

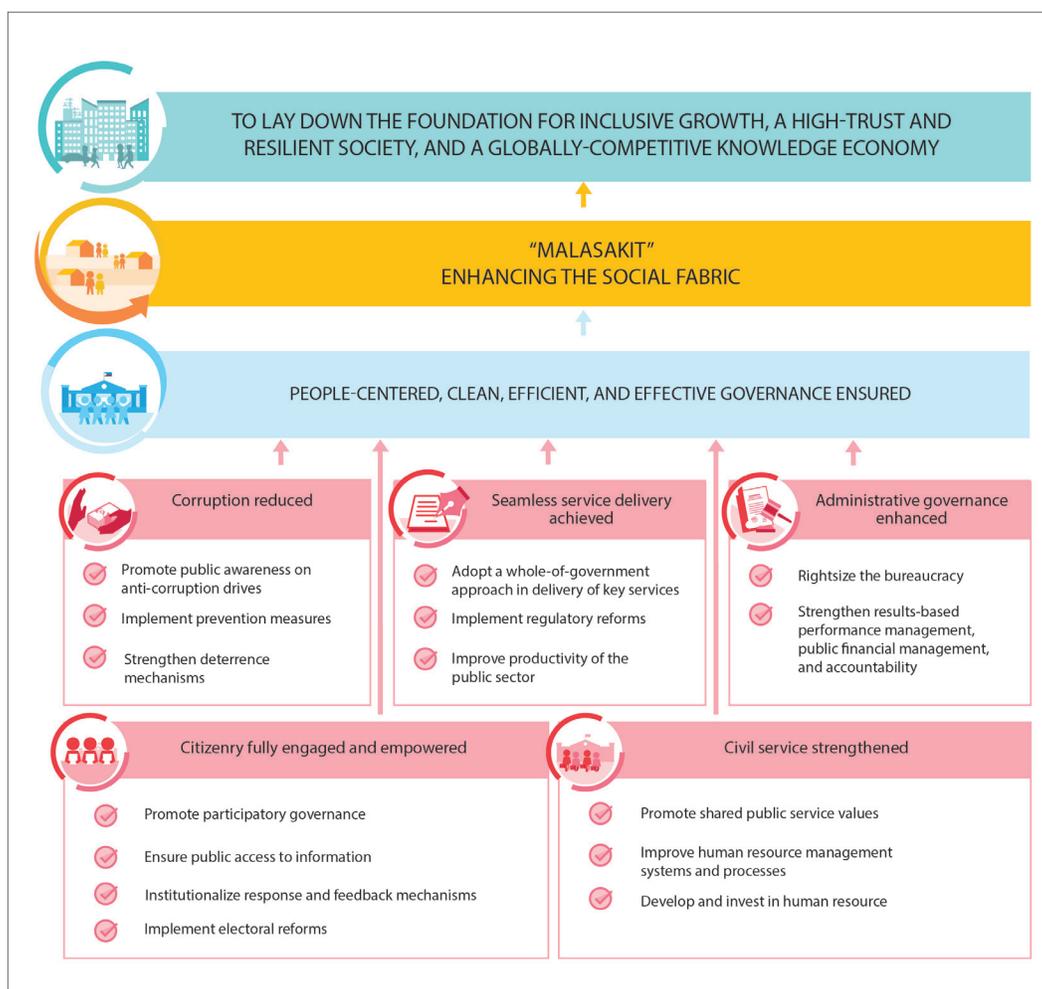
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Ensuring People-centered, Clean, and Efficient Governance

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To gain people's trust in government, the following outcomes will be achieved: corruption reduced; seamless service delivery achieved; administrative governance enhanced; citizenry fully engaged and empowered; and civil service strengthened. Generally, indicators of good governance in these subsector outcomes are on track. However, anti-corruption initiatives and civil service reforms need to catch up, as these are encumbered by the slow passage of legislations and a fickle political climate. To address these challenges and set budget priorities for 2019, the government will conduct advocacy activities, intensify its anti-corruption efforts, enhance its coordinating mechanisms, continue investment in technologies, and provide capacity-building interventions, among others.

Figure 5.1 Strategic Framework to Ensure People-centered, Clean, and Efficient Governance



Accomplishments

A year after the approval of the Philippine Development Plan (PDP) 2017-2022 and building on previous gains, the sector has witnessed significant milestones in pursuit of a people-centered, clean, and efficient governance.

