilitating factors and barriers to the public’s utilization of the Citizen’s Charter? |
| Relevance | [a] To what extent are the various components of the 2007 ARTA relevant to the implementation of the EODB Act? |
| Sustainability | [a] Based on the findings, how can the 2007 ARTA be better implemented in light of EODB Act?  [b] Are there areas that need further improvement to sustain/maximize the benefits already achieved by implementing the 2007 ARTA?  [c] How should a future impact evaluation study for the EODB Act be designed?  [d] What methodologies and tools can be applied to measure NGAs’ implementation of the standards in their CCs?  [e] How can data collected by CSC be used to analyze the causal impact on the 2007 ARTA outcomes, i.e., reducing corruption and improving ease of doing business? |

# 3 Policy Overview

This section provides an overview of the 2007 ARTA and its program translation through the CSC’s Integrated ARTA Program. This will be followed by an overview of the EODB Act, highlighting the changes from the original 2007 ARTA, especially in terms of outcomes the policies desire to contribute to. This section ends with an explanation of the implications of the analysis of the two policies to the evaluation approach and lens employed.

## 3.1 Overview of ARTA

The 2007 ARTA’s Section 2, *Declaration of Policy* states:

“It is hereby declared the policy of the State to promote **integrity, accountability, proper management of public affairs and public property** as well as to establish effective practices aimed at the **prevention of graft and corruption** in government. Towards this end, the State shall maintain honesty and responsibility among its public officials and employees, and shall take appropriate measures to **promote transparency** in each agency with regard to the manner of transacting with the public, which shall encompass a program for the adoption of simplified procedures that will **reduce red tape and expedite transactions** in government.”

Fundamentally, the policy positions as a governance improvement initiative that considers efficient frontline government service delivery as a means to achieve integrity and accountability in government and reduce corruption.

The 2007 ARTA’s governance provisions can be summarized in five points. First, the law provides a set of universal service standards that all clients can expect from all frontline services of the government (e.g., simple transactions should be completed within five days while more complex ones should be given 10 days). Second, it mandates the implementation of various process improvement initiatives like process reengineering and signature reduction. These initiatives were legally mandated to ensure the reduction of excessive and unnecessary rules and regulations in these frontline services. Third, the law puts the publication of a Citizen’s Charter (CC) as its centerpiece provision (Mendoza, 2011). The 2007 ARTA defines a CC as an official document, a service standard, or a pledge, that communicates information about the government services in simple terms. Such information includes step-by-step procedures, turnaround time for service completion, documentary requirements, among others. It acts as the primary transparency mechanism of the 2007 ARTA. Fourth, agencies are also expected to establish their own complaints and redress system. This is a feedback mechanism that allows clients to complain about services rendered below par. Fifth, the law puts criminal liability to operational “fixers”[[5]](#footnote-6) and to those working in collusion with them, some of whom may be public servants. As a means of promoting compliance with the 2007 ARTA provisions, deviations from the published charters were made subject to criminal proceedings.

Owing to priorities allocated to specific provisions of the law, the implementation of the 2007 ARTA focused on the efficiency of frontline government service delivery. The CSC performed the primary role in operationalizing the 2007 ARTA implementation.

## 3.2 CSC’s Integrated ARTA Program[[6]](#footnote-7)

To operationalize implementation of the 2007 ARTA, CSC launched the Integrated ARTA Program in 2010. The program has the following components[[7]](#footnote-8):

* Report Card Survey (RCS), “a client feedback survey used to check government service offices’ compliance with the provisions of the Anti-Red Tape Act of 2007. It provides a quantitative measure of user perceptions on the quality, efficiency, and adequacy of public services. (CSC, 2014a)”
* Contact Center ng Bayan (CCB), “a feedback mechanism designated as the government’s main helpdesk where citizens can request for information and assistance on government frontline service procedures, and report commendations, appreciation, complaints, and feedback. (CSC, 2014b)”
* Service Delivery Excellence Program (SDEP), which is given to service offices obtaining a “Failed” rating from RCS and includes “conduct of service improvement workshops and facilitation for increasing the efficiency and effectiveness of the service office’s strategies, structure, staff, and systems. (CSC, 2014c)”
* Citizen’s Satisfaction Center Seal of Excellence (CSC-SE), “an award given to government service offices that have demonstrated exemplary frontline service delivery by meeting both conditions: (a) obtained an “Excellent” rating in the RCS, and (b) has no valid and unresolved 2007 ARTA-related complaint based on the Contact Center ng Bayan data. (CSC, 2014d)”

The RCS has been implemented since 2010 and covered 5,904 service offices (2010-2017). From these, 1,056 service offices received an excellent rating and the CSC-SE award, while 280 service offices underwent the SDEP from 2013 to 2016. Meanwhile, from the results of the RCS, CSC awards the CSC-SE, which from 2010 to 2016 was received by 304 offices. The top three agencies receiving the award were PHIC (67 awards), Government Service Insurance System (53), and Land Bank of the Philippines (24). By sector, the award has been received by GOCCs at 66%, NGAs, 28%; and LGUs, 6%.

As available resources do not permit all agencies to be assessed using the RCS design, the CSC adopts a sampling framework to select agencies based on different priority themes each year. This approach generates point estimates that can and have been analyzed in this evaluation report. However, it does not permit the establishment of a specific baseline that could be used to determine progress over time. Meanwhile, as per the RCS team of the CSC in a series of consultations with the evaluation team, the RCS design itself underwent several iterations through the years, but in so doing was unable to account for comparability of the emergent datasets, particularly in the changes for 2015 and 2017.

Table 2 documents the coverage of the RCS from 2010 to 2017. CSC documents having had interviewed 170,292 persons.

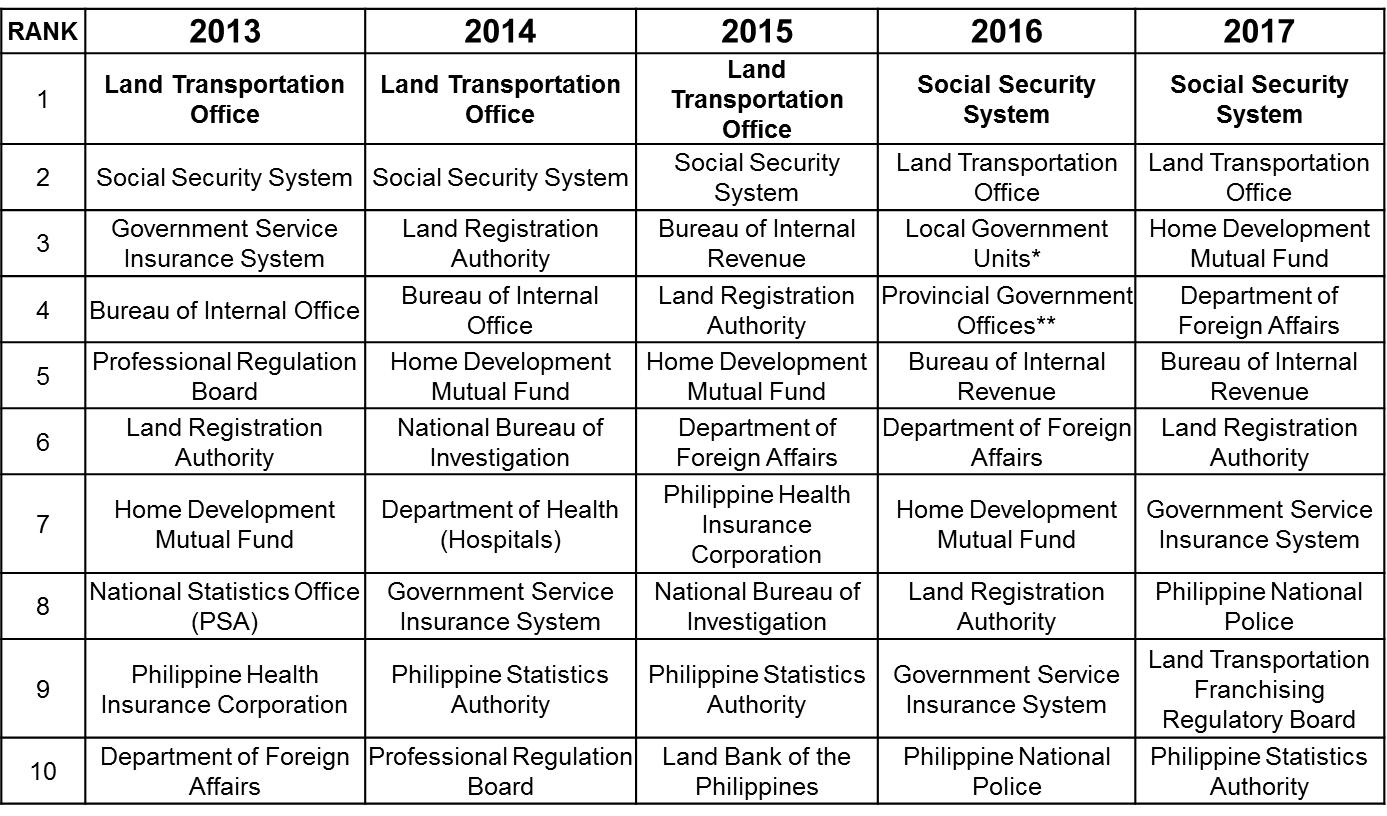
**Table 2. RCS Coverage from 2010 to 2017**

|  |  |
| --- | --- |
| Year | Description |
| 2010 | 50 pilot services in 16 regions under the CSC |
| 2011 | 497 high density/high impact service offices |
| 2012 | 594 high density that are dealing with commerce transactions |
| 2013 | 929 high density that are dealing with commerce transactions |
| 2014 | 1,023 service offices from the most complained agencies |
| 2015 | 1,114 most complained agencies with 51 Land Bank of the Philippines selected branches |
| 2016 | 1,109 “ARTA goes Local” (LGU, barangays, LWDs, and SUCs); 100 Landbank of the Philippines (LBP) selected branches |
| 2017 | 540 service offices engaged in Ease of Doing Business |

The broader utility of the RCS is demonstrated by its expanded application being included as a requirement for the Performance-Based Bonus. Through this, the CSC attributes the ARTA program’s influence on the monitoring and evaluation of agency performance. Studies conducted by the CSC’s international and local partners[[8]](#footnote-9) have also pointed out the influence of the Integrated ARTA Program in areas such as physical and facility improvements, increased awareness of public accountability and diminished under-the-table transactions, and changes in employee behavior.[[9]](#footnote-10)

The Integrated ARTA Program established centralized contact points for public communication and citizen feedback through a complaint and redress mechanism. It also enabled the processing of data into information for response of the reported agencies. From September 2012 to December 2017, the CSC received 377,820 reports through the following CCB platforms: phone (51.21% of total), SMS (46.67%), email (2.02%), and Facebook (0.09%)[[10]](#footnote-11). Upon receiving the report, the CCB refers the matter to the concerned agency. The concerned agency then takes action, and the CCB relays the feedback to clients. Table 3 and Figure 1 provide further information on the agencies that received the highest number of complaints from 2013 to 2017, and the types of feedback received.

**Table 3. *Agencies with the Highest Number of 2007 ARTA-related Complaints (Agamata, 2018)***



**Figure 1.** Top five 2007 ARTA-related complaints from 2013 to 2017, in percentage of total reports per year[[11]](#footnote-12) (Agamata, 2018)

In a press release, the CSC also reported:

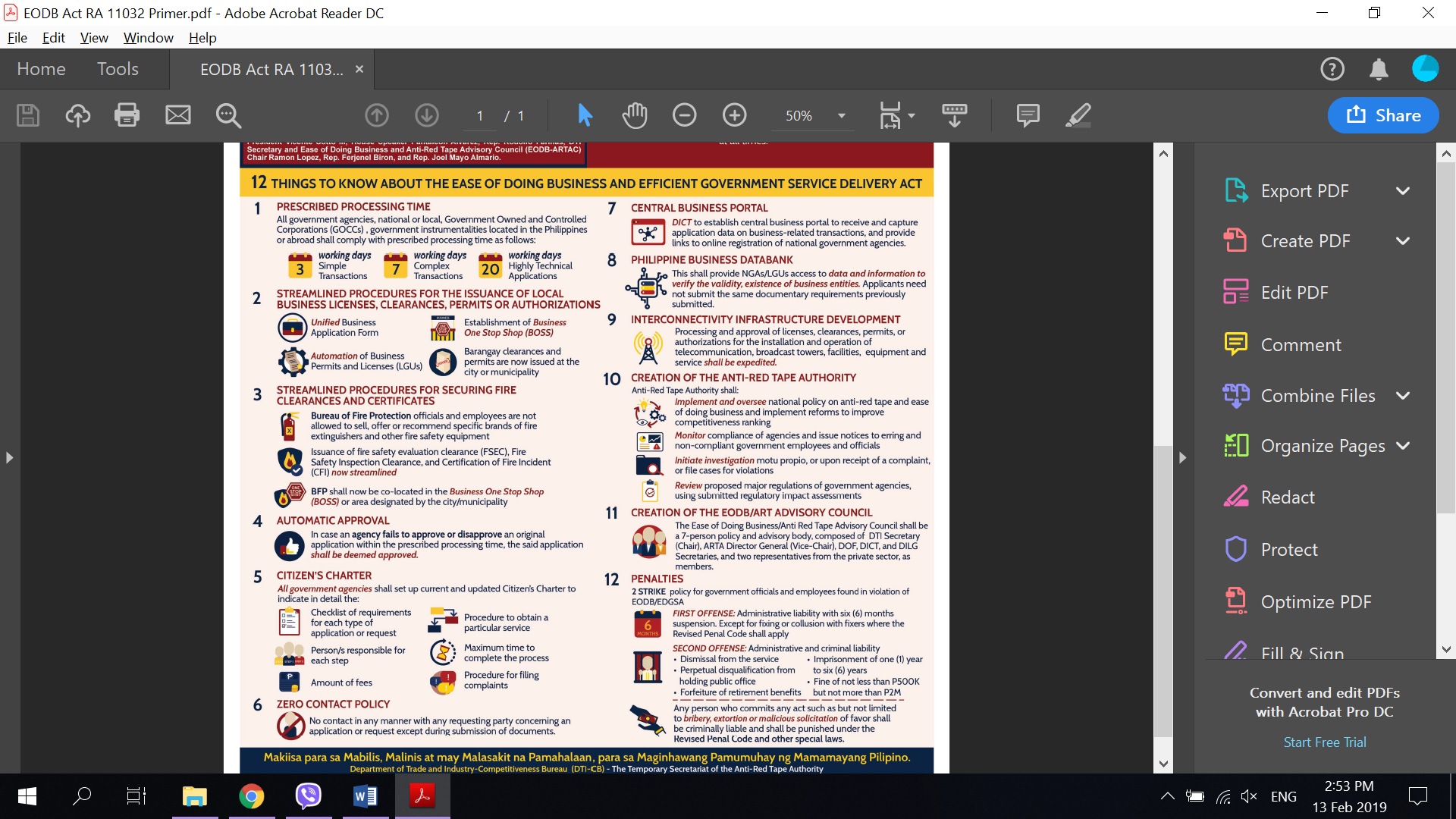
“Through its linkage to the Performance-Based Incentive System, the ARTA has been considerably integrated in government processes. Compliance to citizens’ charters has increased by 5 percentage points in three years (94% in 2012 vs. 99% in 2015). Results from the RCS are also encouraging as the percentage of offices receiving an “excellent” rating tripled (4% in 2011 vs. 13% in 2016) and those receiving a “failed” grade halved (27% in 2011 vs. 11% in 2016) for the past five years. In terms of citizen’s participation to the evaluation process, the CCB has also grown steadily reaching over 63,281 reported complaints in 2015 (from only 2,685 in 2010).”[[12]](#footnote-13)

## 3.3 Overview of the EODB Act

In 2018, Republic Act 11032 or the *Ease of Doing Business and Efficient Government Service Delivery Act* was signed, which substantially amended the 2007 ARTA. EODB Act’s Section 2 Declaration of Policy states:

“It is hereby declared the policy of the State to promote integrity, accountability, proper management of public affairs and public property as well as to establish effective practices, aimed at **efficient turnaround of the delivery of government services** and the prevention of graft and corruption in government. Towards this end, the State shall maintain honesty and responsibility among its public officials and employees, and shall take appropriate measures to promote transparency in each agency with regard to the manner of transacting with the public, which shall encompass a program for the adoption of **simplified requirements and procedures** that will reduce red tape and expedite **business and nonbusiness related** transactions in government” (emphasis added).

The highlighted parts point out to this law’s differences from the 2007 ARTA’s Declaration of Policy. The EODB Act expounds on government efficiency by setting standards on efficiency of turnaround of service delivery on all transactions of government. The 2007 ARTA focuses on frontline services, defined as “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 and/or requests, which are acted upon in the ordinary course of business of the agency or office concerned (Section 4(c), 2007 ARTA)”. But the EODB Act expands the scope of frontline services, and seeks to expedite business and non-business-related transactions, with non-business transactions defined as “all other government transactions not falling under” Section 4(c) of the 2007 ARTA (Section 4(h), EODB Act). The EODB Act also prescribes the backend infrastructure and administrative systems that support a more efficient transaction environment – databases and knowledge systems, interconnectivity, shorter processing time, no-contract and automatic approvals in case of failure to comply, and a sharper “two strike” policy with administrative and criminal liabilities for non-compliant government employees. The salient features of the EODB Act are summarized in the primer of the Department of Trade and Industry (DTI), shown in Figure 2.



**Figure 2.** The DTI Primer names salient features of the EODB Act[[13]](#footnote-14)

It is also worth noting that the EODB Act is a product of a long-standing policy advocacy from the private sector, in line with the *Doing Business[[14]](#footnote-15)* evaluations that are conducted by the World Bank on an international scope. Business groups, together with DTI, the Department of Interior and Local Government (DILG), and other national government agencies, have passed various guidelines, scorecards, and circulars reducing the requirements needed by businesses to register and renew licenses and permits, and building electronic systems that synchronize records of government agencies.

In these initiatives, efficient business processing and licensing is linked to improving the business climate for start-ups, revenue creation, foster economic growth, create more jobs, and attract investors, and become more competitive for the Association of Southeast Asian Nations (ASEAN) economic integration. In the DTI - Competitiveness Bureau (CB) EODB briefer[[15]](#footnote-16), the Frequently Asked Questions section states:

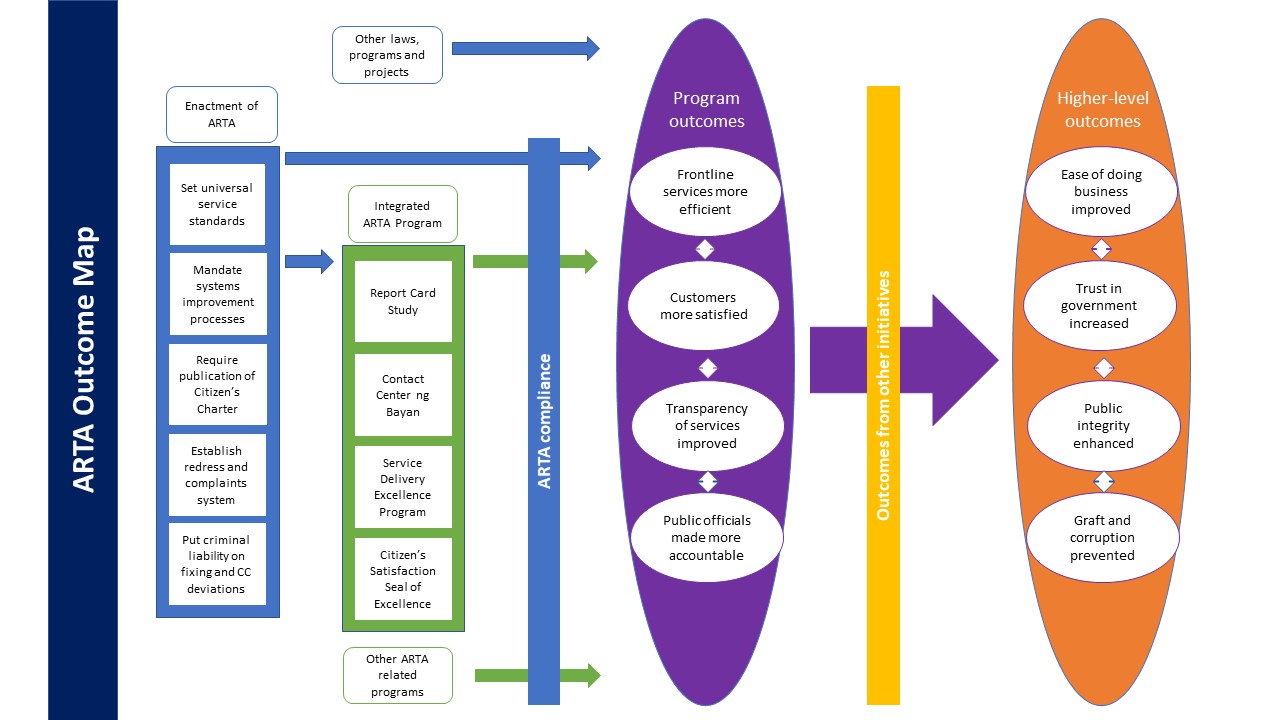
“How can businesses benefit [from the EODB law]?... The business permitting process will be faster, easier, and more convenient… According to the Doing Business Report of 2018, good rules create an environment where new entrants with drive and good ideas can get started in business and where good firms can invest, expand, and create new jobs.”

