# Assessment of the Implementation of the Anti-Red Tape Act (ARTA)

Towards the Expanded ARTA
Ease of Doing Business Implementation

**POLICY BRIEF**

STRATEGIC **M&E** PROJECT

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# Assessment of the Implementation of the Anti-Red Tape Act (ARTA)

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Evaluating **ARTA** Implementation
A closer look at the **HEART** of government frontline services

# Introduction[1]

I n 2018, Republic Act 11032 or the *Ease of Doing Business (EODB) and Efficient Government Service Delivery Act* was passed, expanding Republic Act 9485 or the *Anti-Red Tape Act (ARTA)* of 2007. The EODB 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 Law 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 EODB 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 ARTA and EODB implementation as it monitors and inputs to the achievement of the *Philippine Development Plan 2017-2022*. In this medium-term plan's Chapter 5 on "People-Centered, Clean, and Efficient Governance," the indicator, "Government agencies with frontline service offices passing the Report Card Survey increased," is included with a baseline of 88.5% in 2016, and targeting above 90% results

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[1] This policy note is developed as a primary reference for oversight and implementing agencies for the recommendations arising from the study (without needing to sift through all the layers of the analysis. The content provided here will benefit from graphic design for a more visually-appealing presentation.

*Chapter 5 of the Philippine Development Plan on "People-Centered, Clean, and Efficient Governance" challenges the government to improve its average Report Card Survey score to 90% from 2017.*

from 2017 onwards (NEDA Data). Under the EODB Law, a newly created ARTA Authority will be implementing the RCS in collaboration with the CSC, to monitor and evaluate not only the frontline services which had been the focus of the 2007 ARTA, but also the expanded outcome areas within the scope of the EODB Law. 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 ARTA and its relationship with frontline services, and provides inputs to the rollout of the EODB Law.

Applying an integrative mixed-methods evaluation approach,

the study draws insights from (a) a Quantitative Analysis of the Report Card Survey (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 (NGAs), government-owned and controlled corporations (GOCCs), and local government units (LGUs), and (d) supplementary interviews with implementing and oversight national government agencies. The various evaluation tracks, which are integrated in the evaluation report, focused on a set of questions addressing efficiency, effectiveness, relevance, and sustainability of ARTA for the EODB Law implementation.

# Key Findings

**A** team of evaluators took a closer look at how the 2007 ARTA was being implemented. The evaluation team drew out the following findings:



First, there is substantive evidence to support that ARTA implementation has led to increased client satisfaction and government efficiency in frontline service delivery. Success is most observed when (a) there are agency-level initiatives that translate the ARTA

standards into policies and programs that promote efficiency among respective agencies and offices, and (b) there is significant leadership and management support for ARTA-related programs that translate into prioritization of outcomes achievement and technology and resource allocation into the programs.

However, ARTA implementation has caused an unintended strain on government frontline human resource and staffing, since keeping up with the ARTA programs, particularly the transaction time and No Noon Break Policy, are seen as a stretch to the time and efforts which limited manpower in frontline offices can provide. While the Citizen Charter (CC) is a cornerstone feature of ARTA that provides information on all frontline services and processes to the clients, the CCs are found to overwhelm clients with information

> *Inter-agency collaboration on action to mitigate fixing under 2007 ARTA still has room for improvement.*

which compromises the usability of the CCs in the first place. Frontline office managers and employees also point to the need to receive useful information from the RCS to help inform their strategies and action, and to include employee welfare and satisfaction among the monitoring and evaluation variables.

Second, evidence is weak and unsubstantiated on the effects of ARTA implementation to the integrity and anti-corruption outcomes that the law aspired to achieve. The Anti-Fixing Campaign is 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 ARTA provisions. Data on administrative cases filed and resolved against erring government employees, as well as potentially important data on fixing, are available from the RCS datasets, but all these data have not been consolidated and processed to generate insights to improve policy and program interventions. Inter-agency collaboration for more articulated action points to mitigate fixing also needs improvement under current ARTA implementation.

# Policy Recommendations

**T**he policy recommendations are intended for oversight and implementing agencies of the ARTA/EODB Law for strategic and programmatic response.

The substantiation of the recommendations can be found in the integrative Evaluation Report, and the supplementary reports (Quantitative Analysis, Data Science Methodology Analysis, and Case Studies).

## [A] Transitioning from ARTA to EODB
### Leveraging on Gains from ARTA Implementation

○ Use 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 ARTA standards and implementation.

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● Encourage agency-level initiatives that promote efficiency and ease in government transactions. Support such initiatives with a documentation and monitoring protocol to trace rippling-out effects of ARTA/EODB on agency/office-specific programs.



