

Public Sector Reform Initiatives in the Philippines

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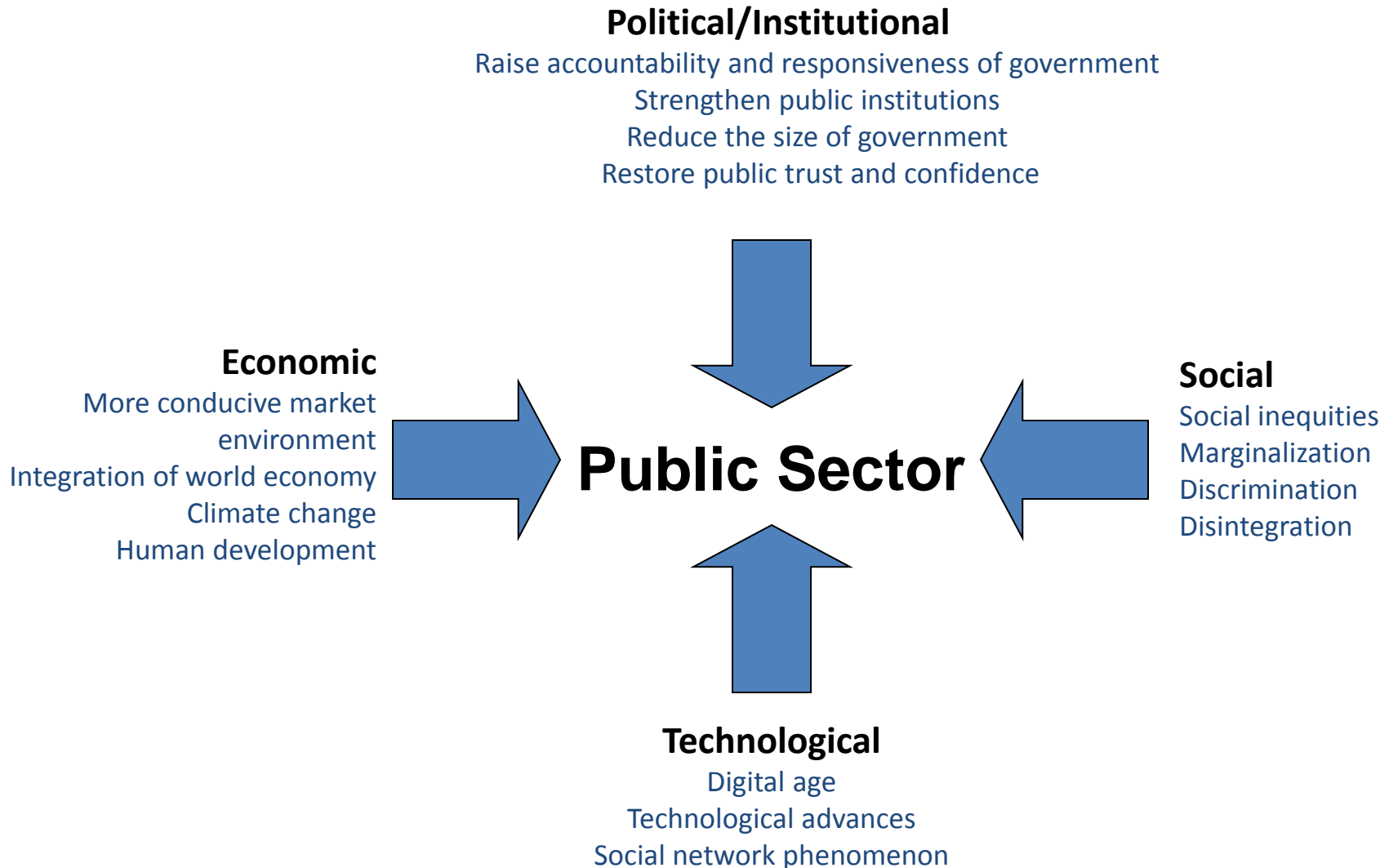


“The New Era for the Public Sector Reform in ASEAN Community”

17 – 18 January 2013

Bangkok, Thailand

Pressures for Reform in the Public Sector



50th WSM convened in Manila

The 50th Workshop Meeting (WSM) of Heads of National Productivity Organizations (NPOs), the annual program planning meeting of the APO, was held at the Edsa Shangri-la Hotel in Manila, the Philippines, 20–22 October 2009. The WSM brought together 56 NPO and Agriculture delegates and their advisers. It was also attended by two observers, from the Colombo Plan Secretariat, Sri Lanka, and Productivity SA, South Africa.