This means that while the EODB Act is subsumed under the 2007 ARTA as an expansion or an amendment, in the understanding of national, subnational (and even international) stakeholders, the EODB Act as an advocacy and program implemented through many years in the Philippines is more than just about efficiency in government transactions. The EODB Act targets higher-level economic competitiveness and revenue-generation outcomes that are not necessarily within the immediate outcomes scope of the 2007 ARTA. These outcomes are not declared in the law but will be referred to in this study’s results. The stakeholders assume these economic-related outcomes because such has been the context of the EODB Act conversations in the past years.

## 3.4 Implications to the Analytical Approach

The overview of the 2007 ARTA and the EODB Act underscores that the 2007 ARTA targets higher-level outcomes of integrity, accountability, proper management of public affairs and public property, and prevention of graft and corruption in government. Such principles are all stipulated in its Declaration of Policy. This largely informs the analytical approach employed by this evaluation, as illustrated in Figure 3, a reconstruction of the 2007 ARTA outcomes.[[16]](#footnote-17) The reconstruction is informed by the Theory of Change, which articulates long-term goals and outcomes and identifies the conditions (expressed as measurable assumptions and/or interventions) that are should unfold for the goals to be achieved (Taplin & Clark, 2012). The“pathway” connecting the interventions to the outcomes allow deepened, nuanced understanding of the variables that enabled or hindered goal-attainment. This is also an acknowledgement that the higher-level outcomes are difficult to measure because there are many other government policies that target the same outcomes, which affect self-reported achievements to be attributed to 2007 ARTA alone.[[17]](#footnote-18)

Moreover, anchoring on the 2007 ARTA outcomes allows the evaluation to transition to the expanded outcomes and strategies identified in the EODB Act, which are addressed in greater detail in the analysis under the section titled Sustainability (Section 5.4).



**Figure 3.** The Evaluation Team’s reconstruction of the 2007 ARTA Outcomes.

# 4 Evaluation Approach and Methodology

The evaluation methodology is based on a multi-dimensional approach, employing mixed methods in data gathering and analysis to answer the Evaluation Questions. This section discusses the evaluation matrix, data collection and analysis employed, and methodological limitations of the evaluation.

## 4.1 Evaluation Matrix

The evaluation is structured around the Evaluation Matrix guided by the Evaluation Questions following the DAC criteria of efficiency, effectiveness, relevance, and sustainability (Table 1), as expanded by the Evaluation Team (Section 3.4) in discussion and agreement with NEDA and UNDP during the inception phase of the project. The detailed Evaluation Matrix, attached in Annex A, fleshes out how the different analysis components (Quantitative Analysis on Client Satisfaction, Data Science Methodology, and Case Studies) addressed the evaluation questions.

## 4.2 Data Collection and Analysis

This evaluation employs an integrative mixed method approach in data collection and analysis. Figure 4 illustrates the components of the data collection and the integration used. Salient features of the mixed methods approach are as follows:

* The Quantitative Analysis and the Data Science Methodology[[18]](#footnote-19) both utilized the datasets provided by the CSC, and analyzed the relationship of the 2007 ARTA compliance to client satisfaction. The Quantitative Analysis employed statistical models to test relationships, while the Data Science Methodology track, conducted by Thinking Machines, used data mining techniques to probe nuances on the RCS and CCB datasets. The results of the two analyses are highly complementary of each other’s findings.[[19]](#footnote-20)

**Figure 4.** Framework of the mixed methods approach used in the integrated analysis.

* The Quantitative Analysis provides additional insight-mining into (a) “hidden costs” – costs either not disclosed by agencies, or illegal charges made by fixers or others – as a variable that affects the 2007 ARTA compliance and client satisfaction[[20]](#footnote-21) and (b) ISO Accreditation as a concrete agency-level initiative that addresses efficiency and effectiveness of service delivery and may complement the 2007 ARTA provisions.[[21]](#footnote-22)
* The Qualitative Analysis component of the methods was conducted through the development of case studies. The agencies and offices covered by the eight case studies[[22]](#footnote-23) were selected based on per agency and per LGU runs of the RCS data.[[23]](#footnote-24) Table 4 summarizes the resulting selection criteria for each case study subject. The case studies were developed concurrently[[24]](#footnote-25) with the quantitative analysis tracks and the integration analysis covered in this report. Data gathering through field visits, key informant interviews (KIIs), and focus group discussions (FGDs) were conducted from September 2018 to February 2019. The KIIs and FGDs employ separate but mirroring questions to the supervisors and managers of the selected LGUs and NGAs, frontline government service employees, clients, Public Assistance and Complaint Desk personnel, Contact Center ng Bayan personnel, and Civil Service Commission employees who are in charge with handling the 2007 ARTA. Fixers were also asked separate questions. The key informant interview (KII) and focus group discussion (FGD) guides attached to this report as Annex B are leaner versions of the approved tools in the project inception phase.
* Additional KIIs and FGDs were conducted with government agencies and partners that have interfaces with dimensions of the 2007 ARTA implementation and/or its higher-level outcomes. Conducted from September 2018 to January 2019, the KIIs and FGDs covered CSC Legal and RCS teams, DTI, Department of Budget and Management (DBM), DILG, and GWatch (an independent group that conducted a prior study on the RCS implementation).[[25]](#footnote-26)

These tracks are supported by a review of related literature. This evaluation leverages existing studies for insights addressing this evaluation’s key inquiry areas: elements and practices that supported or constrained efficiency and effectiveness of the 2007 ARTA implementation, unintended consequences, framework improvements – all within the frame of relevance, efficiency, effectiveness, and sustainability (Ramos, 2011; Saguin, 2013; Aceron, et.al., 2015; Gainer, 2015; Perante-Calina, n.d.). An exhaustive literature review of all evaluations conducted on the 2007 ARTA was not possible since full text versions of reports have not been made publicly available. The review prioritized studies conducted or published in the past five years (2013 to 2018) to approximate the conditions covered by the RCS data accounted in the quantitative analysis, and those that covered specific sites in the Philippines such as local agency offices or LGUs (Ramos; Avila, 2014; Salpid-Masucol, 2014, Ortiz and Gumapac, n.d.), since these reports augment the case studies covered in this current evaluation.

The process of the integrated analysis required that coding, pattern matching, and triangulation approaches were done concurrently with the progress of data collection tracks. This was also imperative because of the overlapping timetables for the development and completion of each data gathering track. Such integration process translated to the Qualitative Associate Evaluator, submitting to the Lead Investigator field notes and relevant documents per case study for the latter’s coding and analysis, even while the structured case studies are being developed. The process is similar with the quantitative analysis tracks, wherein the Quantitative Associate Evaluator and the Data Science consultants share drafts of their reports to the Lead Investigator for insight-mining and integration.

**Table 4. *Case Study Subjects and Rationale for Selection[[26]](#footnote-27)***

|  |  |
| --- | --- |
| Case Study Focus | Selection Criteria |
| NGA 1: Land Registration Authority (LRA) | * Ranked high in RCS results * Good feedback from CSC on agency initiatives |
| NGA 2: Bureau of Internal Revenue (BIR) | * Ranked low in RCS results * Received significant number of complaints |
| GOCC 1: Philippine Health Insurance Corporation (PHIC or PhilHealth) | * Ranked high in RCS results * Good feedback from CSC on agency initiatives |
| GOCC 2: Social Security System (SSS) | * Ranked low in RCS results * Received significant number of complaints |
| LGU 1: Tagum City | Ranked high in both RCS and CMCI results (ranked 2nd in RCS with a score of 86.4, and 9th in CMCI with a score of 44.19); City |
| LGU 2: Arayat Pampanga | High RCS score of 85.56 with a very low CMCI score of 6.8; First class municipality |
| LGU 3: Cainta Rizal | Low RCS with 46.8 score, but garnering the top spot in the CMCI ranking with a 43.3 score; First class municipality |
| LGU 4: Quezon City | Special conditions case as a highly urbanized city, with very high number of transactions, received a number of program interventions for BPLS from government and international partners, have implemented a number of innovations, but remain to be challenged on frontline service delivery |

## 4.3 Methodological Limitations

The study relied on available data from the CSC for the quantitative analysis. While the availability of data is much appreciated, the Evaluation Team confronted the following challenges, particularly on the RCS: (a) CSC has no records of the raw RCS datasets prior to 2014; (b) the design and variables included in the datasets are not uniform and comparable across the years; and,(c) the agencies and offices covered across the years have been thematically-decided, limiting the possibility of trending and longitudinal analysis and the accounting of the population of “all frontline government agencies” as covered by the 2007 ARTA. These challenges were addressed by making the Quantitative Analysis focused on the 2015 and 2016 datasets because these were the with comparable data structure.[[27]](#footnote-28) Meanwhile, the Data Science analysis cleaned the RCS and CCB datasets to address comparability issues identified from the iterations through the years.[[28]](#footnote-29)

# 5 Evaluation Results

This section presents an integrative analysis structured according to the DAC criteria and Evaluation Questions.

## 5.1 Efficiency

*[5.1a] How has the 2007 ARTA been implemented by NGAs and local government units?*

On overall efficiency of the 2007 ARTA implementation, both Quantitative and Data Science analyses show evidence to support that frontline services have improved across the years. Mean RCS scores rose steadily from 2010 to 2015, but dropped in 2016 and 2017, either because of deteriorating performance or the change in the RCS methodology deployed.[[29]](#footnote-30)

Second, on a comparative take on NGAs and LGUs, the Data Science reconstruction of the RCS datasets showed trends across years, sectors, agencies, and regions. Across sectors, organizations with more regional or national scope such as NGAs and GOCCs tend to perform better than localized units such as LGUs and SUCs. Across agencies, finance-related agencies received higher RCS scores, while local-level agencies received lower scores. Across regions, Regions 2 and 3 outperformed NCR. Across municipalities, in general, the higher the municipality income classification, the higher the RCS score. Breaking scores down across agencies per region, PhilHealth tended to bring mean scores up, scoring highest across all regions except Region 5. Meanwhile, municipality scores are typically below average, except in Regions 5, ARMM, and CAR.[[30]](#footnote-31)

Meanwhile, for specific narratives of NGAs and LGUs, the case studies provide a wealth of insights. Further elucidation on thematic findings is presented in succeeding sections.

*[5.1b] What are costs and benefits associated with the 2007 ARTA implementation?*

As an input-to-output efficiency question, the costs and benefits associated with 2007 ARTA implementation can be addressed according to the level of investment[[31]](#footnote-32) an agency allocates on establishing an efficient frontline service delivery. However, the case studies show that the relationship between technology investments and efficient frontline service delivery is also related to agency-level initiatives and leadership and management’s prioritization of improving efficiency. Both Quantitative and Data Science Analyses establish a relationship between the implementing agency and client satisfaction[[32]](#footnote-33), reinforcing the insight that the 2007 ARTA standards remain only as standards without the uptake and action from government agencies. This is strengthened by the case study narratives, for instance:

* PhilHealth, a high scoring RCS agency, is a good reference for how agency-level programs and investments, and management prioritization reap the benefit from improved frontline service delivery. PhilHealth, through the years, institutionalized various electronic systems and portals for membership, collection reporting, claims, payment schemes, and health care professionals. As a result, client satisfaction with PhilHealth is higher than most agencies covered by the RCS and has received awards and recognition for its programs, though it continues to receive complaints on slow processing time attributed to long waiting time over and above the processing time.
* The Bureau of Internal Revenue (BIR), while ranking low in the RCS, shows improvement through the years because of the policies and programs installed by Commissioner Kim Henares under its 2011-2016 Strategy Roadmap, including but are not limited to online registration, filing, and payment systems for internal revenue taxes, issuance of certificates, and dissemination of streamlined forms and information. These, while implementation can be improved, are seen by BIR informants to have contributed significantly in the agency’s efforts to meet revenue collection targets.
* The Municipality of Arayat is a strong reference on how leadership and prioritization of client satisfaction on government services can overcome resource and technology investment limitations. Much of the improvements in the systems, the behavior and outlook of the frontline government employees, and the response protocols to complaints are attributed to the example and directives of the local chief executive. The same commitment from the mayor is noted in the case of Tagum City, wherein the commitment and “political will” are echoed throughout the city hall’s workforce.

Such variables of agency-level initiatives and management prioritization do not cut across offices because the efficiency of frontline service delivery contends with other factors such as the density of transactions and operational inconsistencies from guiding national and local laws. For example:

* The Land Registration Authority (LRA), which ranks high in RCS results and receives positive feedback from the CSC, implemented the Land Administration and Management Project, which computerized the registration of lands and acquiring certificates of land titles. However, LRA informants still deem the investments insufficient to address the volume of requests and transactions that continue to cause delays, which results to the persistence of fixers. LRA informants also point out that the office covers complex transactions that require action from multiple offices in between receipt and release of requested documents. These transactions are not covered in the LRA’s CC.
* Quezon City remains one of the most articulated references on the variables of density and requirements for backend processes for efficiency. The LGU’s policies, programs, and technology investments, as well as its partnerships with international and national development partners, to improve frontline service efficiency have been recognized. Its Business One Stop Shop for transactions shows improvements in promoting ease of doing business. Despite these, Quezon City’s systems are still challenged by the sheer volume of businesses operating in the city. Informants also point to the difficulties caused by the vastness and variety of business regulations, and their enforcement across all LGUs, which exercise autonomy and policymaking powers.

The analytical tracks in the evaluation all highlight that the 2007 ARTA compliance does not automatically yield outputs that sufficiently address the efficiency level desired for frontline service delivery. The 2007 ARTA implementation and compliance requires a policy and program ecosystem at the level of the agency supported by leadership and management prioritization and agency-level initiatives. The law’s standards of efficiency, particularly the number of days per kind of transaction, also require review to respond to variables such as nature, volume, and density of transactions.

This evaluation also takes notice on the ISO accreditation, which repeatedly appears in the case studies as an intervention undertaken by agencies to improve quality management systems[[33]](#footnote-34). Executive Order No. 605 s. 2007 states that ISO 9000 certification seeks to ensure, “consistency of products and services through quality processes,” and its outcomes interface with the efficiency goals of the 2007 ARTA. Analyzing a dataset shared by DBM to the evaluation team, preliminary findings suggest that ISO certification has a facilitating effect on citizen satisfaction and better compliance to the 2007 ARTA. This may suggest that institutionalization of a quality management system can improve client satisfaction and government performance through the standardization of processes. It can also embed a culture of continuous improvement by identifying ways to prevent potential deviations from existing process standards.[[34]](#footnote-35) While deemed an “expensive” endeavor by agency informants, the ISO certification process may provide further insights on how policy, program, and technology ecosystems in agencies can complement the standards set by the 2007 ARTA.

*[5.1c] What can the RCS/commendation/complaints database of the CSC reveal about the 2007 ARTA implementation?*

In essence, all results and findings from the Quantitative and Data Science Methodology Analyses emerged as insights from the RCS/commendation/complaints databases of the CSC since both tracks utilized these datasets. As an efficiency input-to-output process question, however, the following findings may be highlighted.

First, that deviations from processes lead to dissatisfaction among clients, which was particularly observed on the matter of hidden costs from the RCS dataset. Quantitative Analysis shows that holding other factors constant, when customers were asked to pay for hidden costs – either over and above those indicated in CCs or illegal costs demanded by fixers or others – their satisfaction level goes down by 4.775, statistically significant at 1%.[[35]](#footnote-36)

Crossing over to the conversion of the qualitative data on hidden costs from the complaints dataset to quantitative coding, the analysis breaks down hidden costs into: (a) relevant costs (requirements, services, pre-conditions, and other costs that are necessary in the delivery of the government services, but are not reflected in the CC or made known to the citizen prior to availing of the service); (b) irrelevant costs (considered irrelevant requirements as these are costs unduly imposed, whether intentionally or unintentionally, to the client); and (c) another type of hidden costs wherein customers could not provide any explanation for the additional cost.

From this conversion coding process, the Quantitative Analysis finds that a large majority of the hidden costs are relevant. Relevant hidden costs account for 73% of the total cases and only 18% for irrelevant costs. The most reported hidden costs were extra requirements (28%) and extra services (28%). The Social Security System (SSS) has more reports of extra requirements (60%). On average, “grease money”[[36]](#footnote-37) and fees for registration and penalties were the most expensive. Extra requirements also amount to P1,000 while extra services only averaged at P139.60.

The analysis, hence, “…paints hidden costs as a product of the complexity of providing public services. On one end, there is grease money offered to expedite or rush the delivery of the service and on the other end, there are costs that may be legitimate fines and imposition of penalties. However, whatever these hidden costs are, preventing them from occurring, either through more integrity development initiatives or better communication of standard, should be a priority of government agencies.”[[37]](#footnote-38)

Second, that response to complaints varies across time, agencies, and nature of reports. The Data Science Methodology Analysis used text-based algorithm, classification trees, and regression analysis on the CCB dataset, and emerged with the following findings:

(a) Year was an important factor in determining response types, with an increase in the proportion of “issues addressed” and “explanations given”, and a decrease in “no action taken” from 2015 to 2017, suggesting a general improvement in response to complaints.

(b) The distribution of response types varied strongly across agencies. Complaints sent to the Philippine Ports Authority (PPA), PhilHealth, and Land Bank of the Philippines (LBP) were frequently addressed, while complaints sent to the National Statistics Office (NSO), Land Transportation Office (LTO), and LRA tended to result in “no action taken”. There was a weak negative correlation between agency-level RCS score and the number of complaints resulting in “no action taken”, meaning agencies that tended to leave complaints unresolved expectedly got lower RCS scores, at least for the 15 agencies with available RCS scores data.

(c) Across 2007 ARTA complaint categories, relatively less controversial complaints like having no Public Assistance Complaint Desk (PACD) or an unattended hotline number elicited the highest proportion of issue addressed responses. In contrast, more controversial complaints related to bribery and extortion, fixing activities, imposition of additional requirements, and imposition of additional cost were typically left with no action taken.

(d) A number of 2007 ARTA complaint categories had unexpectedly high maximum customer waiting times. Across regions, Regions I, VI, and VII tended to have the longest resolution durations, ranging from 1.5 to 3 work months to completely resolve issues, suggesting a subnational nuance to performance. Higher number of actions tended to lead to longer resolution durations. Considering this relationship, some units still exhibited longer resolution durations than expected given the number of actions taken (e.g., unattended hotline number, imposition of additional requirements).[[38]](#footnote-39)

(e) As a potential key factor affecting performance, the ratio of government employees to the number of constituents they serve was analyzed. It was found that there is no strong correlation between government office performance and government staffing coverage.[[39]](#footnote-40)

*[5.1d] How do agencies monitor their compliance to the standards in their Citizens Charters (CCs) and revise the standards when necessary?*

The CCs emerged as an important element in the evaluation results. At this point, limited to the question of agency monitoring of their compliance to the CCs and subsequent revisions, findings are drawn from the case studies.[[40]](#footnote-41)

First, agency-level initiatives were launched to meet their own outcome and service indicators, with the CCs (and 2007 ARTA standards in general) as overall benchmarks for efficiency. The CC provides a uniform standard and mechanism by which all efficiency measurements were pegged. Some notable practices from specific offices and LGUs are to create oversight committees that look at 2007 ARTA compliance. However, these are exceptions and not the rule across agencies. From the case studies, only PhilHealth has a dedicated webpage for the 2007 ARTA in its website. The website showcases initiatives and posts commendations received from the CSC. However, it does not have data related to the agency’s monitoring of 2007 ARTA compliance.[[41]](#footnote-42) In some local PhilHealth offices, there is a Universal Counter Form that provides the backend system to monitor if the transaction time and other standards specified in the CC are being achieved.