● Encourage and support investments in infrastructure and technologies for efficiency and for anti-corruption, especially for LGUs that do not have enough resources to invest in appropriate technologies for their own systems.



● Minimize hidden costs and all other deviations from prescribed processes.

**Strategizing for and Evaluating Target Outcomes**

● Develop a Theory of Change and corresponding results framework for the EODB Law that articulates the various outcome areas, both 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 across years of EODB implementation.

*A theory of change, in the form of a governance roadmap, puts together indicators prioritized and improved on to increase people's satisfaction with frontline services.*

○ Institute a monitoring, evaluation, and learning (MEL) system and capacities within the ARTA Authority and together 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 Law, including, among others:

► Measuring attribution of agency-level initiatives (including specific Doing Business programs) to ARTA as rippling out effects

► Measuring the relative expectations of 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 respectively

► Analysis on the RCS results per NGA, GOCC, and especially on the LGUs, given the significant provisions of the EODB Law for local implementation

● Institute a team of qualified researchers to maximize insight-mining from RCS, CCB, and other datasets developed from the EODB Law implementation.

● Create a knowledge management and storage protocol to make sure all raw datasets and relevant information are kept through many years.

***Forwarding Integrity and Anti-Corruption Outcomes***

○ Take lessons from the RCS datasets to inform action on anti-fixing, especially among 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. higher fees for faster passport processing).

○ Preempt possible unintended consequences on the 'fixing market' of the No Contract Policy provisions of the EODB, in response to the preference of clients to talk to persons for specific information needed, instead of going through voluminous data in Citizen Charters.

*There is a need for harmonizing initiatives that improve the ease of doing business and stamp out corruption*

○ Make the reporting protocols in platforms (e.g., web-based, CCB, 8888) easier for clients. Specify what kinds of information are immediately needed to substantiate complaints that trigger action from oversight agencies (e.g., CSC, Ombudsman, DILG).
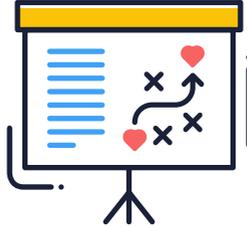
○ Review strategies and implementation among and within agencies and law enforcement.

○ Collate and analyze information from different sources (e.g., CSC, Ombudsman) on ARTA-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.

***Mitigating Unintended Consequence on Government Manpower***
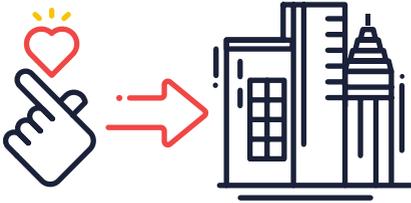




⦿ On the short-term, communicate to frontline government offices and employees on the steps being taken for the transition to EODB, including efforts to manage changes introducing steeper standards and penalties. This is to appease the fear and worry of government employees on the EODB, pending the official release of the EODB IRR.

⦿ Collaborate with 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 CSC and agencies so that the RCS results which CSC disseminates to the agencies will be transmitted and explained to frontline offices and employees.

## [B] Technical Recommendations

### Report Card Survey

○ Revise 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.

○ Revise 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 transactions 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 within 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.

## *Contact Center ng Bayan*
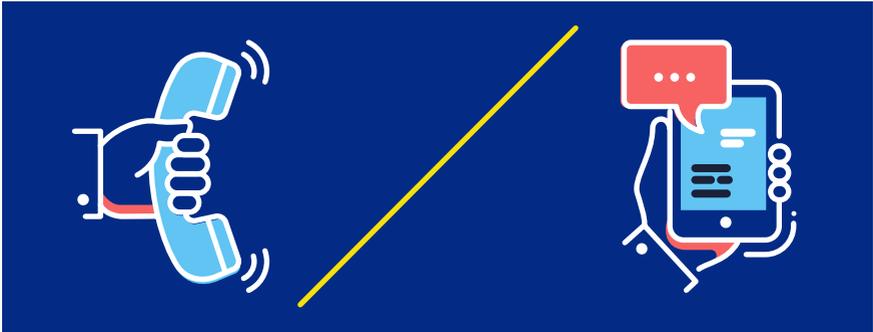


○ Impose stricter service levels in responding to complainants and forwarding concerns to offices.

○ Streamline what CCB should measure. 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.

## Citizen Charters

## ARTA/EODB-related Trainings

⦿ Review indicators for measuring Citizen Charters to focus on usability for clients.

⦿ Support and encourage innovation on the 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 policies in developing the Citizen Charter support and uphold inclusive processes, both for the government employees and the citizens themselves.

⦿ Training programs should provide targeted support on features that are (1) most relevant in determining customer satisfaction, and (2) helpful in informing each office where it 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 which specifies which capacities are developed for targeted offices and types of employees.