The WSM was assigned to undertake two major tasks: finalizing the APO program plan for 2010 and reviewing the proposed priority projects for 2011–2012. The WSM's role in project prioritization started with the new budgeting system that came into effect in 2009. After review at the WSM, the list of the priority projects will be revised and submitted to the Governing Body Meeting (GBM) to assist the APO Directors in considering the total membership contributions for the coming biennium. The prioritization exercise was conducted at the two concurrent Strategic Planning Sessions, by the Industry and Service Committee and the Agriculture Committee, respectively.

The Industry and Service Committee was chaired by NPO Delegate from Thailand Dr. Phanit Lacsirarat with Sri Lanka's NPO Delegate D.L. Kumaradasa assisting him as rapporteur. Philippine Agriculture Delegate Salvador S. Salacup chaired the Agriculture Committee session, with Bangladesh Agriculture Delegate Md. Jamsher Ahmed Khundker as rapporteur. Both committees confirmed the hosting of the projects for 2010 and endorsed the proposed priority of projects for the 2011–2012 biennium. They also agreed that the necessary modifications to be presented to the GBM would be entrusted to the Secretariat, taking into consideration the comments and suggestions made at the meeting. Other major items on the agenda included a statement by the Secretary-General (see page 2) and country presentations by NPO and Agriculture delegates to provide suggestions on the roles of the APO in relation to its coming golden jubilee and possible directions over the next decade.

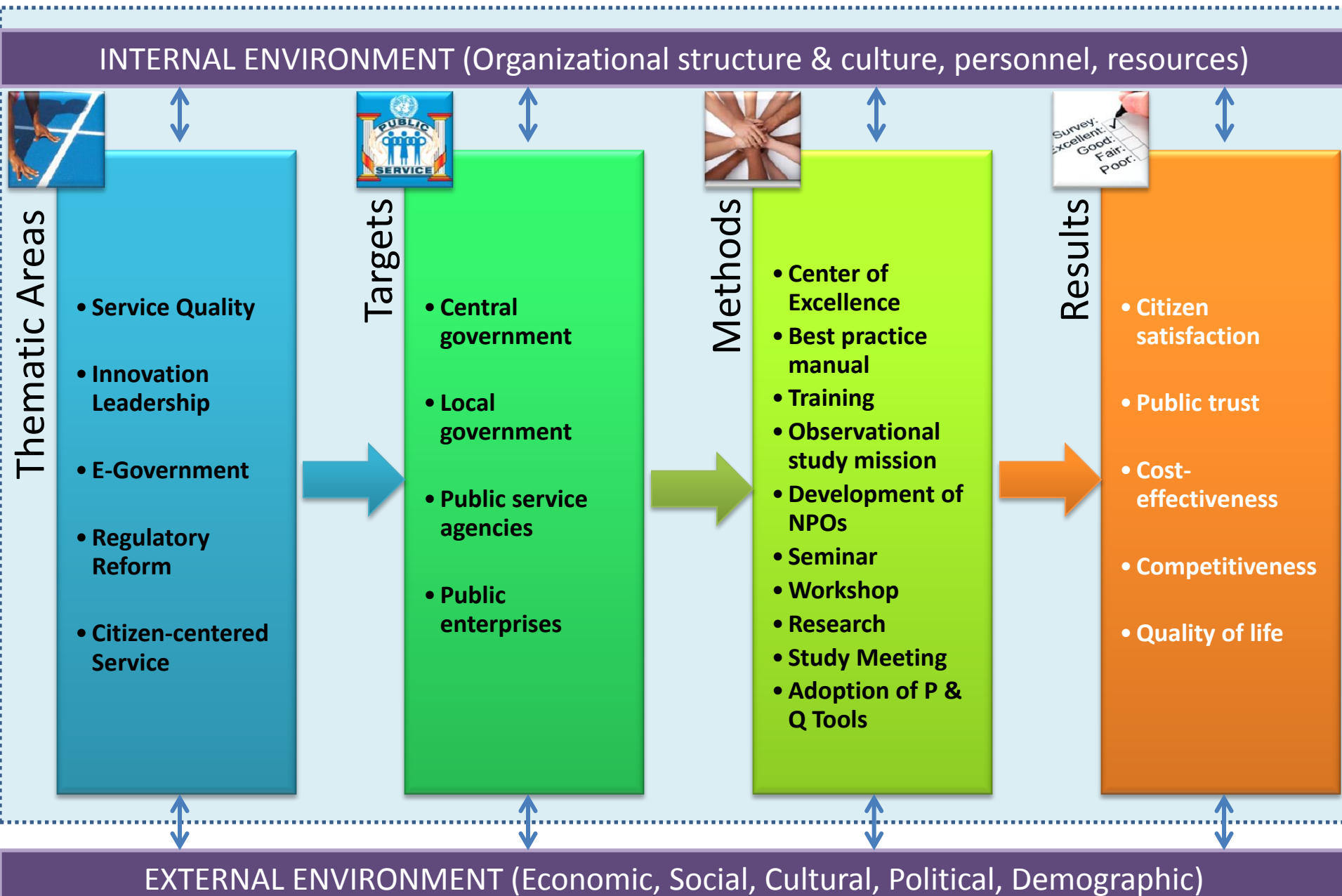


Secretary-General Takemasa (R) shaking Executive Secretary Ermita (L) for his keynote address