It was also observable that agencies collect data based on their own output-outcome indicators. The CC (and 2007 ARTA compliance) monitoring is subsumed under the programs and projects of the agencies which is meant to ensure their own priority outcomes are fulfilled. For example, the one-stop-shop models in LRA, Cainta, and Quezon City, and the troubleshooting call center project in LRA. They all do efficiency monitoring, but it is based on the target outputs and outcomes of the respective agency projects, and not specifically according to what the CC requires. The BIR conducts the same under its efficiency-oriented *Handang Maglingkod Program*, first launched in 1992 and later revived in 2009. Meanwhile, the SSS commissioned its own Customer Satisfaction Survey in 2016 to benchmark satisfaction of their members and customers as a test of all the programs for multi-point customer interfaces. Thus, monitoring the CCs as a focus component of 2007 ARTA compliance is a function attributed to the RCS implementation.

Second, CCs face issues of stakeholder co-ownership before performing its monitoring and revision functions to ensure efficiency. This manifests in different ways:

1. CCs are centralized or have been made uniform across central and regional offices, which poses problems for frontline officers and employees, given the density and complexity of transactions received per branch.
2. Government employees both managers and frontline service employees are not sufficiently consulted in the formulation of the CCs as they contend with the rationale behind the number of days required to deliver services, given transactions with varying levels of complexity.
3. The CCs-on-display are simply regarded as a form of compliance to the 2007 ARTA because even the government employees note that the CC requirements (as per current standards) are not effective to meet client demand for information.[[42]](#footnote-43)

This set of feedback is supported by observations from the DILG on LGU practices and previous work on the subject with regards to citizen’s inclusion in the development process of CCs (Saguin). The CCs need to be reviewed to prescribe inclusion principles and protocols for more effective stakeholder management.

Third, some frontline offices reported that even if they knew that their office was subjected to the RCS review, they do not receive relevant information regarding the review results[[43]](#footnote-44), which could be informative in terms of improving efficiency. In response, the CSC indicated that the results of RCS reviews are sent to the respective subject agencies, aside from other forms of public dissemination. However, the information supplied by the CSC is likely being received at the top management of agencies only and seldom cascaded to the frontline offices. Such scenario highlights the need to revisit how the bureaucracy are informed of the RCS results and CSC recommendations from.

These findings are not mutually exclusive of each other, which points to the need to review the process and expectations of implementing agencies on the 2007 ARTA and the EODB Act in terms of development, implementation, and review of their own CCs.

## 5.2 Effectiveness

*[5.2a] How has the implementation of the 2007 ARTA policies improved frontline services?*

*[5.2b] What are the elements that helped achieve the goals of the 2007 ARTA? What are the constraining factors?*

Consistent across the different evaluation methodologies used was the evidence that 2007 ARTA compliance improves satisfaction of clients (as a proxy measure of effective frontline services) by improving service efficiency. The value of establishing such efficiency standards has also been noted in earlier studies (Aceron, et.al.; Saguin). The 2007 ARTA, as implemented through the CSC’s programs, serves a normative function, which is an intended outcome of the law. For many frontliners, the 2007 ARTA meant a standard to beat. The 2007 ARTA allowed them to translate, in measurable terms, what is expected of them in frontline service work.

From the Data Science Methodology, the top three features of client satisfaction are Response Time, Outcome, and Overall Transaction Time tied with Agency.[[44]](#footnote-45) Meanwhile, the Quantitative Analysis regression models show a more varied breakdown of which elements of the ARTA Integrated Program have influenced client satisfaction.[[45]](#footnote-46) The results show that the CC, No Noon Break Policy (NNBP), the physical set-up and basic facilities have positive and statistically significant effect on satisfaction. There is a weak evidence (at statistically significant levels) that the public assistance and complaints desk has a positive effect on satisfaction. The anti-fixing campaign and identification cards do not have any influence on satisfaction.

These results highlight two important things:

1. As noted in the Quantitative Analysis, not all components of the Integrated ARTA Program have the same relative effect on client satisfaction. The components that matter more are those that have more immediate impact on frontline service delivery.
2. In terms of program outcomes, (Figure 3 under Section 3.4), the effectiveness of the 2007 ARTA implementation through the Integrated ARTA program has delivered on the efficiency of government services and in effect, satisfaction of clients on frontline service experience. The other program outcomes, such as transparency of services and accountability of public officials, have unsubstantiated evidence to support effectiveness.[[46]](#footnote-47)

Consistent again from the various evaluation methodologies are key factors that helped achieve the efficiency goals: agency-level initiatives and management and leadership prioritization.[[47]](#footnote-48) The relationship between these two enabling variables is clear and logical. If 2007 ARTA compliance is a priority of the management and leadership of the office, it aligns the goals and action of all the units and the staff. Leadership and management prioritization also usually translate to fund allocation, infrastructure investments, personnel training, manpower allocation, and other innovations. However, overemphasis on leadership and management efforts (especially if attributed to the person of the leader) can lead to the discontinuation of programs when a new leadership takes over. This is the case with many Philippine national and local policies if not supported by appropriate institutionalization and commitment-building efforts throughout the bureaucracies.

Moving forward, the oversight agencies may embark on a monitoring project to document all relevant national and agency-level policies and programs that use the 2007 ARTA as a reference, or have strengthened the 2007 ARTA’s efficiency outcomes through agency or subnational innovations. Such an endeavor helps establish attribution of specific initiatives to the 2007 ARTA as a standard that influences other policies and programs. This will also allow the EODB Act to situate its impact in the policy environment through evaluation approaches that trace how a policy or intervention ripples out into intended or unintended outcomes (i.e., Rippling-out Approach).[[48]](#footnote-49)

Meanwhile, factors that constrain the effectiveness of implementing the 2007 ARTA’s efficiency outcomes are various deviations from the prescribed transaction protocols.[[49]](#footnote-50) An important constraint identified by staff interviewed was the cost and strain experienced by staff working on the service delivery frontline.

The strain on human resources was seen in various scenarios from the case studies and corresponding field notes. One most cited example is the challenge to comply with the No Noon Break Policy (NNBP). At this hour, clients expect frontline officers to be in peak service operations while frontline employees assert their need to take the full one-hour break from work.[[50]](#footnote-51) Some have resolved to simply eating at their workstations. This, as they said, is over and above the overtime they spent to keep up with other deliverables after the official transaction times have ended. Frontline managers and employees cited being understaffed and undermanned to cater to the volume of clients during the lunch break to and manage waiting time. Another scenario is that some assignments (e.g. cashiers with accountabilities to their cash register) cannot be replaced by other personnel. It must be noted that in these NNBP scenarios, waiting time is not the same as transaction time, because the 2007 ARTA efficiency standards take effect when a client is attended to.

When probed, most agencies and offices point to insufficient resources to explain the lack of manpower for frontline services. However, the DBM pointed out that the hiring issue can be encapsulated within discussions of proper and timely expenditures of staffing budgets, to which policies and conditions are being issued and enforced by the agency. It then becomes imperative for the 2007 ARTA or EODB Act implementation to coordinate with the budget department and other relevant agencies to co-create solutions for the manpower challenge.

Another dimension of the human resource strain is one that was found in all cases studies – the frontline employees’ stress caused by “aggressive clients”. Since service feedback is recorded regardless of the quality of service rendered by the agency, it was a challenge to vet the validity of this concern.

Some recorded scenarios:

* **From Quezon City**: On the negative side, clients have become more aggressive because they can assert their right, given what they know on the expected delivery of service. They make threats because they know that they can always make a complaint to 8888. Frontline officers’ descriptions of their clients were rude, assertive, authoritative, ill-tempered, condescending, and gets ticked off easily. “*Kami ang nagbabayad ng sahod nyo, kaya kailangan nyo kami pagsilbihan ng tama at mabilis,”* (We pay for your salary so you need to serve properly and quickly) was a common remark from clients. Name dropping of important local or national politicians or officials also remains a common strategy. According to the respondents, their interaction with clients greatly affects their self-esteem and, in turn, their performance. They fear that with the implementation of the EODB Act (which prescribes more stringent standards), clients will be more demanding. (*Slight edits from the case study version*)
* **From LRA**: Clients were described to be combative when they enter the LRA service offices. Clients exhibit adversarial bearing. “*Parang ready to fight lagi,”* (Seemingly ready to fight) was one description. Statements like “*Kami ang nagbabayad sa sweldo nyo,*” (We pay for your salary) “*ipapa-Duterte ko kayo*,” (I will report this to President Duterte) are common remarks when clients complain about slow processing time, or if the outcome of their transaction is not favorable. Clients are rude and assert their authority in transacting with the frontline service. They always demand to be served first. The senior citizens and the educated clients (lawyers in particular) are usually the aggressive ones.

Agencies and offices are responding to this challenge differently. In Arayat, they have a “lunch break buddy system”, which buffers the staffing requirement during break time. However, the field notes indicate that the volume of transactions in the LGU are not as high as with the other offices visited. Also in Arayat, frontliners have expressed faith in the mayor that despite the complaints they receive from aggressive clients, he will understand their limitations and continue to support them in their continuous efforts to make frontline services more efficient. Meanwhile, in the LRA, even the Regional Directors are reported to take on frontline functions if the volume of clients reaches the capacity threshold of their offices. Moreover, many of the frontline offices visited have their ways to ease clients while they wait by providing a comfortable holding facility.

When probed, the core concern of the frontline government employees is not that clients are informed, but that they feel their welfare is compromised because of the stretch they constantly need to exercise to comply with the 2007 ARTA standards. While clients have the hotlines to express complaints, there seems to be no counterpart for the government frontliners. Hence, suggestions from the frontliners that the RCS or another form of monitoring mechanism should also account for employee satisfaction emerged. At least within the scope of the draft implementing rules and regulations of the EODB Act, there are components on employee welfare and motivation that are proposed for succeeding surveys. This shows CSC’s response to accounting for the variables as influencers of the 2007 ARTA and EODB Act implementation success.

There are two ways that the evaluation address this question, both of which return to the fundamental point of establishing a results framework, a Theory of Change, that will layer and connect the results from the 2007 ARTA implementation to higher level outcomes.[[51]](#footnote-52)

*[5.2c] Has the improvement in frontline services of key national and local agencies translated to improved perceptions on business-friendliness, government effectiveness and corruption? Why or why not?*

First, echoing the point from Section 5.1d, the monitoring of the 2007 ARTA implementation for higher-level outcomes has been subsumed under other or larger initiatives (apart from the CSC-led RCS). This makes measuring the “translation” of frontline services improvement to improved perceptions difficult to establish. In many of the cases, when the agencies or offices are asked about their 2007 ARTA initiatives, they point to their EODB-related projects in line with reforms introduced by the National Competitiveness Council and the private sector (e.g. in SSS, BIR, LRA, Quezon City). In the same breath, agency and office informants would also point to their own agency-led initiatives (e.g. BIR projects enacted by Commissioner Henares; SSS own third party monitoring conducted by Nielsen Company, its Branch Visit Satisfaction Rating System, and its trust rating third party study conducted by EON group). And as a point of research process reflexivity, there is consistent note from the Associate Evaluator in the cases that most frontline service informants from field visits do not recognize what the 2007 ARTA is. It is only when she breaks down the 2007 ARTA programs (e.g., CC, RCS, NNBP) that the frontline government employees begin to recognize and identify the policy.

These all point to the challenge of framing the direct scope versus rippling-out effects of the 2007 ARTA in its monitoring and evaluation approach. Literature and best practices in different countries have associated the removal of red tape to business competitiveness, anti-corruption, and trust in government. And this knowledge has been taken as an assumption rather than as an outcomes pathway to be purposively measured. In effect, the 2007 ARTA implementation cannot establish attribution of successes and failures of higher-level outcomes to itself because the monitoring and evaluation framework was not designed to measure causal relationships.

This framework limitation extends to the data that the current evaluation tracks could work with, even if attempts were made.[[52]](#footnote-53) The Data Science Methodology examined correlation coefficients between the RCS score and 168 metrics from the NCC related to economic dynamism, government efficiency, infrastructure, and resiliency. The analysis found weak correlations from -0.2 to 0.2, with most correlations close to 0.[[53]](#footnote-54) But this result is rather counterintuitive because business competitiveness models assume an element of red tape reduction in order to facilitate a vigorous business environment.

The selection of cases, specifically for the LGUs, was informed by the attempt to deep dive into the relationship of the 2007 ARTA to business competitiveness. This was by juxtaposing RCS scores with CMCI results (Table 4). The findings from the cases may serve as springboard for the results framework and outcome pathways. For instance, Arayat ranked high in RCS but was low for CMCI, likely because the LGU’s mayor-led focus is on improving frontline service experience of the clients. This is not yet significant to be able to score high in the other components of CMCI. Cainta ranked low in RCS but ranked top in CMCI, with indications that the difference is a function of its geographical position (i.e., the competitiveness of the LGU is from the spillover benefits of business activities from Metro Manila), and the LGU is only taking off to build systems to improve its frontline service efficiency.

Second, the evaluation question mentions “improved perceptions… on corruption”, to which an immediate response would be to the negative because of the persistence of fixers in many offices and branches of frontline service agencies. The anti-fixer campaign is a core component of the ARTA Integrated Program that deals with the outcome of integrity and corruption. Through this, the CSC requires the posting of anti-fixing campaign materials in the frontline service offices. The presence of fixers in the frontline government agencies was anticipated by the evaluation team and included questions for them in the KII and FGD tools. The Associate Evaluator was able to interview fixers in some offices during field work.[[54]](#footnote-55) Some notable findings from the case study data gathering were:

* **Ingenuity and creativity of fixers:** Fixers have appropriated their strategies to work around the provisions of the 2007 ARTA. There is ingenuity with how use of special lanes have been maximized by PWDs, pregnant women, or senior citizens so they can earn money by fixing. They use authorization letters and facilitate transactions on behalf of clients, especially in bulk transactions. However, some frontline offices are aware of this strategy and demand for greater documentation or limit the transactions that can be facilitated through these individuals. Nonetheless, the creative strategies, and the fixers of this type, remain at large.
* **Culture and community over protocols:** The culture and community factor in the frontline offices may override the anti-fixing provisions of the 2007 ARTA. This can be seen on two levels. First, there are fixers who are licensed professionals (sometimes referred to as “professional/formal fixers”), who have, through the years, established collegial relationships among government employees. They leverage on these relationships to facilitate quicker transactions or negotiate on government fees. Second, fixers in some government offices are observed to be “part of the community”. They know of and are known by government employees, and in some offices, are seen to be entering and leaving government offices with ease. The fixers said they have been doing this for a long time and, as such, maintain a rather pleasant “working” relationship with the employees. *Palakasan* (banking on one’s influence or strong ties)and *pakikisama* (camaraderie) are values that overtake the enforcement of the anti-fixing provisions of the 2007 ARTA.
* **Negotiable prices:**Small-time fixing (usually to expedite processing or facilitate the completion of steps) was reported to range from P150 to P130 per transaction, depending on the perceived capacity of the client to pay. Meaning, if the client looks wealthy, he or she gets charged a higher price. Meanwhile, other forms of fixing, such as negotiating for the costs of some government payments and taxes, can cost up to millions of pesos, especially when done by professional fixers.

How has fixing prevailed despite the 2007 ARTA campaign? Several reasons were identified:

(a) Within the scope of the RCS checks, data gathered have not been analyzed in a way that can inform action on anti-fixing.While the RCS checks on the display of anti-fixing campaign posters, it is also able to collect information if the client-respondent has encountered fixing (including options to identify who offered to provide fixing in exchange for money[[55]](#footnote-56), i.e., government employee, security guard, vendors, or another client). This means that it is possible to proactively pinpoint which agencies have fixers operating through the client reports. A purposive analysis of this component of the RCS database is a concrete action point that can be done to inform appropriate response.

The CSC’s RCS team is not providing reports of such nature at the moment, presumably because of the difficulties shared by the team itself during points of consultation. The RCS process takes around six months to complete and the technical team focuses on the release of the rankings of the agencies and offices to meet time-bound demands. This also suggests opportunities to build on the capacities of the RCS team to perform insight mining on the RCS databases, on top of the rankings and administrative communications they regularly provide. Furthermore, such insight mining opens opportunities for the RCS results to help case build up and subsequent investigations of the CSC Legal and other institutional checks and balances such as the Ombudsman (OMB), the Commission on Audit, and the DILG. In this way, RCS results may contribute to achieving integrity and anti-corruption outcomes of the 2007 ARTA (and the EODB Act, as will be implemented under the ARTA Authority).

(b) As with any punitive policy, there can only be action if there is a well-substantiated complaint received by a committed enforcer.Complaints on fixing can be received through various channels: at the frontline office itself, via the CCB or 8888. When complaints are received, the CSC records the details and usually refers the case to the respective agency for appropriate action. CSC Regional Offices are also empowered to respond to administrative cases. The case studies also showed awareness among central offices and managers that they need to prioritize complaints forwarded, at least for the well-performing agencies. However, these courses of actions assume that: (a) there is a well-substantiated complaint to trigger action, and (b) the agency will follow through with the complaint with full force of the law:

* **On the substantiation of the complaint:** There are instances that complaints received via the CCB do not have enough details to trigger action (as seen in the shared records by the CSC). In the web version[[56]](#footnote-57), complainants are asked for their full name (optional if choice for anonymity), gender, contact information, location, and incident details. However, the incident details question is open-ended and does not specify what details would be essential to follow through with the report.In such instances, the CSC’s reported action would be to follow through with the complainant to ask for further details. Such lengthening of the reporting process can be a disincentive for a concerned citizen to proceed with the complaint. This extended procedure may help explain why the anti-fixing component does not have any effect in the effectiveness of the 2007 ARTA effectiveness, as per results of the Quantitative Evaluation.[[57]](#footnote-58) The anti-fixing campaign also does not figure into a frontline service experience for the clients. The situation can be improved if the reporting platforms can specify immediately what kind of information needs to be provided by the citizen to trigger action, even a case build-up if needed.
* **On agency enforcement:**There is feedback received from government employees that despite complaints and/or the prevalence of fixers in their offices, management has turned a blind eye and tolerated fixing. This to them spells disincentive to prioritize anti-fixing efforts as well. This suggests possibilities that management may be involved in the fixing, or the culture and community factors earlier discussed are simply better regarded than the 2007 ARTA implementation.

(c) Aside from responding to complaints or performing the RCS checks, anti-fixing has not been efficiently and proactively enforced on an inter-agency level. One oversight agency informant said, “There are more crackdowns on pirated DVDs and books than [there are on] fixing.” This speaks volumes about the extent that concerned government agencies prioritize the anti-fixing campaign in terms of law enforcement.

CSC Legal pointed out that the commission only has mandate over administrative cases against government employees. There is data shared by CSC Central-Legal of the case files of government employees who have been dismissed because of fixing-related complaints. This points to two things:

* While there is action from the CSC on this regard, it has no comprehensive record of all fixing-related cases and the resolutions since CSC Central only keeps track of the cases that are elevated to the national office by appeals from regional decisions. As such, there is no telling how many complaints were received in totality with disaggregation, how they were responded to, and most importantly, how much of the anti-fixing campaign (at least within the CSC’s jurisdiction) had been effectively and efficiently addressed.
* The CSC’s mandate is limited within the administrative oversight of government employees. It cannot do much about non-government employees or elected and appointed officials as these instances cross over to the mandate of the Philippine National Police or the OMB. There are referrals being done as shared by the CSC, but they acknowledge that much can be done to heighten inter-agency efforts to proactively address fixing.