Three core indicators are projected to meet/exceed targets for 2017: World Governance Indicators (WGI) on Regulatory Quality and Voice and Accountability, and the Open Budget Index (OBI). Given the trajectory of historical data on these core indicators, the country has a positive outlook on the targets.

For WGI-Regulatory Quality, the target is achievable given the gradual improvement in the rank of the Philippines from 2011 to 2016 (43.6pctl vs. 53.9pctl). Current regulatory reforms for ease of doing business such as Project Repeal may boost the country's percentile rank.

In spite of a slight decline in the country's 2016 percentile rank in the WGI-Voice and Accountability (51.2pctl vs. 50.7pctl), the continuous implementation of participatory governance initiatives may bolster the country's performance for this indicator.

The recent OBI score exceeded the target (64/100 vs. 67/100) due to efforts on budget openness, which empowered relevant stakeholders to exact budget accountability. With the OBI score of 67, the Philippines landed 1st among Asian countries in terms of budget transparency, which means citizens are provided with substantial budget information.

Achieving seamless service delivery

Various government agencies launched portals and online systems to digitize processes which lessened human intervention and fast-tracked the delivery of frontline services.

The Department of Information and Communications Technology (DICT) launched an electronic business process and licensing system, which is expected to reduce the processing time of application for business permits from 5 days to 1-2 working days.¹ Similarly, the Department of Finance (DOF) introduced the Philippine Business Data Bank to enable online processing of business permits through sharing of information among key agencies. On trade, the DOF adopted the use of the TradeNet platform as the National Single Window for processing import and export permits of commodities representing half of the country's total trade volume. The platform currently connects 16 government agencies in charge of processing trade permits (*See also Chapter 15*).

Citizens can now enjoy easier access to government transactions through the National Government Portal with 102 linked eServices² (e.g., request for birth certificate, processing of driver's license). The Bureau of Internal Revenue (BIR) has also implemented the Electronic Filing and Payment System, allowing citizens to electronically pay their taxes via the PayTax Online portal. It has also removed three out of an average of six documents required for the issuance of a Tax Identification Number.³

¹ Bhunia, P. (2017, July 29). DICT Philippines launches cloud-based Electronic Business Permit and Licensing System software for Local Government Units. OpenGov Asia. Retrieved from <https://www.opengovasia.com/articles/7855-dict-philippines-launches-cloud-based-electronic-business-permit-and-licensing-system-software-for-local-government-units>

² Data as of September 2017

³ Cahiles-Magkilat, B. (2017, April 19). BIR extends tax clearance validity to 1 year. Manila Bulletin. Retrieved from <http://business.mb.com.ph/2017/04/19/bir-extends-tax-clearance-validity-to-1-year/>

Civil registration systems have also improved. For one, the validity of Philippine passports has been extended from five years to ten,⁴ as well as driver's licenses from three years to five.⁵ Refugees and stateless individuals are now ensured access to prompt and efficient process application for being granted their status through the newly created Refugee and Stateless Persons Unit under the Department of Justice.

Programs catering to the needs of overseas Filipino workers (OFWs) were also introduced. The One-Stop Shop Service Centers for OFWs were put up for easier processing of OFW documents, assisting 1.22 million Filipinos since January 2017. The Overseas Workers Welfare Association app was also launched, enabling members to verify their status, pay contributions, update information, and avail of programs and services through their smart phones. Lastly, the Department of Labor and Employment (DOLE) rolled out the OFW ID card to ease access of OFWs to online services on overseas employment and to link them to databases of concerned government agencies for an updated and complete labor market information system.

In promoting ease of agency-to-agency transactions, the National Economic and Development Authority (NEDA) launched the Public Investment Program Online (PIPOL) System. The system facilitated the investment programming process for both the implementing agencies, in terms of formulation and update of programs and projects, and NEDA, for validation of agency submissions. There are also ongoing initiatives to link the PIPOL System with the Department of Budget and Management's (DBM) Online Submission of Budget Proposal System, which contributes to achieving interoperability of government processes, including convergence of government databases and strengthening the linkages and coordination of agencies.