50th APO Workshop Meeting of NPOs October 20-22, 2009

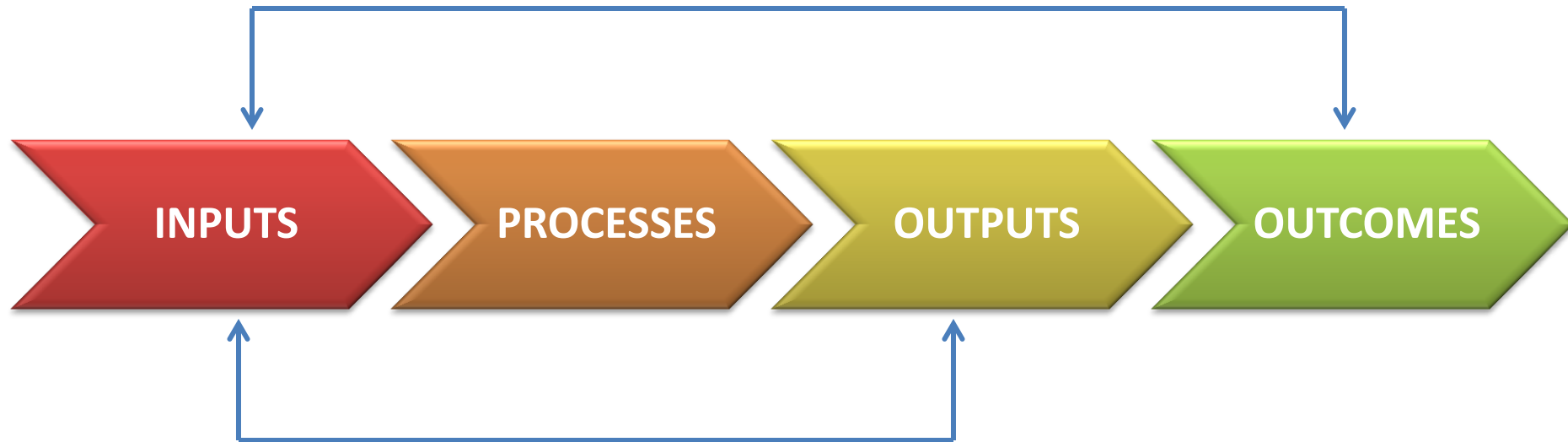
Philippine Executive Secretary Eduardo Ermita stressed the importance of public sector productivity and urged APO to come up with Public Sector Productivity program

APO Public Sector Productivity Program Framework



What is Public Sector Productivity

$$\text{Effectiveness} = \text{Outcomes} : \text{Inputs}$$



$$\text{Productivity} = \text{Outputs} : \text{Inputs}$$

In a broader sense, public sector productivity not only means improving productivity of the public sector itself, but also enhancing effectiveness of the public sector in creating a conducive environment to increase total factor productivity in private sector production and in meeting citizens' needs and expectations.

Themes in Public Sector Reform (Productivity)

APO Jakarta Workshop, July 2012

Service quality focuses on achieving service excellence by continuous incremental improvements in the quality of services offered by public-sector organizations.

Innovation leadership results in the creation of more efficient, effective products and services that are readily available to governments by influencing others in the accomplishment of public tasks.

e-Government focuses on the effective use of information and communication technologies in the operations of public-sector organizations to improve overall productivity.

Regulatory reform refers to helping governments improve regulatory quality by reforming regulations that raise unnecessary obstacles to competition, innovation, and growth, while ensuring that regulations efficiently serve important social objectives.

Citizen-centered service means learning citizens' expectations, measuring service performance, ensuring accountability, and improving the capacity of the public sector.

These themes cover most of the public sector reform initiatives that are the focus of the management excellence agenda in APO member countries

Challenges for the Public Sector

- **Productivity**
 - How to produce more services with less tax money?
- **Service-orientation**
 - How to better connect with the citizens?
- **Devolution**
 - How to make programs more responsive and effective?
- **Competition and Technology**
 - How to use market-style incentives and IT to root out bureaucratic pathologies?
- **Accountability for Results**
 - How to improve ability to deliver commitment and answerability for failures?