This entire discussion on the prevalence of fixing points to the insufficiency of evidence that will strongly connect the 2007 ARTA implementation to higher-level outcomes of transparency of services and accountability of public officials. Future studies may focus on analyzing the anti-fixing indicators from the RCS, collating and analyzing the 2007 ARTA-related cases filed and resolved in regional and central CSC offices, as well as 2007 ARTA-related cases filed and resolved in the OMB. In so doing, the analysis may also give deeper focus on the relationship of technology investments (such as computerization of systems for monitoring of transactions) as this variable is emerging from the cases as a strategy to curb frontline service corruption.[[58]](#footnote-59)

The bottom-line of the two key points of this subsection is that the support work on monitoring and evaluation to the 2007 ARTA implementation needs to address the connection of the 2007 ARTA programs to the higher-level outcomes stated in the law and aspired by the stakeholders. This recommendation will prove to be even more substantive against the backdrop of the EODB Act implementation.[[59]](#footnote-60)

Answers to these two questions are thematically repetitive of the findings from the previous subsections under Efficiency (Section 5.1) and Effectiveness (Section 5.2a-c).

*[5.2d] What factors influence various stakeholders in the implementation of the 2007 ARTA? How do they collaborate?*

*[5.2e] What are the good practices from the most improved agencies?*

The factors that influence various stakeholders[[60]](#footnote-61) in the implementation of the 2007 ARTA for collaboration are agency-level initiatives and leadership priorities. These mean agencies and respective offices work with other stakeholders based on what management considers important. If the agency or office has programs aligned with the efficiency goals of the 2007 ARTA (usually aligned with EODB Act or according to its own programmatic strategies, as discussed in Section 5.2c), then it works with relevant stakeholders as needed. The eight case studies have sufficient documentation on the program-based collaborations that each agency has undertaken.[[61]](#footnote-62) On specific ARTA Integrated Program components, the drafting of the CC needs to be more inclusive to frontline service employees and citizens themselves. Meanwhile, the RCS results need to be communicated to frontline service employees not just to the top management receiving the official CSC reports (Section 5.1d). The anti-fixing campaign requires a more strategic collaborative approach among relevant implementing agencies for it to actually have a dent on the integrity and anti-corruption goals of the 2007 ARTA (Section 5.2c).

As 2007 ARTA-related initiatives are subsumed under agency-level programs, the documented set of actions of one group of stakeholders is not automatically replicable by another. This is due a number of factors found in the case narratives: level of complexity of the transactions, number of stakeholders involved in the transactions (in, up, out of government agencies/offices), volume and density of transactions handled, and asymmetric capacity baselines of structures and human resource/manpower. Hence, for future action, EODB Act oversight agencies may consider underscoring policy support and incentives for agency-level initiatives with explicit attribution to the EODB Act, and firming up the MEL systems for EODB Act implementation so that EODB Act baselines and progress can be documented and analyzed.

In relation to “most improved agencies”, due to the inconsistent data structure, design of the RCS, and data collection and sampling methods used for RCS through the years, determining the most improved ones and the indicators for such improvement has been limited (Section 4.3). Despite this limitation, the Quantitative and Data Science Methodology Analyses provided thematically similar findings on the drivers of efficiency and effectiveness of the ARTA Integrated Program implementation as reference to “good practices”. The case studies further demonstrate how the strategies per agency have yielded results according to their respective priority programs.

*[5.2f] What kind of support can be extended to agencies in difficult situations or to agencies failing in the RCS?*

Relevant and rationalized training was identified as essential support. These comments did not exclusively come from the agencies failing in the RCS per se, but were generally articulated from the interviews with frontline office managers and employees (refer to Methodological Limitations, Section 4.3).

From the literature review, knowledge and understanding of 2007 ARTA-related programs and implementation among both frontline government employees and the public (clients), are seen as enablers of quality frontline service implementation. The reviewed studies suggest that compliance and satisfaction are positively influenced by how well the employees know the 2007 ARTA and its components, their functions as government employees, and the details of the government processes (Salpid-Masucol, 2014; Ramos, 2011). In addition, capacity-building interventions to build employee knowledge and adherence to the 2007 ARTA positively shape compliance (Ortiz & Gumapac, n.d.). On the other hand, even if government employees may be capacitated to comply, client satisfaction and overall compliance with the 2007 ARTA is negatively affected by low awareness among clients of its provisions (Salpid-Masucol, 2014). This lack of awareness covers not just knowing the number of days or steps required according to the 2007 ARTA standards, but of government processes in general. The lack of knowledge and understanding may also contribute to negative attitude of clients toward government frontliners (e.g., the case of “aggressive clients”, discussed in Sections 5.2a-b), which negatively affects client satisfaction.

As knowledge and understanding of government employees is deemed an important enabler, capacity-building interventions are considered essential. However, as per the case study narratives, current ARTA law-related interventions are broadly packaged for government employees, even if trainings and information sessions are well-documented. There is no observed pattern or pronounced logic as to which trainings are deployed to which functional office or employee type. For instance, LRA employees, from middle managers to the frontline staff, can only recall being oriented about the RCS, which is not a comprehensive training per se but simply a session to remind them on how their offices are to be evaluated. In SSS, none of the interviewees said they attended any training or orientation on the 2007 ARTA from CSC or the SSS Human Resource Department. Although ARTA law-related capacity building activities have been cascaded by the SSS during the start of ARTA implementation, there were no follow up activities to either refresh the existing staff or orient the new ones. The same feedback was received from the Municipality of Arayat, wherein frontline employees said they received no trainings or orientation related to the 2007 ARTA from their LGU Human Resources Department or representatives from CSC.

More specifically, these capacity-building interventions are suggested to be more “rationalized” in the sense that certain employees are trained according to their specific functions and contributions to the efficiency value chain. Some government employees note that they prefer the ISO-related capacity-building sessions as these cover all the relevant offices and employees, and include content they find relevant to how their offices and their functions as employees can improve. While ISO standards are indeed higher and steeper than the 2007 ARTA’s, there may be lessons that can be drawn on how it improves the effectiveness of its capacity-building interventions for offices and employees alike. Another suggestion on capacity-building is to package the RCS results discussions specific to the functional assignments of offices and employees. Similar to the RCS discussion in Section 5.1d, it is not simply about failing to inform frontliners about the RCS results, but more importantly, a matter of frontliners receiving the needed information that would help them frame, understand, and eventually do their work better.

The situation is telling once more of the need for a MEL unit to be instituted within the RCS technical team in order to maximize the insights mining on the RCS data. Despite the limitation of the scope of data gathering, the RCS can create more value for its stakeholders if the datasets are processed for insights that can also inform specific agencies and offices or help identify trends as they emerge. This would require a research agenda that guides RCS processing, and at the very least, a slim team of researchers and statisticians. Instituting MEL in the RCS can provide multiple springboards for evidence-informed policy making, especially when it comes to the EODB Act implementation.

From literature, Saguin (2013) notes that the posting of the CCs “appear to have resulted to a better-informed citizenry” (p. 44). The CC is also noted to have a positive and statistically significant relationship with client satisfaction as per the Quantitative Analysis.[[62]](#footnote-63) The CCs are intended to level off expectations with citizens by providing them with specific information regarding the particular service and transaction they need. However, the requirement to provide “all” information in the CCs is proving to be counter-productive to the intended purpose of CCs because the mode of presentation and the overload of the information written on them tend to discourage clients from reading the CCs in the first place. For example:

*[5.2g] What are the facilitating factors and barriers to the public’s utilization of the Citizen’s Charter?*

* **In Arayat:** The CC of all the frontline services in Arayat is printed on a tarpaulin and displayed at the facade of the municipal hall, making it impossible to miss upon entry. However, due to the volume of services provided by the seven frontline departments, there is a need to step back to be able to find the specific service that a client would want to avail. Middle managers and frontline officers observed that clients do not normally stop and read the CC. Among the probable reasons cited were: (a) too much reading needed; (b) language barrier since the CC is in English; (c) low literacy levels of some clients; and (d) preference of clients to talk to “persons” for information and instruction, such as a PACD staff. In response, the service offices display their respective CCs at the service windows. Printed CCs are also available at these service windows.
* **In PhilHealth:** In order to address limitations of the CCs in terms of readability and volume, PhilHealth offices are reported to post CCs in local languages, and offer shortened versions for clients.

Hence, while CCs supply important information, the issue of usability to intended clients is present. The effectiveness of CCs as a ready reference guiding the public on government processes assumes that the clients can, in fact, use the information presented to them. The RCS measures CCs in terms of physical presence, i.e., a billboard or tarpaulin displayed in conspicuous places. However, field notes from interviewed clients point out that CCs should account for other factors to make them useful.

First is in the presentation of information to facilitate comprehension. Many clients express that the text in the tarpaulins are too small and plenty, such that the way the information was presented overwhelms them rather than simplifying what they actually need to know. There is preference on more interactive modes of presenting information such as videos. There is also preference on using local languages in the CCs.

Second is precision of needed information. Clients noted that too much information are on the CCs, and that they are not inclined to go through so much details to get to their intended inquiry. Instead, they would rather ask a person who can readily answer their query in a precise and concise manner. To this, there should be Public Assistance and Complaints Desks or officers of the day to address such demand. However, (a) there are reports of information desks located in hard-to-locate areas, and, (b) security guards on duty being deemed more accessible and noticeable to ask than the staff themselves. In relation to these, recommendations have been identified on: (a) reviewing the guidelines on CCs and emphasizing strategies for their usefulness, and (b) conducting a separate quantitative insight mining on the CC-related indicators in the RCS to unpack the issues on the CCs per agency or office as applicable within the dataset scope.

Moreover, it is worth noting that CCs have been displayed for compliance rather than usability for clients because the RCS has kept its CC evaluation to the physical presence of a billboard/tarpaulin. The choice of evaluation indicators functions as policy, and the RCS evaluation of CCs is seen to be mismatched with client needs. There are offices visited that show information through videos or PowerPoint presentations on loop, while there are others that breakdown information per window/office through large, well-designed, colorful standees. These are preferred by clients because these innovations address the usability issues earlier discussed. However, these innovating agencies still feel compelled to display tarpaulin-printed CCs because that is how they will be evaluated under the RCS. In essence, this discourages innovation, and can be addressed by reviewing the indicators in the RCS and shift them towards the result intended— the usefulness of the CCs to the clients.

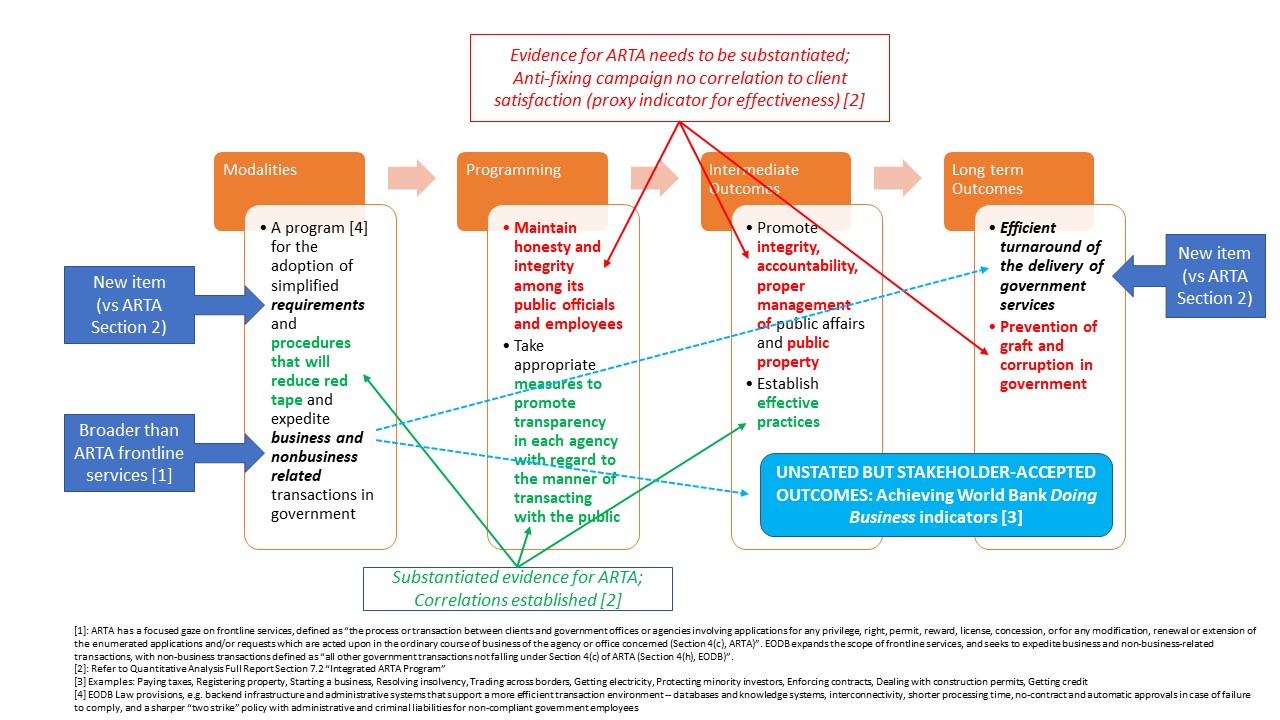
## 5.3 Relevance

*To what extent are the various components of the 2007 ARTA relevant to the implementation of the EODB Act?*

Strictly on a question of extent, all the components of the 2007 ARTA are relevant to the implementation of the EODB Act, since the latter was framed as an expansion of the 2007 ARTA. In the ARTA-subset of the EODB Act scope, the ARTA Integrated Program is the only set of programs that has direct attribution to translating the 2007 ARTA (as a law) into programmatic implementation. While referring to the 2007 ARTA standards in efficiency, most agency-level initiatives, as alluded to in the previous sections, are framed, monitored, and evaluated based on the respective output-outcome priorities of the implementing agency. To this point, the recommendation to document as many, if not all, agency-level initiatives that used the 2007 ARTA standards as possible reference to their own agency programs, is once more highlighted to emphasize the relevance and impact of the 2007 ARTA on government service efficiency and other possible outcome indicators.

Worth underscoring once more is that the EODB Act is broader than the 2007 ARTA, and as such, a Theory of Change and results framework linking the scope of the two laws must guide the program strategies and MEL functions supporting the EODB Act implementation. From the EODB Act’s Declaration of Policy and the business competitiveness dimension of the law shared and implemented by national and local stakeholders, EODB Act implementation must be strategized as over and above the scope of the 2007 ARTA. Figure 5 illustrates this point by locating the scope of the 2007 ARTA within the EODB Act, while accounting for general evaluation results and the broader World Bank *Doing Business* program, which has significantly informed the implementation of EODB policies and initiatives in NGAs and LGUs through the past years.

Deepening discussions of the implications of the tentative Theory of Change for EODB Act in Figure 5,[[63]](#footnote-64) NEDA, UNDP, and the evaluation team noted the anticipated risk of the integrity and anti-corruption outcomes (which are already identified as in need of strategic attention and substantiation) being sidelined in the implementation of the EODB Act, should the focus give more weight to the *Doing Business­*-related outcomes. Such a future may be projected since the EODB Act is a product of a long-term lobbying efforts of the international and private sector groups to improve the business and market environment in the Philippines. However, the lobby of the EODB Act was clustered with the lobby for the proposed amendments to the 2007 ARTA, which had also been standing for a time. The two bills were passed as a unified law, which is the EODB Act as is known at present. Monitoring the higher-level outcomes and strategic implementation of a Theory of Change may allow the Authority and the oversight agencies to evaluate how to build on the lessons from both the 2007 ARTA and the *Doing Business* initiatives for the EODB Act implementation.



**Figure 5.** The scope of EODB Act with ARTA Evaluation Result Annotations (Author’s Reconstruction from EODB Act Section 2).

Notes for Figure 5:

[1]: ARTA has a focused gaze on frontline services, defined as “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 and/or requests which are acted upon in the ordinary course of business of the agency or office concerned (Section 4(c), ARTA)”. EODB expands the scope of frontline services, and seeks to expedite business and non-business-related transactions, with non-business transactions defined as “all other government transactions not falling under Section 4(c) of ARTA (Section 4(h), EODB)”.

[2]: Refer to Quantitative Analysis Full Report Section 7.2 “Integrated ARTA Program”

[3] Examples: Paying taxes, Registering property, Starting a business, Resolving insolvency, Trading across borders, Getting electricity, Protecting minority investors, Enforcing contracts, Dealing with construction permits, Getting credit

[4] EODB Law provisions, e.g. backend infrastructure and administrative systems that support a more efficient transaction environment -- databases and knowledge systems, interconnectivity, shorter processing time, no-contract and automatic approvals in case of failure to comply, and a sharper “two strike” policy with administrative and criminal liabilities for non-compliant government employees

## 5.4 Sustainability

*[5.4a] Based on the findings, how can the 2007 ARTA be better implemented in light of EODB?*

*[5.4b] Are there areas that need further improvement to sustain/maximize the benefits already achieved by implementing the 2007 ARTA?*

*[5.4c] How should a future impact evaluation study for the EODB be designed?*

*[5.4d] What methodologies and tools can be applied to measure NGAs’ implementation of the standards in their CCs?*

*[5.4e] How can data collected by CSC be used to analyze the causal impact on the 2007 ARTA outcomes, i.e., reducing corruption and improving ease of doing business?*

Responses to the Evaluation Questions under Sustainability are clustered together because even though the various evaluation tracks conducted address each point from different approaches, they all emerged into a coherent theme. Annex C presents all the Sustainability recommendations compiled from the different reports, framed as improvements on the 2007 ARTA and its various components, but with the awareness that these recommendations move towards EODB Act implementation.

Based on the collated recommendations from the various evaluation tracks, this integrated analysis highlights the following points:

[5.4a-b] The 2007 ARTA can be better implemented toward EODB Act by providing policy, capacity, and infrastructure support, and performing disciplined MEL work on the areas of efficiency with substantiated evidence of success, and even more so for areas with unsubstantiated evidence of success, particularly on integrity and anti-corruption (Refer to Figure 5).

Worth noting is that the data-gathering and interface with government middle managers and frontline employees happened at a time when EODB public consultations and orientations were being conducted by the DTI, NCC, CSC, among other relevant oversight agencies, and at a time when the draft IRR of the EODB Act was already submitted for review. There was an observable awareness from the frontline officers that the transition from the 2007 ARTA to EODB Act was about to happen. Despite such awareness, however, there was lack of clarity in terms of what to expect, causing an observed level of fear and worry among the government employees. From the field and interview notes, many expressed qualms that if many agencies and frontline offices complied only partially with the 2007 ARTA standards and continue to struggle, then the situation would worsen when EODB Act’s steeper standards would finally in effect. A handful of government employees expressed worry about the “two-strike policy” in punishing non-compliant employees under the EODB Act. Some frontliners say, however, that the EODB Act could be “*ningas kugon*” or forceful only at the beginning. Anticipating that most frontline offices cannot comply with the steeper standards, one NGA informant asked: “Will [oversight agencies] file cases against thousands of government employees? Dismiss them all?”

To this concern, agencies who have been part of the IRR draft preparation noted that many of the worries among government employees are addressed in the draft guidelines. For instance, agencies will be asked to take stock of their transactions and classify them according to level of complexity (thus identifying the required number of days). The number of days will also be counted “per office node” of the transaction, which addresses implementation coherence concerns. Additionally, employee satisfaction and welfare variables will be considered in future evaluation designs.

However, worry prevails because the IRR has not been issued yet, as this is contingent on the policies and further actions of the ARTA Authority. There are no pronouncements on progress with the Authority as of writing.[[64]](#footnote-65) While the appointments and transitions are pipelined, it will be important to take preliminary steps to reach out to the bureaucracies, especially the frontline offices and employees, to level off expectations with regard to the EODB law and implementation. Trust and faith in the transition is imperative to ensure buy-in from government employees as part of the change process.