Enhancing administrative governance

Starting 2018, the Philippines adopted the Program Expenditure Classification (PREXC) as the budget structure for the whole of government for an effective and efficient public expenditure management. With PREXC, agencies are now expected to attain targets set based on programs and projects, rather than their Major Final Outputs.⁶ Monitoring of budgets is also anticipated to improve with the launch of the Budget and Treasury Management System (BTMS) Portal, an information system for the public financial management (PFM) operations of the government (*See also Chapter 15*). The Portal is still being developed with the integration of the Budget Execution and the Treasury Management Modules underway. Meanwhile, targets have been exceeded on the number of local government units (LGUs) adopting the PFM improvement measures (99 percent vs. 80 percent) as a result of the PFM Assessment Tool (PFMAT).

Empowering and engaging with citizenry

President Duterte issued Executive Order (EO) No. 9, s. 2017 creating the Office of Participatory Governance to “promote active citizenship, inclusiveness, transparency, and accountability in governance.” Moreover, EO 24, s. 2017 was issued to reorganize the Cabinet Clusters System, including integration of anti-corruption and good governance objectives in the policy framework of all Cabinet clusters. The roadmap of the Participatory Governance Cluster has been recently published and is harmonized with the PH-Open Government Partnership 2017-2019 National Action Plan.

Feedback mechanisms have also been intensified through the institutionalization of citizens' hotlines. Hotline 8888 has recorded an average resolution rate of 93.2 percent for 22,180 transactions.⁷ DOLE's Hotline 1349

⁴ Mandated by Republic Act (RA) No. 10928 (Philippine Passport Act of 1996)

⁵ Mandated by RA 10930 (An Act Rationalizing and Strengthening the Policy Regarding Driver's License)

⁶ DBM (2017, February 8). National Budget Circular No. 569. Retrieved from https://www.dbm.gov.ph/wp-content/uploads/Issuances/2017/National%20Budget%20Circular/NBC_569.pdf

⁷ Data as of September 2017

designated for labor-related issues attended to 97,478 queries.⁸ The Department of the Interior and Local Government's (DILG) Hotline 911 meant to address emergencies received 248,282 legitimate calls.⁹

Furthermore, the government continues to comply with existing measures of good governance. To wit, 97 percent¹⁰ of national government agencies have complied with the Transparency Seal. The number of provinces, cities, and municipalities (PCMs) fully disclosing financial documents to the public has even exceeded its target (P=72 vs. 62; C=120 vs. 116; M=1,119 vs. 1,111).¹¹

Reducing corruption and strengthening the civil service

Reducing corruption and strengthening civil service remain a challenge, even with numerous reforms.

Anti-corruption initiatives and civil service reforms are continuously being implemented but reforms need time to take root. Traction may become more apparent as the plan rolls on.

The Office of the Ombudsman (OMB), which is the lead agency in reducing corruption in the government, follows a three-pronged approach of corruption reduction: promoting public awareness of anti-corruption drives; implementing prevention measures; and strengthening deterrence mechanisms. The OMB conducted Integrity Caravans through a University Integrity Tour. It implemented corruption prevention programs like the Integrity Management Plan; the Integrity, Transparency, and Accountability in Public Service training; and the system enhancement of filing and analyzing Statement of Assets, Liabilities, and Net Worth (SALN) through the rollout of e-SALN.

At the Executive level, EO 43, s. 2017 created the Presidential Anti-Corruption Commission tasked to “assist the President in investigating and hearing administrative cases of graft and corruption against all presidential appointees.” Once fully operational, the Commission will have the authority to conduct lifestyle checks and fact-finding investigations on appointees who are subjects of graft and/or corruption complaints.

Related to the same desired outcomes, various capacity building and civil service programs are being conducted. The Civil Service Commission (CSC) has successfully assisted 501 agencies through the Program to Institutionalize Meritocracy and Excellence in Human Resource Management.¹² The Development Academy of the Philippines (DAP) has taken in 88 officers under its Public Management Development Program.¹³ For third level positions, the Career Executive Service Board (CESB) offers executive training courses and career development programs and facilitates eligibility and rank appointment of government executives. As of January 31, 2018, 40 percent of CES positions are occupied by CESOs and eligibles, 32 percent are non-CESO and non-CES-eligible presidential appointees, and 29 percent are vacant.¹⁴

Other agencies also have initiatives on developing competencies of civil servants: DBM, Local Government Academy (LGA), and Department of Foreign Affairs (DFA). DBM has the PFM Competency Program and the Careership Program in Development Economics in partnership with the UP School Economics. On the other hand, LGA is training LGUs in planning, monitoring and evaluation, and disaster risk management. Lastly, DFA is capacitating its consular through online consular assistants training and retooling programs.

