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

Towards the Expanded ARTA
Ease of Doing Business Implementation

EXECUTIVE SUMMARY

STRATEGIC **M&E** PROJECT

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Evaluating **ARTA** Implementation

A closer look at the **HEART** of government frontline services

Introduction

n 2018, Republic Act 11032 or the *Ease of Doing Business (EODB) and Efficient Government Service Delivery Act* was passed, which expands 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 *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 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

NEDA takes keen interest in the implementation of the 2007 ARTA Program and its ability to ensure fast, honest and effective government service.

Report Card Survey (RCS) increased," is included with an 88.5% baseline in 2016, and targeting 90% results 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 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 NGA. The various evaluation tracks, which are integrated in the evaluation report, focused on a set of questions addressing efficiency, effectiveness, relevance, and sustainability of the ARTA for the EODB Law implementation.
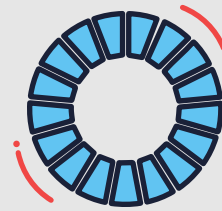
Efficiency

Effectiveness

Relevance

Sustainability

Evaluation Results

Combining quantitative analysis with data science tools, and observations from case studies, the evaluators created a picture of ARTA's effect on the delivery of frontline services. The evaluators mined insights from datasets measuring response times and outcomes of transactions, as well as client feedback from the RCS and in-depth observation of select frontline offices. From those, the evaluators drew out the following:

Efficiency:

Focusing on the ARTA's effect on government processes, there is substantiated evidence supporting how its implementation (through the Integrated Program of the CSC) was 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 of 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 ARTA implementation poses a challenge on monitoring and evaluation, since ARTA standards are subsumed under agency program-level outputs and outcomes (including Doing Business-related programs in line with 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 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 ARTA program implementation components contribute to effectiveness outcomes. Those that are proven to contribute 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 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. Frontline government employees hope that their own satisfaction,

motivation, and welfare can be better accounted for in future ARTA/EODB implementation.

Meanwhile, evidence is weak and unsubstantiated on the effects of ARTA implementation to integrity and anti-corruption outcomes that the law aspires 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 fixers themselves sharing how they have appropriated their strategies for conducting business despite the ARTA provisions. Data is available on administrative cases filed and resolved against erring government employees, as well as

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potentially important data on fixing 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 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 knowledge and skills they need to improve on the services

they deliver. This is in response to feedback received that 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 the 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., public assistance and complaint desks or 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 on how agencies can 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 ARTA are relevant to the implementation of the EODB law, since the EODB law is framed as an expansion of the ARTA, and the ARTA Integrated Program has been the only direct, attributed programming of the law. Within the scope of the 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 ARTA towards EODB. Moreover, it is important to note that the ARTA-EODB relationship is beyond the extension of ARTA, since many documented agency-level and LGU programs have been subsuming ARTA compliance under Doing Business efforts. The EODB Law also covers significant provisions that cater to ease of business transactions in the local frontline offices. These interrelationships among frontline efficiency, doing business, and integrity and anti-corruption, along with their translation to a Theory of Change and a corresponding results framework, need to be addressed collaboratively among oversight and implementing agencies moving forward.

Critical attention is needed to strategize initiatives to address the anti-corruption components of the 2007 ARTA Program as it transitions to EODB.
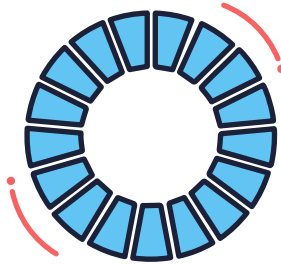
Sustainability

The various evaluation tracks provide layered approaches into answering an improved implementation of ARTA in light of the EODB law. 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. In terms of a strategic and evaluative framework for EODB, 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 implementation, and the improvements it seeks to achieve 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 reflex 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 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.

On improving the manner of implementing higher-level outcomes on integrity and anti-corruption, the EODB implementation will benefit from

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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 ARTA should be studied for appropriate responses, including suggestions to integrate the costs clients are willing to pay for efficiency into the main transaction costs such as the expedite fees in passport processing fees. It is also noted that the No Contact Policy under the EODB may produce an unintended boost to the fixing market since clients prefer to have personal contact for precise information to help them with their needed transactions.

For future studies, this evaluation recommends that analysis be further made on, among others: (a) 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, and (b) a nuanced take on the RCS results per NGA, GOCC, and especially on the LGUs, given the significant provisions of the EODB Law for local implementation. A monitoring, evaluation, and learning (MEL) research agenda is also necessary to support evidence-informed policy-making for the EODB Law implementation. This necessitates instituting a MEL system and capacities within the ARTA Authority and together with the CSC, for the RCS and other surveys/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.