[5.4c-e] Any future impact evaluation study for EODB Act must stem from its own Theory of Change and results framework, accounting for relevant contributions of the 2007 ARTA, but not be limited by it. As Figure 5 illustrated, the EODB initiatives that preceded the law and the provisions of the EODB Act itself are broader than the 2007 ARTA, which focuses more on frontline service delivery. There are lessons to be learned from how Governance Roadmaps (as translations of Theories of Change) have allowed agencies such as NEDA and DILG[[65]](#footnote-66) to set gradually increasing targets per outcome areas, and to articulate how a progression of programs through the years achieves higher-level outcomes in their respective priorities.

This strategic focus should take into account that data sources informing the evaluation of the higher-level outcomes of EODB include, but also are not limited to, the RCS and CCB data currently collated. It would be useful for the EODB Act to be informed by multiple sources of data, such as the CMCI, ISO accreditation results, as well as other data collated by other agencies such as DBM and DILG on agency and LGU performance. Annex C elaborates on the specific technical recommendations with regard to RCS and CCB. These recommendations can also be found in the and the respective cited sections from the Quantitative and Data Science Methodology Analyses Full Reports.

The limitation of the RCS as the monitoring and evaluation mechanism within the 2007 ARTA is well documented and acknowledged even by the CSC teams. However, literature and current evaluation tracks emphasize that RCS data collection has to be broader, more frequent, and more disciplined in its implementation. One way of addressing this scenario is to focus the scope of RCS to a handful of agencies that can be considered benchmarks for the EODB Act outcome indicators. Much like how Quezon City is used as benchmark by the *Doing Business* index for its volume and complexity, the same pre-selection consideration can inform how the RCS can be employed for EODB Act. If this cannot be broadened, it can become more purposive and focused instead.

Specific to integrity and anti-corruption outcomes, this evaluation makes three points:

[1] The case studies pointed to the preference of clients to direct their queries to persons (PACD, guard-on-duty), rather than go through the voluminous information in the CCs. However, the EODB Act standard is that the client should only make transactions at minimal points: at the moment of request, at the moment of payment and during receipt of documents. Such a standard assumes clear, robust backend information and transfer systems among agencies and offices, and an effective response mechanism for any deviations from the ideal process.

However, feedback from the NGAs note that such capacities will take years to build. It is important to consider that the EODB Act may be potentially setting up a larger demand for a black market for fixers because of its no-contact provisions. The client preference to be assisted by a person who will give them the precise information they need and to enjoy a level of ease while waiting, is a scenario that fixers can easily provide—clarity and usefulness of information, as well as ease and convenience. Vendors and small-time fixers capitalize on “welcoming” confused clients, while professional fixers provide “complete packages” to their clients. The gap between status quo and the standard necessitates further strategizing to prevent further opening up opportunities for fixers to setback anti-corruption goals.

A significant part of the EODB Act is dedicated to reforms in business transaction processes in the LGUs. However, capacities to invest in the necessary technology and backend infrastructure are largely asymmetric across LGUs. DILG informants have noted that many LGUs depend on the technologies that DICT will provide, but there is leverage from the long-time EODB initiatives wherein LGUs have instituted their Electronic Business Permit and Licensing System (eBPLS) and its variants. What remains to be seen is whether LGUs in their respective uneven capacities will be able to deliver according to the steep standards of the EODB Act. But for those unable to comply, the opportunity for fixers—small-time and professionals alike—yet again abound. At the local levels, the challenges in implementing the anti-fixing policy are even more pronounced.

[2] Implementing and evaluating EODB Act would also benefit from better collaborative work with other agencies with anti-corruption programs. Table 5 lists several programs of other agencies that are also considered contributory to anti-corruption efforts, as an initial reference.

**Table 5. *Consolidated Initial List of Agency Programs Related to Anti-Corruption (Author’s Own)***

| *Agencies* | *Scope and Coverage* | *Selected Programs* |
| --- | --- | --- |
| Office of the Ombudsman (OMB) | All government branches and agencies | Mediation System;  Task Force on Asset Recovery;  Integrity Caravan;  Environmental Ombudsman;  Integrity Development Review;  Integrity Management Program, with the Office of the President;  Lifestyle Checks, inter-agency;  Graft and Corruption Prevention Education Teaching Exemplars, with the Department of Education. |
| Commission on Audit (COA) | All government branches and agencies | Regular audits on performance and fiscal diligence;  Citizen Participatory Audit. |
| Department of Interior and Local Government (DILG) | All local government units | Capacity/institutional development: *Conditional Matching Grant for Provinces for Road Repair, Rehabilitation and Improvement; Assistance to Cities; Assistance to Municipalities*  Performance Measures and Incentives:  Local Governance Performance Management System; Seal of Good Local Governance; Performance Challenge Fund; eBPLS  Community Empowerment:  Full Disclosure Policy; SubayBAYAN; DevLive |

It is notable that many of the programs from other agencies have components similar to EODB. First, programs identified in Table 5 capture these components of preventive measures, punitive measures, and incentives in their respective scope. Second, the programs, in varying intensity, seek to improve the efficiency and effectiveness of government transactions by strengthening the capacities (i.e., infrastructure, information, human resource) of government agencies. Third, some of these programs rely heavily on feedback and satisfaction of “clients” (operationalized differently as communities, civil society organizations, or individual citizens) on government service delivery. Hence, there are opportunities to better approach the governance roadmap and framework-building strategically and more purposively with these cross-cutting features appropriately included.

Meanwhile, there are emergent suggestions to consider models for incorporating costs clients are willing to pay for efficiency into the main transaction costs in order to curb fixing. One such model that agency informants repeatedly refer to are the passport processing fees, which are divided into regular fees (P950), and “expedite” fees (P1,200)[[66]](#footnote-67). Such practical logic renders costs usually allocated to the fixers incorporated within the government fees.

[3] The EODB Act may leverage on broader anti-corruption and integrity discourses that have traction in their respective networks and policy implementation. Three of these are: Sustainable Development Goals (specifically SDG 16: Peace, Justice, and Strong Institutions)[[67]](#footnote-68), the United Nations Convention on Anti-Corruption or UNCAC[[68]](#footnote-69) (which the Philippines has ratified and conducted several baselining efforts in the past), and the Open Government Partnership or OGP (which already includes EODB on the competitiveness outcomes and has explored the possibility of including the CCB). These international initiatives translate to government commitments, partnerships, knowledge pools, and other resources in their policy formulation and support-building. EODB Act strategy and implementation will benefit from the insights and lessons learned from the efforts under these programs, both in respective successes and areas of improvement.

# 6 Concluding Notes

In assessing the implementation of the 2007 ARTA to draw insights for the EODB Act implementation, this integrative mixed methods evaluation presents the following concluding notes.

## 6.1 Summary of Findings

**Efficiency:**Focusing on the 2007 ARTA’s effect on government processes, there is substantiated evidence supporting how implementation of the 2007 ARTA (through the CSC’s Integrated Program) has been able to influence efficiency levels of frontline government services, as evidenced by client satisfaction. Factors contributing to this success areas are leadership and management prioritization, agency-level initiatives, and technology investments—all of which are viewed as mutually reinforcing of each other. However, the relative successes of these initiatives are still impeded when volume, density, and levels of complexity of transactions are high in frontline government offices. Any deviation from the prescribed processes, such as paying for hidden costs, tend to lower client satisfaction. Meanwhile, for process improvements, the positive influence of agency-level initiatives on the 2007 ARTA implementation poses a challenge on monitoring and evaluation, since the 2007 ARTA standards are subsumed under agency program-level outputs and outcomes (including *Doing Business*-related programs in line with the EODB initiatives prior to the law). This highlights the need for a more robust monitoring strategy for the 2007 ARTA intended to establish policy impact. On field implementation, frontline government managers and employees noted that they do not receive RCS results on their level, hence the need to review RCS communication protocols to reach the level of the frontline implementers.

**Effectiveness:** While there is overall improvement in efficiency of frontline services, not all ARTA law program implementation components contribute to effectiveness outcomes. Those with evidence contributing to effectiveness were found to improve frontline experience in terms of quick response time and positive transaction outcomes. These components include agency-level initiatives and leadership and management prioritization. However, an unintended consequence of the drive to meet the 2007 ARTA standards is the stretch on the time and welfare of frontline government employees, as offices exhaust the limits of their manpower. Adding to the stretch are what employees described as aggression from clients threatening to report them via the hotlines and compromised time for lunch breaks. The frontline government employees hope that their own satisfaction, motivation, and welfare can be better accounted for in future implementation of the 2007 ARTA and the EODB Act.

Meanwhile, evidence is weak and unsubstantiated on the effects of the 2007 ARTA implementation to the integrity and anti-corruption outcomes that the law aspires to achieve. The anti-fixing campaign was found to have no correlation to client satisfaction from the RCS data. While technology investments (such as computerization of transactions) have been employed partly as an anti-fixing strategy, both big-time and small-time fixers are still prevalent in many frontline offices, with the fixers themselves sharing how they have appropriated their strategies for conducting business despite the 2007 ARTA provisions. Data is available on administrative cases filed and resolved against erring government employees, as well as potentially important data on fixing from the RCS datasets. However, all these data have not been consolidated and processed to generate insights to improve policy and program interventions. Inter-agency collaboration and prioritization is also a gap that is yet to be sufficiently addressed.

Continuing with Effectiveness assessment dimensions, the evaluation identified the need to provide purposive, rationalized capacity-building interventions for frontline government employees, specific to the knowledge and skills they need to learn to improve service delivery. This is in response to the feedback that ARTA law-related trainings (mostly orientations on the RCS) have been too general or too thinly dispersed, limiting the relevance and usability of the interventions to the government employees. Furthermore, the evaluation also underscores the need to review the guidelines and indicators measuring the CCs, since the value of availability of information through CCs are compromised by the perceptions of CCs being overwhelming, unreadable, and in effect, unhelpful. Preference of clients is still to interact with persons (e.g., PACD, guard-on-duty), to provide them the specific information they need.

**Relevance:**Strictly on a question of extent, all the components of the 2007 ARTA are relevant to the implementation of the EODB Act, since the latter was framed as an expansion of the former and the ARTA Integrated Program has been the only direct, attributed programming of the law. Within the scope of the 2007 ARTA implementation, there is benefit on taking off from the components that resulted to efficiency in frontline transactions, but critical attention is needed to strategize policy and programs to address the integrity and anti-corruption components of the 2007 ARTA towards EODB Act. Moreover, it is important to note that the relationship between these two laws is beyond the extension of the 2007 ARTA, since many documented agency-level and LGU programs have been subsuming compliance of the 2007 ARTA under *Doing Business* efforts. The EODB Act also covers significant provisions that cater to ease of business transactions in the local frontline offices. These interrelationships among frontline efficiency, doing business, integrity and anti-corruption, and their translation to a Theory of Change and a corresponding results framework, are important to be addressed collaboratively among oversight and implementing agencies moving forward.

**Sustainability:** The various evaluation tracks provide layered approaches into answering an improved implementation of the 2007 ARTA in light of the EODB Act. On short-term change management, communicating the transition plans and support to be given to frontline government offices and employees is seen to be important in light of growing concerns on the more stringent standards under EODB Act. In terms of a strategic and evaluative framework for EODB Act, the importance of articulating a Theory of Change and a results framework is again emphasized. Technical recommendations on revising the RCS indicators and implementation were provided, as well as support follow-through protocols on the CCB. Meanwhile, improving the manner of implementing higher-level outcomes on integrity and anti-corruption, the EODB Act implementation will benefit from expanding its efforts by working with existing and even broader integrity advocacies with government and civil society organizations.

## 6.2 Summary of Recommendations

This section consolidates the recommendations emerging from the evaluation findings, presented thematically for reference of the oversight and implementing agencies.[[69]](#footnote-70)

**[A] Transitioning from the 2007 ARTA to EODB Act**

***[A1] Leveraging on Gains from the implementation of the 2007 ARTA***

* Use the 2007 ARTA as minimal conditions for public service improvement. Use lessons gained from other efficiency-oriented initiatives, such as ISO accreditation, and specific *Doing Business* programs for improvements on the 2007 ARTA standards and implementation.
* Encourage agency-level initiatives that promote efficiency and ease in government transactions. Support such initiatives with a documentation and monitoring protocol to trace ripple effects of the ARTA or EODB Act on agency- or office-specific programs.
* Encourage and support investments to infrastructure and technologies for efficiency and for curbing corruption. This is especially needed for LGUs that do not have enough resources to invest on appropriate technologies.
* Minimize hidden costs and all other deviations from prescribed processes.

***[A2] Strategizing for and Evaluating Target Outcomes***

* Develop a Theory of Change and corresponding results framework for the EODB Act that articulates the various outcome areas (explicit and implied from the law and *Doing Business* tracks): government efficiency, competitiveness and ease in doing business, and integrity and anti-corruption. The Theory of Change and results framework can take the form of a Governance Roadmap that puts logic into the variables and indicators prioritized and improved on through the years of the EODB Act implementation.
* Institute a monitoring, evaluation, and learning system and capacities within the Anti-Red Tape Authority, with the CSC, for the RCS and other surveys/data gathering strategies.
  + Develop a research agenda that enables regular and disciplined evidence-informed policy-making for the strategy and implementation of the EODB Act, including, for instance:
    - Measuring attribution of agency-level initiatives (including specific *Doing Business* programs) to the 2007 ARTA as ripple effects
    - Measuring the relative expectations of respondent-clients in order to fully control for major variables that can affect satisfaction
    - Analysis on the different components of the RCS database, such as those specific to the anti-fixing campaign and the PACD, given issues identified on pursuing integrity and assuring a “personal” interaction option for the EODB Act, respectively
    - Analysis on the RCS results per NGA, GOCC, and especially per LGU, given the significant provisions of the EODB Act for local implementation
  + Institute a team of qualified researchers to maximize insight mining from RCS, CCB, and other datasets developed from the EODB Act implementation.
  + Create a knowledge management and storage protocol to make sure all raw datasets and relevant information are kept through many years.

***[A3] Forwarding Integrity and Anti-Corruption Outcomes***

* Take lessons from the RCS datasets to inform action on anti-fixing, especially on agencies and offices wherein fixing has been directly reported by clients.
* Consider models for incorporating costs clients are willing to pay for efficiency into the main transaction costs (e.g. faster passport processing for higher fees).
* Preempt possible unintended consequences on the “fixing market” of the Zero-Contact Policy provisions of the EODB Act, in response to the preference of clients to talk to persons for specific information needed, instead of going through the overwhelming amount of information included in Citizen Charters.
* Make the reporting protocols in platforms (web-based, CCB, 888) easier for clients. Specify what kinds of information are immediately needed to substantiate complaints and trigger action from oversight agencies (e.g., CSC, Ombudsman, DILG).
* Review strategies and implementation among and within agencies and law enforcement.
* Collate and analyze information from different sources (CSC, Ombudsman) on ARTA law-related cases pending and resolved through the years. Include in the knowledge management strategy and use for evidence-informed policy-making.
* Collaborate with broader integrity and anti-corruption initiatives to leverage on networks, resources, and lessons learned, e.g. Open Government Partnership, United Nations Convention on Anti-Corruption, Sustainable Development Goal #16 (*Peace, Justice, and Strong Institutions*), among other agency-level anti-corruption programs implemented in national and local levels.

***[A4] Mitigating Unintended Consequence on Government Manpower***

* On the short-term, communicate to frontline government offices and employees on the steps being taken for the transition to EODB Act, including efforts to manage changes on the steeper standards and penalties. This is to appease the fear and worry of government employees on the EODB Act, pending the official release of the law’s implementing rules and regulation.
* Collaborate with the DBM to harmonize efforts to complete manpower and staffing requirements in agencies and offices.
* Incorporate government employee satisfaction and welfare variables in appropriate data gathering platforms.
* Establish a communication protocol between the CSC and agencies so that the RCS results that it provides the agencies will be transmitted and explained to frontline offices and employees.

**[B] Technical Recommendations**

***[B1] Report Card Survey***

* Revisions existing RCS questionnaire and data analysis process:
  + Include qualitative measures of expectations.
  + Develop a measure of transaction complexity.
  + Incorporate a relative measure of efficiency.
  + Use Likert scale to measure satisfaction.
  + Gather more information on most relevant features.
* Revisions to the existing RCS methodology:
  + Create a universe of public services to measure. If the scope of the RCS cannot cover all offices and transactions, focus on agencies and types of transaction as focus points to reflect priority results areas as per Theory of Change/Governance Roadmap covering certain periods of time.
  + Ensure consistency of measurements across time. Shift from reporting pure summary statistics to time-series analyses. Use the same methodology across different years.
  + Regularly record the RCS scores of a consistent set of offices.
  + Do not aggregate data together.
  + Standardize the types of requests responded to by each unit.
  + Use mobile/digital applications to collect future data.
  + Limit the types of responses across all researchers and agencies.

***[B2] Contact Center ng Bayan***

* Impose stricter service levels in responding to complainants and forwarding concerns to offices.
* Streamline what CCB measures. The CCB should monitor the types of issues that genuinely require additional information versus those that can be directly escalated to offices.
* Ensure that there are clear and consistent metrics for closing complaints.
* Make sure that any data collected is forwarded to appropriate agencies.
* Ensure stricter monitoring on more serious allegations that currently tend to be ignored.

***[B3] Citizen Charters***

* Review indicators for measuring Citizen Charters to focus on usability to clients.
* Support and encourage innovation on presentation of Citizen Charters.
* Ensure that the PACDs are visible and available to the clients in response to preference for personal interactions and demand-driven, precise information received.
* Ensure that the Citizen Charters develop policies support and uphold inclusive processes, both for the government employees and the citizens themselves.

***[B4] ARTA law- / EODB Act-related Trainings***

* Training programs should provide targeted support on features that: (a) are most relevant in determining customer satisfaction, and (b) each office performed poorly in. This will facilitate stronger improvement of overall customer satisfaction.
* Training on CCB concerns is important in standardizing types of responses and ensuring that issues are promptly and effectively addressed.
* Create and implement a rational capacity-building intervention plan that specifies which capacities are developed for targeted offices and types of employees.

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# Annex A. Evaluation Matrix – Integrated

As referred to in Section 4.1, this Evaluation Matrix is a more integrative version of the matrix in the inception report. In this version, the DAC Criteria and Evaluation Questions are unpacked according to the three components of the evaluation: (a) Quantitative Analysis, (b) Data Science methodology, and (c) case studies developed. This Evaluation Matrix also describes the integrative mixed methods approach employed for the evaluation.