⁸ Data as of June 2017

⁹ Data as of June 2017

¹⁰ Data as of May 15, 2017

¹¹ Data as of September 2017

¹² Data as of September 2017

¹³ Data as of September 2017

¹⁴ CESB. (2018, January 31). CES Occupancy Statistics Report (Presidential). Retrieved from <http://www.cesboard.gov.ph/2018/Public%20Documents/2018/Occupancy/January/Jan%202018%20Occupancy.pdf>

Moving Forward

Despite having legislated landmark reforms, priority bills for the sector are still pending in both Houses of Congress. Thus, advocacy activities must be carried out to fast-track the passage of legislations and keep citizens fully engaged and informed of the government's development agenda. It is also important to ensure proper and timely implementation of ongoing and planned programs and projects to improve efficiency and productivity in delivering government services despite political dynamics.

Strengthen and improve the implementation of anti-corruption initiatives. A prerequisite to this is the enactment of the bills on strengthening the Ombudsman. Passage of the law should be complemented with the full implementation of the National Anti-Corruption and Advocacy Plan and the country's commitments to the United Nations Convention Against Corruption. Aside from existing regulatory instruments, systems, and capacities, the e-SALN should be rolled out to the entire bureaucracy. Public sector procurement also needs to be further reviewed by the Government Procurement Policy Board. One area that can be looked into is allowing agencies to adhere to the Lowest Calculated and Most Responsive Bid principle to ensure that bidders compete in terms of both cost and quality. Contract design and administration must also be improved to minimize ambiguities that can be a source of corruption and inefficiencies. Clauses on sanctions or penalties on suppliers/contractors deviating from contract terms must be clearly articulated and strictly enforced. Public access to information on these contracts can also help exact accountability and ensure fairness. Other long-standing procurement issues¹⁵ should be resolved. These include limits to the entry of foreign bidders in terms of application of financial and technical criteria and the institution of an independent and autonomous complaint appeals body to resolve protests.

Ease and further streamline government transactions and processes. This can be done by reviewing and relaxing Commission on Audit (COA) rules and regulations that seem already antiquated, unnecessary, and ineffective and that only impede expeditious public service delivery. This will allow COA to focus and intensify efforts on areas and sectors most vulnerable to corruption. In addition, regulatory impact assessment, cost compliance analysis, and other related tools must be institutionalized. A national regulatory architecture must also be developed towards a sound regulatory system. These programs are designed to reduce regulatory burdens and re-engineer systems and procedures in frontline services. The National Competitiveness Council can enhance Project Repeal by looking into the qualitative nature of the repealed regulations (i.e., verifying whether the outputs of the program contribute to the intended outcomes). Related to this, issuances hindering the seamless agency-to-agency transactions should also be repealed. To speed up procurement and implementation, agencies should develop capacities to plan and program their projects, to formulate well-designed contracts, and to properly and smoothly administer contracts.

Ensure the passage of the Budget Reform Act to improve administrative governance. Passage of the said bill is vital in establishing linkages between planning, budgeting, and programming. The bill will also lock-in implemented reforms that promote accountability in public financial management.

Intensify the full implementation of the following programs by 2019 to engage and empower citizens: National Government Portal (NGP), national identification (ID) system, Freedom of Information, and Citizens' Hotline. It is envisioned that the NGP will be fully utilized by citizens and will be regularly enhanced based on their feedback. Hotlines may not be solely used for complaints or commendations, but also as a platform for suggestions for improvements. Further broadening citizen engagement requires the institutionalization of citizens' participation in all facets of governance.

¹⁵ Asian Development Bank. (2012). Philippine Country Procurement Assessment Report. Retrieved from <https://www.adb.org/sites/default/files/institutional-document/34079/files/philippines-country-procurement-assessment-report-2012.pdf>

Implement a three-tiered approach in strengthening and professionalizing the civil service: continuously build the capacity and competencies of civil servants; improve existing performance management systems; and put up mechanisms in managing appointees. The CSC must provide a whole spectrum of capacity-building interventions from first-level to third-level positions. This can take the form of: a) fast-tracking the revival of the Civil Service Academy; b) maximizing the current Civil Service Institute; and/or c) fostering linkages with the DAP and the CESB. The CSC must also enhance the Strategic Performance Management System (SPMS) through harmonizing with the PREXC, the Results-based Performance Management System (RBPMS), and the Career Executive Service Performance Evaluation System (CESPES). For third-level executive positions, it is imperative to ensure that appointees meet minimum qualifications set for a position and that all executives develop higher-level competencies and meet professional and ethical standards. Necessary mechanisms for exacting accountability from presidential appointees should also be put in place, starting with the passage of the Civil Service Code. Further, the CSC should seriously review and reform what may be antiquated rules and regulations that are unnecessary and only militate against the modernization and professionalization of the civil service system.