While all questions have been answered, the evaluation prioritized those which provide NEDA and oversight agencies insights to the implementation of the EODB law, as a primary consideration in the project.

| Evaluation Criteria | Key Questions | Data Collection and Analysis Track | Indicators/ Success Standard | Methods/Means for Verification |
| --- | --- | --- | --- | --- |
| Efficiency | [a] How has ARTA been implemented by NGAs and local government units? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Data Science Methodology | RCS scores across time/agencies/sectors | Visualizing RCS scores; Statistical analysis (variants of ANOVA) |
| Case study development | Supporting data from the case subjects on policies, programs and corresponding outcomes | KII, FGD, site visits  Data triangulation |
| [b] What are costs and benefits associated with ARTA implementation? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Data Science Methodology | Components of customer satisfaction;  Variation in CCB response statistics across time/agencies/complaint categories | Machine learning methods (Feature importance on components of customer satisfaction);  Visualizing feature importances;  Visualizing components of customer satisfaction across agencies;  Visualizing CCB response statistics |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| [c] What can the RCS/commendation/complaints database of CSC reveal about ARTA implementation? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Data Science Methodology | Variation in CCB response statistics across time/agencies/complaint categories | Visualizing CCB response statistics |
| [d] How do agencies monitor their compliance to the standards in their Citizens Charters (CCs) and revise the standards when necessary? | Case study development | Data from case subjects on CC implementation | KII, FGD, site visits  Data triangulation, pattern matching |
| Effectiveness | [a] How has the implementation of ARTA policies improved frontline services? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction | OLS regression results |
| Data Science Methodology | RCS scores across time/agencies/sectors;  Components of customer satisfaction;  Variation in CCB response statistics across time/agencies/complaint categories | Visualizing RCS scores;  Statistical analysis (variants of ANOVA);  Machine learning methods (Feature importance on components of customer satisfaction);  Visualizing feature importances;  Visualizing components of customer satisfaction across agencies;  Visualizing CCB response statistics |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| [b] What are the elements which helped achieve the goals of ARTA, and what are the constraining factors? | Quantitative Analysis | Effects of components of ARTA Integrated Program on client satisfaction | OLS regression results |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| [c] Has the improvement in frontline services of key national and local agencies translated in improved perceptions on business-friendliness, government effectiveness and corruption? Why or why not? | Data Science Methodology | Components of customer satisfaction | Machine learning methods (Feature importance on components of customer satisfaction);  Visualizing feature importances;  Visualizing components of customer satisfaction across agencies |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| [d] What factors influence various stakeholders in the implementation of ARTA? How do they collaborate? | Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| [e] What are the good practices from the most improved agencies?[[70]](#footnote-71) | Quantitative Analysis | Difference in compliance and satisfaction between ISO certified and non-ISO certified offices | Two sample T test |
| Data Science Methodology | RCS scores across time/agencies/sectors;  Components of customer satisfaction;  Variation in CCB response statistics across time/agencies/complaint categories | Visualizing RCS scores;  Statistical analysis (variants of ANOVA);  Machine learning methods (Feature importance on components of customer satisfaction);  Visualizing feature importances;  Visualizing components of customer satisfaction across agencies;  Visualizing CCB response statistics |
| [f] What kind of support can be extended to agencies in difficult situations or to agencies failing in the RCS? | Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| [g] What are the facilitating factors and barriers to the public’s utilization of the Citizen’s Charter? | Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| Relevance | [a] To what extent are the various components of ARTA relevant to the implementation of the EODB law? | Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| Sustainability | [a] Based on the findings, how can ARTA be better implemented in light of EODB? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Data Science Methodology | Increasing weight on important components of customer satisfaction;  Improving consistency of data collection methods and granularity of data collected | Machine learning methods (Feature importance on components of customer satisfaction);  Visualizing feature importances;  Visualizing components of customer satisfaction across agencies;  Assessment of data quality and collection methodology |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| [b] Are there areas that need further improvement to sustain/maximize the benefits already achieved by implementing ARTA? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Data Science Methodology | Increasing weight on important components of customer satisfaction;  Improving consistency of data collection methods and granularity of data collected | Machine learning methods (Feature importance on components of customer satisfaction);  Visualizing feature importances;  Visualizing components of customer satisfaction across agencies;  Assessment of data quality and collection methodology |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| [c] How should a future impact evaluation study for the EODB be designed? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Data Science Methodology | Improving consistency of data collection methods and granularity of data collected | Assessment of data quality and collection methodology |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |
| [d] What methodologies and tools can be applied to measure NGAs’ implementation of the standards in their CCs? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Data Science Methodology | Time series analysis, when more granular data is obtained | Assessment of data quality and collection methodology |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| [e] How can data collected by CSC be used to analyze the causal impact on ARTA outcomes, i.e., reducing corruption and improving ease of doing business? | Quantitative Analysis | Effects of ARTA compliance of client satisfaction  Effects of components of ARTA Integrated Program on client satisfaction  Hidden cost analysis | OLS regression results  Qualitative analysis of hidden cost cases |
| Case study development | Data from case subjects on policies, programs, and corresponding outcomes | KII, FGD, site visits  Data triangulation, pattern matching |
| Supporting KIIs, FGDs with national government agencies | Data from informants | KIIs, FGD, site visits  Data triangulation, pattern matching |

# Annex B. Interview and Focus Group Discussion Guides

The key informant interview (KII) and focus group discussion (FGD) guides in this section are leaner versions of the approved tools in the project inception phase. The KIIs and FGDs employed separate but mirroring questions to the supervisors and managers of the selected LGUs and NGAs, customers, Public Assistance and Complaint Desk personnel, Contact Center ng Bayan personnel, and Civil Service Commission employees who are in charge of handling the ARTA law-related concerns. Fixers were also asked with separate questions. The questions were phrased within the DAC criteria and evaluation questions. Consent forms were prepared and used during the KIIs and FGDs.

|  | *Supervisors/Managers* | *Frontline Government Employees* | *Clients* | *PACD, CC, and CSC personnel* | *Fixers* |
| --- | --- | --- | --- | --- | --- |
| Efficiency | How did your office implement the ARTA? What are the activities and interventions that your office implement in relation to the ARTA? What is the span of these activities and interventions? Who are the participants of these activities and interventions? How did the management identify what activities and interventions to implement? Was there a consultation with the employees before these activities and interventions were implemented? What are the constraints in implementation terms of resources?  Did your office undergo the Report Card Survey? What are the highlights of the data collected from your office’s RCS? Are these data reflective of how your office served its clientele? Is the RCS reflective of the individual performance of the frontline employees?  How does your office monitor compliance to the standards of the Citizens Charters? How does your office measure compliance with the Citizens Charters? Is compliance on the Citizen’s Charter present among the employees of your office?  Kindly compare your management style throughout the whole implementation of ARTA? Was there a change in your management style when ARTA was introduced? How did the employees, especially the frontline employees, receive your new management style? | How did your office implement the ARTA? What are the activities and interventions that your office implement? How did you receive these activities and interventions? Was there a consultation with the employees before these activities and interventions were implemented?  How did you observe your clients’ response with ARTA interventions? Were they well-informed about these interventions? Do they act empowered over the system or over the office they are availing service from?  How is your clients asked about their perception on your service delivery after ARTA implementation? Was there bias in how the data was collected? If there is, how can bias be veered away from?  Is the Report Card Survey reflective of your individual performance?  How informed are you about the contents of the Citizen’s Charter? How do you ensure responsiveness to the Citizen’s Charter? | How did the office that you have availed service from implement the ARTA? What are the activities and interventions being implemented? Are these activities and interventions being carried out by the frontline employee efficiently? How satisfied are you as client with the services that you availed? With your interaction with the frontline employee?  Which part of the service delivery can be further improved? | How did you monitor ARTA compliance? How many ARTA-related complaints do you receive every month? Every year? How well-informed are the citizens with the existence of an ARTA citizens’ complaints desk? How do you classify an ARTA-related complaint? Where do cases that are not classified as ARTA-related transferred into? What comprises the bulk of the cases that you receive? How are these documented and docketed? | How many transactions do you “process” a day? How much do you charge? How much transaction time is cut by availing of your services? How does No Noon Break, Anti Fixer Campaign, and other ARTA-related interventions affect your job? Do you still get clients even with the presence of the Anti Fixer Campaign? |
| Effectiveness | Was there an observable change in behavior among frontline employees after the ARTA was implemented? How long from the implementation did the employees of your office show improvement in service delivery and?  What key features of ARTA could you say helped your frontline employees improve their service delivery?  What features of ARTA did not help the frontline employees improve their service delivery? How can these non-functioning features of ARTA be improved?  How did your office’s clientele respond to activities and interventions adopted by the ARTA? How did your office measure your clientele’s response to ARTA activities and interventions? Did your data show improvement on perceived service delivery? If your data did not show any improvement in perceived service delivery, did your office undertake necessary revisions in the activities and interventions?  How did the stakeholders, apart from the clientele, respond to the activities and interventions adopted by the ARTA? Were they responsive to these activities and interventions?  What is the highlight of your office’s whole ARTA implementation? What are your office’s good practices that other offices can emulate as well in terms of ARTA implementation?  How do you fair your office’s performance in the Report Card Survey? Had your office fail the RCS, what support can be extended to your office to improve performance?  How is the Citizen’s Charter received by your office’s clientele? | Was there a change in your colleagues’ service delivery after the ARTA was implemented?  Which activity and intervention in line with the ARTA helped you in improving your service delivery? Which activity and intervention did not help? How can these unhelpful activities and interventions be improved for future implementation?  How enthusiastic are you to do your work when the ARTA was implemented? Which interventions helped you as an employee? | How do you compare service delivery of frontline employees in this office before and after implementation of ARTA? Was there a significant improvement after the ARTA was implemented?  Which activity and intervention in line with the ARTA helped you in availing services? Which activity and intervention did not help? How can these unhelpful activities and interventions be improved for future implementation? | Did you notice differences in the number of complaints before and after ARTA implementation? Did the numbers reduce significantly? |  |
| Relevance | Which component of the ARTA is the most effective in improving service delivery? How can these effective components be transferred to the Expanded ARTA? | Have you been treated with more respect by clients who avail services?  Do you observe “under the table” transactions done among your your co-workers? If you do, would you report to the management?  Do you explain the process of the transaction to your clients in complete detail, kind language, and mild manners?  Was there a change in you manager’s / supervisor’s r management style when ARTA was introduced? How did you receive these new management style? | Did you experience better service delivery? How friendly is the frontline employee to you? Were you treated with kind language and mild manner? Was your transaction time consistent or at least comes close with what the office stated in their citizen’s charter? Did your perception with government offices improve for the past eight years? How often do you visit government offices, especially those with frontline transactions? Would you opt to get services from government rather than private providers?  Have you been offered by fixers with their services? Have you availed of those services? If yes, would you rather avail of a fixer’s service instead of going to the process? | Did the number of graft and corruption complaints decrease for the last eight years? | Have you been penalized in relation to your job as a fixer? What are the penalties involved? Were you able to get away with the penalty? |
| Sustainability | What are the areas in public service was improved by implementing ARTA? How can these improvements be sustained for longer term?  Is there an existing baseline study on the EODB law? Will the CSC be open to conducting an experimental design of evaluation?  Apart from compliance to ARTA processes, what areas must be added to the Report Card Survey?  What methodologies and tools can be applied to measure NGAs’ and LGUs’ implementation of the standards (e.g. processes, steps, and time) in their Citizens’ Charters? Which part of the ARTA must be retained and which must be replaced? Are the inputs to implement ARTA systems and processes minimal and justifiable? Is there a baseline study for the EODB law? Will the CSC be open to conducting an experimental design of evaluation? | Which component of the ARTA benefitted you most as frontline employee? Could these interventions be implemented for longer term? | How do you see service delivery by government offices be working for the the next few years? For the longer term? How can you as a customer help improve service delivery of government offices? | How can the public be better informed about the existence of contact centers?  · How can data collected by CSC be used to analyze the causal impact on ARTA outcomes, i.e., reducing corruption and improving ease of doing business? Does the CSC data collection have countercheck mechanism with the frontline employees and customers? Can these data collection mechanism be used for longer term? |  |

# Annex C. Recommendations from the Various Evaluation Tracks

**Table C1. Recommendations from the Various evaluation tracks**

| Theme/Category | Quantitative Analysis  (Refer to full report for details) | Data Science Methodology  (Refer to full report for details) | Case Studies  (Compiled from eight cases studies) |
| --- | --- | --- | --- |
| ARTA as program | *Section 12: Conclusion and Recommendations on ARTA Implementation*   * Use ARTA as minimal conditions for public service improvement * Encourage agency-level initiatives * Minimize hidden costs * Further studies to elaborate on the role of ARTA compliance to the achievement of other program outcomes * Measure the relative expectations of respondent-clients in order to fully control for major variables that can affect satisfaction |  | *Case Study (LGU3): Cainta*   * Measurement of accomplishments in the ARTA implementation and other reform initiatives should be inculcated as part of project/program implementation cycle to be able to develop and design a better ARTA implementation strategy in the future, particularly in the eventual implementation of the EODB law.   *Case Study (LGU 4): Quezon City*   * Synching national and local laws |
| RCS | *Section 11.1: Revisions to existing RCS questionnaire*   * Include qualitative measures of expectations * Develop a measure of transaction complexity * Incorporate a relative measure of efficiency * Use Likert scale to measure satisfaction   *Section 11.2: Revisions to existing RCS methodology*   * Create a universe of public services * Ensure consistency of measurement across time | *Section 3C: Assessing the current RCS methodology*   * Use the same methodology across different years. * Regularly record the RCS scores of a consistent set of offices. * Do not aggregate data together. * Standardize the types of requests responded to by each unit. * Use mobile/digital applications to collect future data. * Limit the types of responses across all researchers and agencies.   *Subsection – Data Analysis Process*   * Shift from reporting pure summary statistics to time-series analyses. * Gather more information on most relevant features. |  |
| CCB |  | *Section 3A: Recommendations to improve government services based on research results*   * Stricter service levels in responding to complainants and forwarding concerns to offices be imposed for the CCB * The CCB should monitor the types of issues that genuinely require additional information versus those that can be directly escalated. * Ensure that there are clear and consistent metrics for closing complaints * Make sure that any data collected is forwarded to appropriate agencies. * Enforce stricter monitoring on more serious allegations that currently tend to get ignored. |  |
| ARTA-related trainings |  | *Section 3C Subsection: Training and Development*   * Training programs should provide targeted support on features that: (1) are most relevant in determining customer satisfaction, and (2) each office performed poorly in. This will facilitate stronger improvement of overall customer satisfaction. * Training on CCB concerns is important in standardizing types of responses and ensuring that issues are promptly and effectively addressed. |  |
| For government agencies/LGUs |  | *Section 3A: Recommendations to improve government services based on research results*   * Leverage best practices from different agencies. * Have clear mechanisms for addressing concerns and implementing feedback. * Improve the metrics used to monitor frontline service agents in offices. | *Refer to Table 5b* |

**Table C2. Recommendations on the EODB Implementation for the Case Study Subjects   
(Lifted from the Case Studies’ Conclusions and Recommendations)**

| *Case Study Subject* | *Recommendations[[71]](#footnote-72)* |
| --- | --- |
| *Case Study (NGA 1): LRA* | * A more appropriate medium in explaining/displaying Citizen’s Charter such as video presentation of the services using big monitor/screen or any other innovative ways of making clients know and understand the service procedures should be considered. Very long, text heavy citizen’s charter that adorn government offices as wall decorations have proved to be an ineffective strategy. * Outsourcing the service e.g. LRA call center, can be considered. Other options in enhancing the ability of the office to respond to client needs include training on deepening the understanding of the different functions and technical know-how of the LRA transactions; Training orientation on ARTA/EODB; De-briefing sessions for the frontline officers and staff who serve s punching bags of the LRA clients; technical resource such as computers/laptops; etc. * Although infrastructure improvements in the Registry of Deeds have been identified in the Plans and Programs for implementation in 2013 and beyond, there is still a lot to be considered in improving the infrastructure facilities of the majority of the RDs for a more convenient experience for both the employees and clients as well. * Collaboration with other national and local government units that have related functions should be enhanced further e.g. LGU Circulars involving registration of land in relation to the collection efforts in relation to taxation; DAR on registration of title; LMB-DENR Land Management System (technical description) in sharing data for reconstitution; NAMRIA; Land Management Bureau, Bureau of Land. |
| *Case Study (NGA 2): BIR* | * There is a need to inform the public about Revenue Memorandum Order 19-2018 and Revenue Memorandum Circular No 30-2018, which specifically relates to the (i) 30-day timeline for the registration of books of accounts; and (ii) reiteration of the removal of the requirement to submit books of accounts to be issued a certification of registration. * While the rules and policies are circularized for the public to know, there is a need to codify these voluminous amounts of policies and make it user-friendly, and effective and efficient to utilize by a layman. The circulars in the BIR website takes time and effort, and guidance on navigating the circulars through codification can definitely make a difference. |
| *Case Study (GOCC 1): PhilHealth* | * Having a universal counter proves to be effective when there is a long queue in availing the different services of PHIC. * The CSMS should be rolled out immediately to be able to manage customer feedback & complaints received through all official communication channels nationwide. * Explore more ways of streamlining the processes, procedures, and documentary requirements through database-sharing with other government agencies, particularly hospital. In addition to the database-sharing with other government agencies, inter-office database sharing should be done first. Future streamlining should not require anymore those requirements that are provided within PHIC units/departments. * Trends suggests that the interventions identified in addressing customer satisfaction did not merit appropriate study, but options are identified based on what are the common program of actions available. Measurement on improving process should be properly addressed. * An innovative strategy in implementing reforms in PHIC should not be a one-size-fits-all approach. An assessment of the member demographics, culture, characteristics, needs, requirements, and background should be the driving force in identifying strategies in the efficient delivery of service. |
| *Case Study (GOCC 2): SSS* | * Online facility and database-sharing with other government agencies * Partnerships for database-sharing * Electronic queuing system * Effective promotional materials * Define the objectives of 8888 * Increased membership * Interventions backed up by study * Capacity-building training on Quality Work Improvement Program * Streamlining within SSS departments * One-size-does-not-fit-all approach |
| *Case Study (LGU 1): Tagum City* | * *Various recommendations on queueing systems, PACD, and frontline waiting and transaction time efficiency are embedded in the case study discussion.* |
| *Case Study (LGU 2): Arayat, Pampanga* | * Although an initial coordination can be done through them, it will be far more effective an efficient if information and official data pertaining to the municipality can be accessed in its official website. * A transactional presence model of web measure is recommended for Arayat, which allows two-way interaction between the municipal government and its citizens. * Since resources are scare for capacity building activities for the municipality, a brown bag session for the municipalities’ officers and staff can be facilitated to cascade the learning to a greater number of the municipalities’ staff. |
| *Case Study (LGU3): Cainta* | * The LCE should provide a clear direction on how ARTA should be a priority activity of the entire municipality, with buy-in from the SB and the Management Committee members. * Instill a professional look and demeanor in the bureaucracy through the good example of its heads and leaders. * Institutionalize a true BOSS that will involve a streamlined process through the use of information and communications technologies that will allow faster processing of documents and allow interconnectivity among concerned offices. |
| *Case Study (LGU 4): Quezon City* | * Online facility in business government transactions * *Also various points of consideration for better implementation of its One Stop Shop and system innovations in light of the World Bank Doing Business indicators, all embedded in the case study discussion* |

# Annex D. Executive Summaries of Supplementary Reports

## Quantitative Analysis of the Effects of ARTA Compliance on Client Satisfaction

***By Kidjie Saguin***

More than ten years since its enactment, the *Anti-Red Tape Act of 2007* (2007 ARTA) now serves as the flagship anti-corruption and public service delivery improvement policy of the government. This study sought to analyze the contribution of the implementation of the 2007 ARTA and the CSC’s ARTA Integrated Program to the improvement of the quality of government services. It examined the effects of the 2007 ARTA provisions on enhancing the satisfaction of the public availing frontline services. Broadly, it is interested in answering the research question: Does compliance to the 2007 ARTA contribute to improving the quality of public service delivery?

Using the Report Card Survey (RCS) 2014-2015 dataset from six national agencies, client satisfaction was regressed on compliance with the 2007 ARTA. The pooled cross section regression analysis revealed a positive effect of the 2007 ARTA compliance on client satisfaction. When broken down into the 2007 ARTA’s program elements, the analysis found the following to be associated with the positive feedback of the availing public (clients): Citizen’s Charters, No Noon Break Policy, quality of basic facilities, and physical set-up of the service office. However, anti-fixing campaign and wearing of identification cards were not found to influence satisfaction, while only weak evidence can support the effectiveness of public assistance and complaints desk (PACD) in improving satisfaction.

The regression analysis also revealed that payment of ”hidden costs” negatively affects client satisfaction. Further qualitative analysis of the 173 cases of hidden costs surfaced its two types: irrelevant and relevant hidden costs. Irrelevant hidden cost refers to grease money, food, and transportation payment to the employee and unaccounted cost, which only accounted for 18% of the cases. Relevant hidden cost. This accounted for 73% of the hidden cost incidence, which refers to extra requirements, services and penalties levied on the client. Average hidden cost paid is small at P773. However, payments vary quite extensively (SD: P3,730), ranging from P3 to P45,015.

The study also emphasized the role implementing agencies play in the success of the 2007 ARTA. The findings of the regression analysis confirmed the variation of client satisfaction level across agencies. Further analysis of agency-level initiatives suggested the facilitating effect of ISO certification on client satisfaction and better compliance with the 2007 ARTA. ISO-certified offices generally performed better on 2007 ARTA compliance than non-ISO-certified offices, suggesting that process standardization can make it easier to implement the 2007 ARTA provisions. At the same time, the qualitative dimensions of the frontline service were found to affect client satisfaction ratings. More specifically, improving response time and a positive outcome of the services have the strongest effect on satisfaction. The challenge for the government is to ensure that services are dispensed quickly and consistently.

The evaluation results show the 2007 ARTA as an effective instrument for improving client satisfaction with public services. Policy implications include utilizing the standards set by this law as minimum conditions for public service improvement, encouraging innovations in documenting and improving frontline services at the agency level, and boosting efforts to minimize both relevant and irrelevant hidden costs. Various insights are provided by the study on how the RCS questionnaire and methodology can be improved in light of the EODB Act.

## Data Science Methodology Supporting the Assessment of ARTA

***By Thinking Machines Data Science***

The *Anti-Red Tape Act of 2007* (2007 ARTA) was implemented to reduce the inefficiencies hindering customer service in various agencies throughout the Philippines. In light of the ongoing development of the revised 2007 ARTA through the *Ease of Doing Business Act*, it is valuable to conduct analyses that will evaluate how well the 2007 ARTA achieved its objectives, especially when ARTA law-related data was systematically captured and stored.

This study employed a holistic view of performance by getting an understanding of the overall sentiment of clients (generally, the Filipino public), the performance of service entities (government agencies), and the impact that implementation of the 2007 ARTA has had on both. Specifically, the study looked at: (a) which elements of government service matter most to its primary recipients; (b) how different government agencies performed in relation to various ARTA law-related dimensions; and (c) how the implementation of the 2007 ARTA has impacted overall agency performance to customers, and where the government can go from there.

The study found that the most important factors affecting overall customer satisfaction were related to timeliness and the quality of outcome. Greater emphasis in both training and assessment should be placed on these highly-valued factors. The weights of these factors were determined by building a random forest classifier, then conducting a feature importance analysis on this classifier. Specifically, the classifier attempted to predict overall customer satisfaction as a function of various features related to customer demographics (e.g., age, sex, marital status) and components of satisfaction (e.g., timeliness, outcome, fairness, facilities), while feature importance analysis quantifies the relative usefulness of each feature in predicting overall customer satisfaction.

In addition, there was a general improvement in agency response to customer complaints, with a greater proportion of issues being addressed over time, likely pointing out the effectiveness of the 2007 ARTA implementation in the last few years. However, complaints related to more complex issues (e.g., bribery, fixing activities) tend to remain unresolved. This is a red flag, considering that these issues can greatly impact service delivery. These insights were obtained by using a text-based algorithm to categorize response types (i.e., into “resolved”, “responded”, and “unresolved”), and then plotting distributions across customer complaint types and years. Finally, by plotting distributions of customer satisfaction components across agencies, it became clear that agencies varied in the aspects they performed well (and poorly) in. Thus, leveraging best practices from high-performing agencies could improve customer service across the board.

The findings presented above would not have been possible without the commendable efforts of all agencies involved in collecting quantifiable data. Nevertheless, improving methods in the way data is collected and stored (e.g., standardizing methods and sampling units, and keeping data as granular as possible) would provide even more useful insights that would benefit the implementation of the 2007 ARTA.

## Case Study (NGA 1): Land Registration Authority

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[72]](#footnote-73)**

The Land Registration Authority (LRA) has been surveyed for seven years since the RCS started in 2011, and it generated an overall descriptive rating of “Good” in all those years, while also receiving high ratings on the overall client satisfaction. However, field validation and observation for this study still suggests necessary improvements on the Citizen’s Charter (CC), public assistance and complaints desk (PACD), and identification/nameplates of frontline service providers. In addition, the LRA had high ratings on the compliance with 2007 ARTA provisions, particularly in anti-fixer campaign, no hidden costs, and No Noon Break Policy. However, validation in the field affirmed the prevalence of fixers in the transactions relating to land titling and administration.

Land titling in the Philippines has been a tedious and expensive process, discouraging many landowners from registering their lands. Oftentimes, because of the time and resources spent, engaging the services of a fixer is the more resource-efficient action. Fixers take on different personas. They can be licensed real estate brokers or lawyers who are experts on the land titling in the Philippines. Fixers can also be an employee of the LRA who can be bribed to prioritize and fast track papers for a minimal fee. An additional charge can be invoiced if the services will require advise on the required transaction. In some cases, fixers are former Regional Directors who have made fixing a source of income after retirement. These cases usually involve complicated transactions so charges can go rocket high.

Because of the urgency involved in requesting land titles to be used as requirements for bank loans and other similar exigent transactions, engaging the services of fixers becomes more attractive to clients. This situation – the complicated and voluminous number of requirements – complicated land titling procedures with transactions involving multiple government agencies, and long processing time, making fixing in the LRA a thriving business.

The anti-fixer campaign has not affected their transactions over the years since the 2007 ARTA was implemented. Fixers rely on their subject matter expertise and on clients who are ever willing to pay fees and charges for convenience, allowing their client base to grow over the years. In fact, clientele has steadily increased because fixers are able to process transaction very quickly by leveraging their familiarity with the officials and staff in the LRA office.

The agency has launched a massive land titling computerization project (LTCP), which created a database of all its business processes. However, the development of the system took so much time that the system is now outdated, and has resulted in slower processing. The project was meant to reduce discretion on the part of the staff of the Regional Director, and reduce contact between the landowner and the LRA personnel.

Processing time is the heart and soul of the 2007 ARTA. It goes hand-in-hand with automation of systems in the LRA.

## Case Study (NGA 2): Bureau of Internal Revenue

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[73]](#footnote-74)**

The implementation of the 2007 ARTA has been a dedicated mission of then Commissioner Kim Henares who accepted the task of leading the country’s main revenue agency. The Bureau of Internal Revenue has long been perceived to be one of the most corrupt government agencies in government service. Known for her fearless integrity and dedication to serving the country, the Internal Revenue Commissioner for the years 2010 to 2016 implemented policies and programs aimed at reforming the controversial office and managed to increase tax collections and improve service to taxpayers

Under her leadership, the BIR has taken measures to improve tax administration and attain collection targets. This was through the implementation of the Revenue Administration Reform Project, an ICT reform project aimed at improving the collection process to attain targets and sustain revenue growth. Through the ICT system, the annual BIR collections in the years 2009-2016 increased at an average growth rate of 10% since 2011. This growth rate much higher than the country’s GDP. She was instrumental in the country’s investment grade credit and economic growth, with tax collections almost doubling in the six years that she held the commissioner post.

The reform master plan was the backbone for the online computerization of BIR’s tax administration on taxpayers service, registration, filing and payment, audit, collection enforcement, legal/enforcement/internal affairs, and support. All of the institutionalized web-based systems addressed revenue losses and were used in auditing transactions. Taxpayers experienced smoother transactions because of the readily available online documents, which can be easily validated by other concerned offices (such as LRA and QC for the registration of land and payment of tax, respectively).

The projects were all targeted to achieve the objectives outlined in the strategic roadmap. Most of the programs are still the priority activities even after 2016, as those reforms cannot be accomplished within Henares’ term. But the crucial first step of defining the plan and program has been set in placed with the help of the abovementioned e-tools.

Computerization of the entire tax administration services – from registration to audit – has been stonewalled for a long time by BIR examiners who will not be able to offer tax reduction to business taxpayers in exchange for bribes, or manually select companies for audit, making it susceptible to abuse. But now, the trail facility of auditing that can trace the history of transactions made by all BIR personnel deters personnel to commit unjust and corrupt practices. However, the shortcoming on the ability of online facilities remains a concern for the BIR. Reports of slow transaction caused by an offline system is common.

Taxpayers are more organized now than before. They are aware and demand service due them if they are one of the privileged priority clients – senior citizens, people with disability, and pregnant women. Since they know the processes and timelines, they can demand better delivery of service. Generally, the complaints are on slow processing time and the unattended hotline number for both 8888 and CCB. It appears that time consideration is always a concern of the client.

Finally, while fixing in the BIR has been slowly curtailed through initiatives like computerization and the establishment of online facilities, the trend has now shifted to engaging firms and agencies providing expert advice on the subject matter. Taxpayers, individual or business, resort to these kinds of paid services because availing them means avoiding complicated technical processes.

## Case Study (GOCC 1): Philippine Health Insurance Corporation

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[74]](#footnote-75)**

PhilHealth began its efforts towards being a 2007 ARTA-compliant government agency in 2009. It institutionalized compliance with the 2007 ARTA through the creation of a Committee, and designating Officers through (a) Special Order No 34, s.2009 creating the Committee on Anti-Red Tape (CART); (b) Special Order No. 961 s.2009 designating the Head of the Anti-Red Tape (HART) and PhilHealth Anti-Red Tape Officers (PARTOS) in different Regional Offices; and (c) Special Order No. 0753 s. 2011 (amended with Special Order Nos. 594s.2012, and 682 s.2013) composing the new CART.

Local health insurance offices (LHIO) all over the country exercised independence in localizing the 2007 ARTA implementation, with the end goal of providing service excellence while keeping very close in mind the core areas that the Civil Service Commission (CSC) takes note of in assessing compliance.

PhilHealth implemented various initiatives to provide excellent service such as the use of the Electronic Collection Reporting System (ECRS), the implementation of the Health Care Professional Portal, the Electronic Claims System using a hybrid approach, software certification for the Unified PhilHealth Electronic Claims System using Electronic Medical Record (UPECS-EMR), and the implementation of an Auto-Credit Payment Scheme (ACPs) to all health care institutions. Another initiative was the streamlining of forms, which include the Membership Registration Forms, Employer Remittance Report (RF-1), and Enhanced PhilHealth Claim Forms.

LHIOs all over the country were very creative in complying with the 2007 ARTA provisions, incorporating their marks on how to best implement and advertise the 2007 ARTA provisions. Among the initiatives include combining the 2007 ARTA commitments in one poster, publishing a shortened version of the Citizen's Charter, and the deployment of Customer Assistance Relations and Empowerment Staff (CARES).

Customer Service excellence initiatives include the establishment of 24/7 PhilHealth Call Centers. With the main goal of reducing the number of people going to PhilHealth offices for “routine” inquiries, PhilHealth set up its first interactive voice response system in 2017.

In 2016, PhilHealth, in partnership with Bayad Center, introduced one of its latest payment modalities, Bayad Center 1Pay Machine. This is a self-service payment kiosk with a user-friendly interface available 24/7. The Bayad Center 1Pay Machines were initially deployed in various business centers in the National Capital Region, but will soon be made available in government offices, malls, factories and convenience stores.

In 2012, online inquiry was activated not only to improve customer service but also “customer delight”. To support this, the long testing of the Customer Service Management System was conducted to act as a unifying IT System that serves as the central hub for managing customer feedback and complaints received through all official communication channels nationwide. Through the initiative of the Corporate Action Center, it was pilot tested in late 2018, and was expected to be rolled out in early 2019. It was enhanced to incorporate more features related to performance management and customer satisfaction.

PhilHealth has also been the subject of scrutiny. In the 2015 Senate Blue Ribbon Committee hearing on the questionable claims made by several eye clinics the previous year, PhilHealth was slammed for its “slow” processing of cases against “abusive” institutions and doctors. There were reports that in some clinics, patients went through cataract surgery without informed consent. Some patients allegedly underwent unnecessary laser procedures just so doctors can claim more benefits from PhilHealth. There were 82 cases filed against institutions and doctors.

With the issuance of ISO 9001:2015, PhilHealth continued to improve its public service delivery by adopting the latest version of the standard. A technical working group was created to facilitate the transition process. In July 2018, PhilHealth was officially certified as compliant to ISO 9001:2015 standards, following the recommendation of the third-party auditor Anglo Japanese American (AJA) Registrars Inc.

## Case Study (GOCC 2): Social Security System

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[75]](#footnote-76)**

The Social Security System (SSS) is the social insurance vehicle for private sector employees. It includes a pension fund facility to provide various social security benefits like retirement, disability, maternity assistance, employee compensation, death and funeral benefits. It also offers a Flexi Fund service for overseas Filipinos, providing them an additional layer of social security protection. As of September 2018, SSS membership has reached over 36 million.

The right to social security is enshrined in the agency’s mandate. However, its membership has limited coverage, especially of the poor and the informal sector. Massive information drive and collaborations with various agencies have intensified in the recent years. On top of the collaborations, the use of information technology in providing services across different platforms are already in place. Among those are web-based transactions and payment system.

The automation system is aimed to speed up the processing of benefits claims, loans, and other member transactions. Automation initiatives include direct transfer of funds for loans and benefit proceeds to bank accounts of members; mobile service that will address the limitations and technical difficulties in accessing the web portal My.SSS due to the influx of online users; a 24/5 call center services are made available to further augment member services. A mobile application to view membership information and international and nationwide toll-free hotlines are also available for OFW and local members.

Despite the numerous contingency measures to post contribution payments real-time and release benefits and privileges on time, interruptions in the daily transactions of members and employers with the office still ensues. Its promise of accurate and real-time posting of contribution payments, minimized errors in contribution records, and faster turn-around time (TAT) to process member’s and dependent’s benefits and loans remains unrealized.

In support of this service and to ease the difficulties of the new payment scheme, 94 SSS branches with Automated Tellering System (ATS) facilities have extended their service hours up to 7 pm during weekdays, while 51 branch offices are open until Saturdays from 8 am to 5 pm.

The SSS got the most feedback from the Citizen Hotline 8888 in 2016 and 2017. Among the top concerns resolved by the agency were documentation hassle, clarification on SSS procedures, and slow processing of benefit claims. The most common SSS concerns coursed thru the CSC include complaints on the slow processing of benefit claims and release of UMID (Unified Multipurpose Identification System) cards, as well as clarifications on SSS procedures and documentary requirements.

Complementary to the 2007 ARTA, ISO certification in the SSS has been initiated. Thirty branches have started the transition to the ISO 9001:2015 standards.

An innovative strategy in implementing reforms within the office should not be a one-size-fits-all approach. An assessment of the member demographics, culture, characteristics, needs, requirements, and background should be the driving force in identifying strategies that will ensure efficient service delivery.

## Case Study (LGU 1): Tagum City

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[76]](#footnote-77)**

The present administration introduced dynamic reforms in local governance. Political will on the implementation of various programs and projects becomes the foundation that guides the city development in various sectors, most importantly, the infrastructure. The incumbent mayor, with the support of the City Council and the LGU organization, initiated to forge a new brand of public administration. Coming from a corporate background, the mayor applied corporate management principles and strategies in local governance. This opened the city hall to more efficient and effective approaches in delivering public services and massive implementation of important infrastructure and socio-economic programs and projects.

All these efforts resulted to development, as evidenced by fast-growing urbanization and the physical transformation of Tagum City.. Nevertheless, the contribution of Tagum City’s bureaucracy cannot be discounted.

With the active leadership of the Tagum City Mayor, the direction the local government wanted to take was clearly spelled out in the projects and programs identified to be implemented in the coming years. This inspired the Tagum City government to perform professionally

Tagum City has an impressive website that business operators can readily access to download the necessary forms before submitting these personally at the municipal office. Its Business One-Stop-Shop (BOSS) involves a three-step process of Assess-Pay-Release or APR.

The government encourages its citizens to be enterprising. However, the system in establishing a business is challenging because of the complex procedures, voluminous requirements, and very tedious registration process. A particular remark that the city noted is the unreasonable costs in the business permit application. Given this input, the city implemented an ordinance where payment for a Mayor’s Permit and the cost of the business plate will only be collected for new businesses.

Clients are generally satisfied with the city hall’s services because they are already familiar with the system. However, there remains some complaints on the time it takes for the verification of requests or transactions.

Stakeholder consultation with the department staff and with the frontline officers on the 2007 ARTA and its provisions are practiced in Tagum City. Meetings with the frontliners are regularly conducted, and the sanctions are part of the discussions. Professionalism and expertise on each department have been developed over the years, as staff turnover is low, and the presence of a tight engagement practice in each department. The offices are reaping the fruits of years of experience that resulted in a professional bureaucracy that is committed, strong, and effective.

To complement the 2007 ARTA implementation, the Human Resource Department is on top of monitoring all activities relating to the law and professional growth of all department staff. This includes the monitoring of complaints, which is discussed with the concerned department for processing.

The department heads noticed the prevalence of senior citizen transactions in the city hall and they believe they take advantage of the priority lane afforded to them, together with the PWDs and pregnant women. Additionally, more and more transactions are facilitated by bookkeepers of companies.

The city performs with a high level of integrity, which is why high level of outcomes are expected from all department heads and staff. This will be further strengthened with the implementation of the Computerization Program, which will prioritize revenue and cost (services) centers, and will entail full automation of all departments that will be linked to each other through a network system. It was benchmarked after the service automation programs of Valenzuela and Pasig. An Executive Order creating a technical working group for this endeavor is already actively preparing for the planning, designing and preparation phase.

## Case Study (LGU 2): Arayat, Pampanga

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[77]](#footnote-78)**

The success of policy reform initiatives hinges largely on the commitment of top-level stakeholders primarily because there is ownership of the policy recommendations. Arayat, Pampanga Mayor Emmanuel Alejandrino has been leading the municipality in the last five years and continues to realize the initiatives in furthering the best delivery of service and client satisfaction.

He echoes former President Benigno Aquino III’s “*Kayo ang boss ko”* mantra, which regards the constituents as bosses of government officials. With this, he has vowed to provide quality service to the people since his first election in 2013.

He consistently reminds municipality employees, officers and officials to be welcoming, accommodating, and sincere. “*Bawal ang nakasimangot,*” (No frowning) is one of his daily reminders, which is widely felt the moment one enters the municipal hall. In the regular 7 am Monday flag ceremony, he stresses the wholehearted acceptance of the needs of the people because as he usually stresses: *“Sila ang nagbabayad kaya tayo ay nandirito, sila ang nagpapatakbo ng munisipyo natin.”* (They pay for our operations with their taxes that’s why we are here. They run the municipal hall.)

Because of these instructions, frontline officers and management are under pressure to improve public services. Understanding red tape in individual work stations helps in creating better circumstances for employees to perform. This provides insight into how the rules affect each individual employee’s work.

The municipality strives to provide an environment conducive for investors to come in. The mayor proudly marks his accomplishment in revenue collection, saying that when he first assumed the post in 2013, the total revenue was at P2 million. But during his first term, tax collections rose from P140 million to P300 million.

The kind of leadership that the he espouses is leading by example. You can often see him working within the offices of the different departments, and deeply involved in their daily operations and management. He is visible to the people that he works with and works for. He is an achiever—focused on results and is persistent in pursuing opportunities for the municipality. The direction he sets for the municipality is clear, and empowers the department heads through team building and harnessing collaborative relationships.

Due to his leadership initiative, Arayat has been consistently awarded with the DILG’s Seal of Good Local Governance in the years 2015, 2016, and 2017. They were also awarded with a consistent “Excellent” rating in the 2007 ARTA RCS for the years 2011, 2016, and 2017.

The inversely proportional scores generated by the CSC’s RCS and the NCC’s CMCI do not directly influence the municipalities’ ability to provide a better service delivery. Although both of its salient objectives on enabling an environment suitable for investments are aligned, it is a matter of leadership prioritization on what can be delivered given its limited resources. The delivery of the RCS “Excellent” score of 94.75 is a reflection of the overall client satisfaction in the services of Arayat. The dismal score of 6.8 in the CMCI, ranking Arayat in the bottom 10, however, does not necessarily reflect dissatisfaction or non-delivery of service expected from the municipality. Rather, it reflects a character in its leadership in prioritizing the “good to have” systems engineering processes from the “nice to have” award.

## Case Study (LGU 3): Cainta, Rizal

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[78]](#footnote-79)**

In 2010, Sangguniang Bayan Resolution No. 2010-002 was passed adopting the Citizen’s Charter of Cainta, Rizal. The resolution acknowledged the importance of establishing an effective system to eliminate bureaucratic red tape, avert graft and corrupt practices and improve the efficiency of the delivery of government frontline services.

While the CC cannot be accessed from the website, the form for application for business permit and license is downloadable. The website only provides the list of forms and requirements but does not provide information of the process steps, forms requires, personnel in-charge, and duration of processing. The same situation was observed in the Business-One-Stop-Shop (BOSS).