Recommendations

Programs, activities, and projects designed to deliver the desired outcome of clean, efficient, and people-centered governance are enumerated in the Public Investment Program 2017-2022.

To fill in the gaps of programs mentioned above, the following strategies are recommended:

Table 5.1 Supplemental Strategies to Ensure a People-centered, Clean, and Efficient Governance

CHALLENGES	RECOMMENDED STRATEGIES	IMPLEMENTING AGENCIES
People-centered, innovative, clean, efficient, effective, and inclusive delivery of public goods and services		
<ul style="list-style-type: none"> Lack of cost-benefit analysis on existing programs Slow passage of priority legislations 	<ul style="list-style-type: none"> Conduct impact evaluation studies of continuing programs. Conduct advocacy activities. 	All agencies
<ul style="list-style-type: none"> Lack of sustainable follow-up and follow-through in implementation of programs Lack of visibility on progress of programs 	<ul style="list-style-type: none"> Implement a Monitoring and Evaluation Framework for Performance and Project Roadmaps of Cabinet Clusters. 	Office of the Cabinet Secretary
Corruption reduced		
<ul style="list-style-type: none"> Lack of coordination among institutional mechanisms on anti-corruption Persistence of corruption in the bureaucracy 	<ul style="list-style-type: none"> Intensify anti-corruption efforts. 	Ombudsman
Seamless service delivery achieved		
<ul style="list-style-type: none"> Lack of whole-of-government approach to programs Poor access to technology in remote areas Low-level knowledge on technologies 	<ul style="list-style-type: none"> Enhance coordinating mechanisms. Continue investment in technologies. 	All agencies
<ul style="list-style-type: none"> Administrative burden in payment of government services 	<ul style="list-style-type: none"> Establish e-payment platform systems. 	DOF
<ul style="list-style-type: none"> Lack of proof of identity of individuals, particularly the marginalized 	<ul style="list-style-type: none"> Establish the national ID system. 	NEDA - Philippine Statistics Authority ¹⁶

CHALLENGES	RECOMMENDED STRATEGIES	IMPLEMENTING AGENCIES
Administrative governance enhanced		
<ul style="list-style-type: none"> • Full implementation of the National Rightsizing Program • Conduct of 2019 National and Local Elections • Possible change in government type 	<ul style="list-style-type: none"> • Craft change management plans. 	All agencies
<ul style="list-style-type: none"> • Shift to PREXC-based approach • Disconnect in performance management systems (e.g., CESPES and SPMS) 	<ul style="list-style-type: none"> • Upgrade SPMS and RBPMS. 	DBM
Citizenry fully engaged and empowered		
<ul style="list-style-type: none"> • Low impact of anti-corruption efforts • Low involvement and interest of citizens on participatory governance 	<ul style="list-style-type: none"> • Institutionalize Citizen Participatory Audits. 	COA
<ul style="list-style-type: none"> • Low functionality of Local Development Councils (LDCs) and the use of LDCs as a political mechanism • Level of difficulty of metrics in the Seal of Good Local Governance (e.g., too easy) 	<ul style="list-style-type: none"> • Strengthen LDCs. • Scale up LGU performance metrics. 	DILG
Civil service strengthened		
<ul style="list-style-type: none"> • Lack of competencies in planning, programming, among others 	<ul style="list-style-type: none"> • Provide capacity-building interventions. 	All agencies
<ul style="list-style-type: none"> • Disconnect in the spectrum of capacity building for the public sector • Lack of standard competencies across government levels • Employability of K-12 graduates 	<ul style="list-style-type: none"> • Mainstream <i>AmBisyon Natin 2040</i> and culture-sensitive governance in capacity building. • Integrate new and relevant concepts in existing training programs. • Link programs with academic institutions and the LGA. • Continuously improve the capacity-building modules/methods. • Ensure availability of Qualification Standards that are compliant with K-12 competencies. 	CSC, CESB

¹⁶ Including the Technical Working Group on the national ID system