Most of the clients transacting in Cainta BOSS are either fixers or business owners themselves. The business owners interviewed have other businesses in other towns, which allowed them to make comparisons of the services of Cainta. Comparisons on the level of service with cities such as Makati and Marikina have been cited. According to them, the services in Cainta BOSS are far behind in relation to efficiency. Application or renewal of business permit in Cainta, as described by the clients, typically takes: (a) assessment for the completeness of the application; (b) assessment and payment of *cedula*; (c) assessment and payment in the Bureau of Fire Protection; (d) assessment and payment in the Health Department; (e) assessment and payment in the Planning Department; (f) assessment and payment of environment fee; (g) assessment and payment for the Mayor’s Permit; (h) notary service; and (i) assessment and payment in the Business Permit and Licensing Office (BPLO). Clients will have to process all of the nine steps in the different tables set up conveniently in the People’s auditorium (commonly called the Cainta People Center) located inside the municipal ground, in front of the Cainta Municipal Hall.

Both the processing time and waiting time is very long. Clients particularly described the initial assessment and the processing in the BPLO as very slow. Clients compare their experiences in the other cities and municipalities in relation to streamlined process, long processing and waiting time, as well as very high fees and charges, particularly the environmental fee.

The clients are also certain that one of the reasons for the long waiting and processing time is because some employees in the BOSS are also facilitating processing of applications and/or renewal, or are also acting as fixers. The clients will point to the employees who keep on going around the tables of the different departments with documents at hand. While unverified, this client perception is a negative indication of the public’s confidence and trust level on Cainta’s service delivery.

Although the general sentiment is positive, provided that the permit will be issued within the day, clients still described their experience in the BOSS as chaotic. In addition to this, they also expressed that there is no priority lane for the senior citizen in the BOSS.

It is important to note also that the observation period in the BOSS was done in February, when business application and renewal has been extended. Nevertheless, it should also be noted that efficient service delivery and the level of standard should be implemented all year round without any service lapses during peak seasons.

Meanwhile, anti-fixer campaign posters are not permitted in the Civil Registrar Office, following the directive from the Mayor. According to the Mayor, these only acknowledge the presence of fixers.

Nobody is in charge of overseeing the 2007 ARTA implementation in Cainta. The current Human Resource head, although a long-time staff in the department, seems oblivious of ARTA law-related activities. And most of the department heads interviewed were unfamiliar with the results of the RCS. They are familiar with the RCS orientation prior to the conduct of the survey, but are not privy to its actual conduct and its results.

## Case Study (LGU 4): Quezon City

***By Kathleen Jovellanos***

**\*Executive Summary pending updates[[79]](#footnote-80)**

Various trends in government administrative simplification have emerged over the years and are currently being improved to suit an agency’s needs and requirements. One of the more commonly adopted trends is the government web portals and the merger of one-stop shops (OSS).

Despite the vast services that an OSS offers, the ideal perfect situation is having a single window that will take care of all the government’s interactions with clients. In Quezon City, the implementation of the OSS was triggered by its representation of the Philippines in the Doing Business Survey (DBS) of the World Bank Group. This initiative provides objective measures of business regulations that enhance business activity and those that constrain it. As the benchmark city for Ease of Doing Business (EODB) in the Philippines, this case study attempted to look at the number of reforms in the three doing business indicators namely: starting a business, dealing with construction permits, and getting electricity.

The number of processing days in the first two business indicators have significantly decreased to merit an increase in the scores in the DBS. Meanwhile, there is not much improvement in the third indicator because there is no significant initiative that will merit increase in scores.

A feature of the QC Business OSS is the presence of a concierge who assists all new business applicants from start of application to the issuance of the business permit itself. The concierge facilitates the two-step business permit application: File and Pay. This significantly short and straightforward steps in business permit application is designed to steer faster service. However, in reality, it just shifts the old process from the business applicant to the government personnel or the concierge.

Failure to make significant reforms within the city hall’s departments can be attributed to the absence of policy synergies between national and local laws. The burden of excessive rules and regulations imposed to local governments through national laws, without their capacity to customize them locally, does not facilitate significant improvement.

Despite the highlighted attention that the EODBinitiative generated for Quezon City over the years, the 2016 ISO accreditation was cited as the driver of major activities that were undertaken to streamline processes and cut down requirements and processing time of transactions.

Quezon City also maintained that the 2007 ARTA did not provide adequate feedback on the RCS results and claimed that the results were not reflective of the actual provision of service that it delivers. Among the common complaint of clients is the long waiting and processing time.

The effect of the complaints hotline 8888 on clients is that they are more confident because they are aware of the services and expected outputs in terms of time and documentary requirements. They threaten frontliners because they know that they can always file a complaint via the 8888 hotline. Frontline officers described their clients to be rude, assertive, authoritative, ill-tempered, condescending (particularly the lawyers), and gets ticked off easily.

Fixing and fixers are very prevalent in Quezon City because of the volume of clients transacting in its offices. A senior citizen fixer jokingly remarked, “*P15*0 *lang naman sinisingil ko* for clients to take advantage of my senior citizen priority privileges.” (I only charge P150 for clients taking advantage of my senior citizen privileges.)

Innovative approaches are especially significant in the implementation of the EODB Act. A thorough assessment of the appropriate interventions should be designed and stakeholder engagement should be properly incorporated. Respondents believe that the CC is an effective tool in itself, but the appropriate approach of applying it should be studied in detail.

1. Process note [May 31, 2019]: Last sentence is added as input from NEDA. [↑](#footnote-ref-2)
2. As of writing, the EODB Act draft implementing rules and regulations (IRR) have been submitted to the Office of the President by the concerned agencies, with the Department of Trade and Industry (DTI) serving as an ad hoc secretariat. Recommendations on proceeding for the EODB implementation are still being considered by the concerned agencies for possible uptake with the Anti-Red Tape Authority when it is officially formed and functional. [↑](#footnote-ref-3)
3. The full reports are submitted by the Research Associates and Thinking Machines to NEDA and UNDP. [↑](#footnote-ref-4)
4. From the Project Terms of Reference [↑](#footnote-ref-5)
5. There is no official definition of “fixing” or “fixers” in the 2007 ARTA, which has been pointed out by other reviews of the law’s implementation (Aceron, et.al., 2015). The EODB Act, however, defines “fixers” as “any individual whether or not officially involved in the operation of a government office or agency who has access to people working therein, and whether or not in collusion with them, facilitates speedy completion of transactions for pecuniary gain or any other advantage or consideration (EODB Act, Section 4(e)).” [↑](#footnote-ref-6)
6. Information from this section comes from the presentation of CSC Public Assistance and Information Office Director Maria Luisa Salonga-Agamata to the project ERG in 2018. [↑](#footnote-ref-7)
7. Process note [May 31 version]: The descriptions of the components are placed in response to a comment from NEDA. [↑](#footnote-ref-8)
8. Enumerated in the CSC presentation deck are: (A) Studies conducted for the 2007 ARTA: (1) NCPAG: Impact study on the manual of participatory formulation of the Citizen’s Charter, (2) UNDP: Impact study on the RCS implementation, (3) USAID i3: Enhancing the ARTA RCS; and (B) Inter-agency collaborations: BOI Investments promotion network, DTI Project Repeal, and DOF Interagency business process interoperability. [↑](#footnote-ref-9)
9. These findings are indicated in the notes section of Agamata’s presentation. [↑](#footnote-ref-10)
10. Process note [May 31 version]: NEDA made a note if there are resolution rates available for a historical analysis. As per the reports CSC provided, there are no resolution rates indicated. The data on CCB results are instead included in the Data Science and Quantitative Results, within their respective scope of analysis. [↑](#footnote-ref-11)
11. Process Note [May 31, 2019]: The figure is a more concise version responding to input from NEDA. [↑](#footnote-ref-12)
12. Process Note [May 31, 2019]: NEDA provided reference for the report from a press release for the RCS and internal data for Contact Center, with data from the Development Academy of the Philippines and CSC. [↑](#footnote-ref-13)
13. EODB Act Primer may be accessed in the DTI website: <https://www.dti.gov.ph/businesses/ease-of-doing-business#ra-11032-ease-of-doing-business-and-efficient-government-service-delivery-act-of-2018> [↑](#footnote-ref-14)
14. More information on the international *Doing Business* initiative can be accessed via: <http://www.doingbusiness.org/> [↑](#footnote-ref-15)
15. The EODBA Briefer is accessible via the link noted in the previous footnote. [↑](#footnote-ref-16)
16. The Evaluation Team introduced and discussed the evaluation approach with NEDA and UNDP. It is reflected in the Inception Report and approved in the ERG. [↑](#footnote-ref-17)
17. Process note [May 31, 2019]: This nuance is included as per NEDA’s input. [↑](#footnote-ref-18)
18. Process note: The Data Science Methodology was first designed to be an analysis independent of the quantitative and qualitative tracks of this evaluation, as reflected in the project terms of reference. However, the progress of integrated analysis surfaced that, (a) the results of the Quantitative Analysis and the Data Science studies reinforced each other, and (b) the overall findings benefit from incorporating the Data Science results into the discussion. Furthermore, initial UNDP Quality Assurance feedback highlighted the advantages of embedding the results of the Data Science study in the overall report. Hence, the integrated analysis is updated to respond to all these considerations. [↑](#footnote-ref-19)
19. Executive Summaries of both reports can be found in Annex D. [↑](#footnote-ref-20)
20. Hidden costs emerged in the Quantitative Analysis as a variable that negatively affected client satisfaction. In discussion of preliminary drafts, NEDA and UNDP expressed interest if a further deep-dive into the hidden costs variable can provide insights into prevalence of corruption over and above costs that are merely not specified in CCs. The exploratory work was conducted in response to this research interest. The discussion on hidden costs may be found in Section 8 of the Quantitative Analysis Full Report. [↑](#footnote-ref-21)
21. Both the Quantitative Analysis and Data Science analysis showed that agencies with known internal programs for efficiency and effectiveness of service delivery faired high in terms of client satisfaction. This is affirmed by the case studies developed on agencies that scored highly in the RCS. Meanwhile, the interview with the Department of Budget and Management allowed the evaluation team access to a dataset of agencies that have undergone ISO Accreditation in the recent years. Therefore, the insight-mining on ISO Accreditation and client satisfaction is added into the Quantitative Analysis as a form of exploration of such agency-level initiative and its contributions to answering the Evaluation Questions. The ISO Accreditation discussion may be found in Section 9 of the Quantitative Analysis Full Report. [↑](#footnote-ref-22)
22. In the original project TOR, only six case studies were specified to be developed. However, in the project inception phase, NEDA and ERG members indicated interest to have comparative perspectives per type of agency (NGA, GOCC). Thus, two case studies were added to reflect NGAs and GOCCs with both high and low scores in the RCS. [↑](#footnote-ref-23)
23. Process note: The selection of the LGUs also took into account the rankings of RCS-covered LGUs in the Cities and Municipalities Competitiveness Index (CMCI), which is a composite scoring system that measures and ranks cities and municipalities based on four areas: economic dynamism, government efficiency, infrastructure, and resiliency. More information on the program and the index can be found at <http://cmcindex.org.ph/>. The CMCI was included in the selection as a way to rapidly assess if there are nuances and relationships that can be identified on the performance of LGUs on ARTA compliance vis-à-vis their performance in the CMCI datasets. This selection method was presented to NEDA and the ERG during project inception and was approved. [↑](#footnote-ref-24)
24. For further reference on the integrated mixed methods analysis design employed, refer to: Brannen, J. Mixing methods: the entry of qualitative and quantitative approaches in the research process (2005). International Journal of Social Research methodology, 8:3. 173-184; and, Fielding, N. (2010) Mixed methods in the real world. International Journal of Social Research Methodology. 13,2, 127-138, and, Hollstein, B. (2014). “Mixed methods social networks research: An introduction.” In S. Dominguez & B. Hollstein (Eds.), *Mixed methods social networks research: Design and applications,* (pp. 3-34). New York: Cambridge University Press. [↑](#footnote-ref-25)
25. Requests for interviews with the Office of the Ombudsman and the Department of Information and Communications Technology were sent and followed-up. However, the Lead Investigator was unable to be granted interview schedules within the data gathering period. The Office of the Ombudsman, however, shared relevant documents (via email) on integrity and anti-corruption that were substantial in the development of the analysis and recommendations of this study. [↑](#footnote-ref-26)
26. The selection criteria and focus NGAs, GOCCs, and LGUs were presented to NEDA and the ERG and were duly approved during project inception. [↑](#footnote-ref-27)
27. Refer to Quantitative Analysis Full Report Section 5 “Data and Methods” [↑](#footnote-ref-28)
28. Refer to Data Science Methodology Full Report, Section on “Methodology: Framework Overview” Table 1, and Section “Results of Analyses” [↑](#footnote-ref-29)
29. Refer to Data Science Full Report Section on “Understanding each unit’s external performance drivers” for details. [↑](#footnote-ref-30)
30. Refer to Data Science Full Report Section on “Understanding each unit’s external performance drivers” for the discussion and supporting data visualizations. [↑](#footnote-ref-31)
31. The most pronounced technology investment is computerization of systems, which are evident in the cases of LRA, BIR, SSS, and PhilHealth. [↑](#footnote-ref-32)
32. Refer to Quantitative Analysis Full Report Section 7.3 “Other determinants of client satisfaction”, and Data Science Methodology Full Report Section on “Understanding the customer” [↑](#footnote-ref-33)
33. Among the case studies, SSS, BIR, Quezon City, PhilHealth have undertaken ISO certification processes. DBM also referred to ISO accreditation as a complimentary initiative that agencies can undertake for efficiency and effectiveness of processes, in line with Executive Order 605 of 2007.

    Process note [May 31, 2019]: The sentence is also slightly modified as per inputs from NEDA. [↑](#footnote-ref-34)
34. Refer to Quantitative Analysis Full Report Section 9 “Agency-level initiative: ISO Accreditation” [↑](#footnote-ref-35)
35. Refer to Quantitative Analysis Full Report Section 7.3 “Other determinants of satisfaction” [↑](#footnote-ref-36)
36. As explained in the Quantitative Analysis Section 8.3, a liberal definition of grease money is used for the analysis of hidden costs has varying contextual usage of words in the local language. Some would explain the payment exactly as “S.O.P.” (or standard operating procedure) and “under-the-table payments” while others would use the equivalent word of “*pamapadulas*” (or grease) like “*pampadasig*” and neutral words like “tip” or “*para madali*” (so that it’s faster). These costs can be conceptually different from payments for positive encouragements to the frontline officer. Food and transportation expenses for the government employee typically constitute this cost. Related words like “*pamahaw*” (breakfast) and “*pang* soft drinks” (for soft drinks/soda) are commonly associated with this form of cost, suggesting a compensation for perceived inconveniences caused by the customer. [↑](#footnote-ref-37)
37. Refer to the Quantitative Analysis Full Report Section 8 “Analysis of hidden costs” for details on the data processing and analysis. [↑](#footnote-ref-38)
38. Refer to Data Science Methodology Full Report Section on “Understanding each unit’s internal performance drivers” for the full process undertaken and data tables. [↑](#footnote-ref-39)
39. Refer to Data Science Methodology Full Report Section on “Understanding each unit’s internal performance drivers”, particularly Figure 23.

    Process Note [May 31, 2019]: This finding is added as per input of NEDA. [↑](#footnote-ref-40)
40. Further findings on the CCs are discussed in Section 5.2 under Effectiveness. [↑](#footnote-ref-41)
41. The PhilHealth 2007 ARTA website can be accessed via <https://www.philhealth.gov.ph/arta/>. [↑](#footnote-ref-42)
42. Refer to Section 5.2g for further discussion. [↑](#footnote-ref-43)
43. This feedback was documented from Quezon City, Arayat, and Cainta frontline government employees. [↑](#footnote-ref-44)
44. Refer to Data Science Methodology Full Report, Section on “Understanding the Customer”, Figure 1- Relative feature importances from LGBM (Light Gradient Boosted Machine) classification of overall satisfaction [↑](#footnote-ref-45)
45. Refer to Quantitative Analysis Full Report Section 7.2 “Integrated ARTA Program” [↑](#footnote-ref-46)
46. Refer to Section 5.2c for further discussion. [↑](#footnote-ref-47)
47. Refer to Section 5.1b [↑](#footnote-ref-48)
48. Process note [May 31, 2019]: The sentence is expounded as response to NEDA input. [↑](#footnote-ref-49)
49. Refer to Section 5.1c [↑](#footnote-ref-50)
50. This feedback is documented in the case studies and field notes from BIR, Arayat, LRA, and PhilHealth. [↑](#footnote-ref-51)
51. Refer to Section 3.4 [↑](#footnote-ref-52)
52. The Quantitative Analysis has no results component for business competitiveness or trust in government because the RCS indicators are not inclusive of such variables. [↑](#footnote-ref-53)
53. Refer to Data Science Methodology Full Report, Section on “Understanding each unit’s external performance – Correlation Analysis”, and Appendix Fig A12. [↑](#footnote-ref-54)
54. Fixers were interviewed in offices under LRA, and Quezon City. Meanwhile, government employee informants mentioned fixers present in offices under SSS, BIR, Cainta, and PhilHealth. [↑](#footnote-ref-55)
55. This information is collected under question code SQ19a of the RCS 2017 version. [↑](#footnote-ref-56)
56. Refer to CCB online: <http://contactcenterngbayan.gov.ph/contact-us> [↑](#footnote-ref-57)
57. Refer to Quantitative Analysis Full Report Section 7.2 “Integrated ARTA Program” [↑](#footnote-ref-58)
58. Computerization for monitoring of transactions as a strategy for curbing corruption is documented in field notes from LRA, BIR, SSS, and PhilHealth. However, as noted, fixing is reported to be prevalent in these same agencies. Such scenario is ripe for insight-mining focused on anti-corruption outcomes. [↑](#footnote-ref-59)
59. Refer to Section 5.4a-b [↑](#footnote-ref-60)
60. As a process note, the term ‘various stakeholders’ emerged as a vague reference to translate into the research design as the data gathering progressed. If the various stakeholders would be the focus of the analysis, then the data gathering approach would change (i.e., stakeholder analysis, stakeholder network mapping, value chain analysis) and anchor on getting inputs from as many stakeholders per agency. This will set the Case Study Development strategy off track. The focus on the agencies has been the managers, frontline employees, ARTA program focal persons, and the fixers, since most of the more compelling Evaluation Questions would need inputs from them. [↑](#footnote-ref-61)
61. Executive Summaries of the cases can be found in Annex D. [↑](#footnote-ref-62)
62. Refer to Quantitative Analysis Full Report Section 7.2 “Integrated ARTA Program” [↑](#footnote-ref-63)
63. The discussion was held in the NEDA office on March 25, 2019, for NEDA’s review and processing of the report. [↑](#footnote-ref-64)
64. As of writing, the Authority, while already formed, awaits the appointment of the Director General by the Philippine President, and the administrative, policy, and technical directives thereafter. [↑](#footnote-ref-65)
65. DILG has been applying Governance Roadmaps with increasing levels of higher-level outcome indicators for programs such as the Seal of Good Local Governance and the Conditional Matching Grant for Provinces (roads).

    [↑](#footnote-ref-66)
66. Costs from the Department of Foreign Affairs website: <http://consular.dfa.gov.ph/passport?id=75> [↑](#footnote-ref-67)
67. The SDG monitoring includes the 2013 *National Household Survey on Experience with Corruption* in the Philippines, generated by the OMB. [↑](#footnote-ref-68)
68. The 2007 ARTA is one of the key policy anchors that the Philippines has reported as compliance and achievement for the UNCAC in 2009. Refer to the UNODC Pilot Review Programme on the Philippines UNCAC implementation, from the OMB website: <https://www.ombudsman.gov.ph/docs/references/PilotReviewProgramme.pdf> [↑](#footnote-ref-69)
69. Annex C provides a breakdown of the references of the recommendations from the different reports. [↑](#footnote-ref-70)
70. The original project terms of references included in this item the question, “What are best practices from other countries?”. However, in the project inception, since the study is positioned to contribute to the policy transition from ARTA and EODB, the sub-question was dropped for focus on more relevant dimensions of the question. [↑](#footnote-ref-71)
71. Refer to the individual case study reports for substantiation of each set of recommendations. [↑](#footnote-ref-72)
72. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-73)
73. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-74)
74. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-75)
75. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-76)
76. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-77)
77. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-78)
78. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-79)
79. Process Note [May 31, 2019]: NEDA indicated a handful of points for revisions for the executive summary. The revisions may be included in a later version of this report. [↑](#footnote-ref-80)