PUBLIC SECTOR REFORM INITIATIVES IN THE PHILIPPINES

What are the Priorities for Reform?

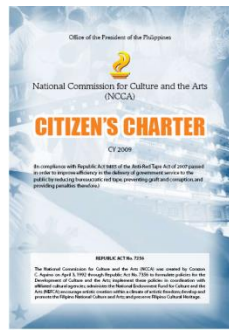
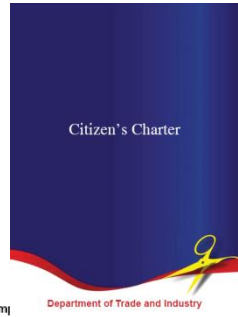
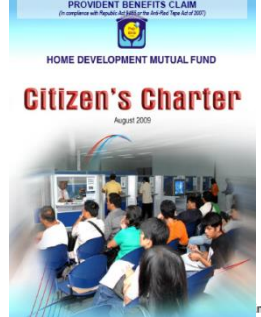


The President's Social Contract with the Filipino People

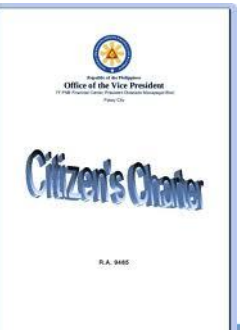
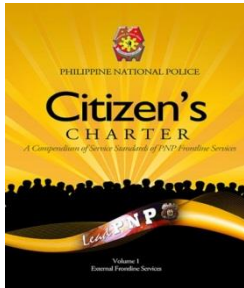
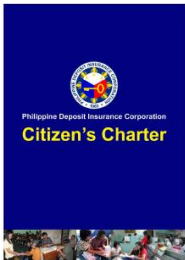
“My Boss is the Filipino people”



Philosophy of governance: honest and effective, citizen-centric



PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION



Anti-Red Tape Act (2007)

Aimed at improving government service by establishing across Government:

- Citizens Charters
- Service Standards
- Process Improvement
- Red Tape Reduction
- Report Cards Survey
- Penalties for Bribery and Corruption in Service Delivery

Transparency and Anti-Corruption

Open
Government
Partnership



- Open Government Initiative: Agency Transparency Seal
- Under the Law, all Public Servants must submit an annual Statement of Assets, Liabilities and Net Worth (SALN)
- In 2012, the Chief Justice of the Supreme Court was impeached and dismissed for failing to disclose all of his financial and property assets.



Quality Awards and QMS Recognition with H.E. Benigno S. Aquino III



One-Stop Service

- The Philippine Government has implemented a one-stop business registration service, as a collaborative one-stop effort of several departments and agencies.
- Passport Offices and Vehicle License Offices have been opened in Shopping Malls around the country, serving as the hub for one-stop government offices in shopping centers.



No Face-to-Face

E-Government

- The Philippine Government has implemented information websites and e-services across many government departments.
- Examples include obtaining NSO birth certificates through on-line ordering; reserving a time slot for a passport renewal appointment; obtaining information about individual Social Security System account payments; and on-line tax filing.



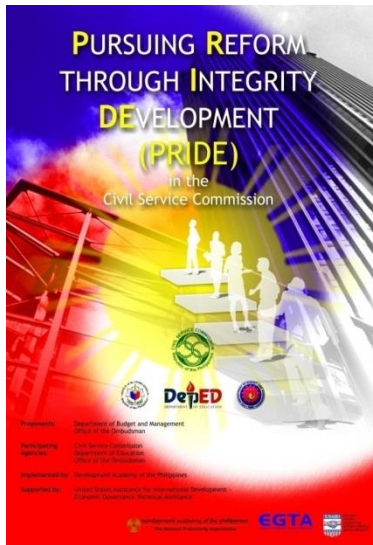
Citizen's Portal

*Ngayong ikakasa na
ang budget sa Kongreso,
kailangang masiguro ang
paggugol na matuwid sa
budget ng bayan.*
**Ano ang
maaambag mo?**



In line with the Administration's thrust of ensuring fiscal transparency, accountability, and citizen engagement, the Citizen's Portal is an avenue for the public to inquire and engage about the National Budget.

Agencies that have undertaken Integrity Development Review



DBM



DAP



DepEd



OMB



CSC



BIR



BOC



DPWH



LTO



PNP



DOH



DOJ



AFP



DAR



DENR



PVAO



LRA



LRTA



PS



BFP



NIA



DSWD



VIGAN CITY



LBP



DND

AO 25

NGICS

Agency
experience with
IDR/IDAP

GGAC Cluster
Action Plan and
Framework

Harmonization and Simplification of Integrity Development Programs and Development of Results-based Monitoring and Evaluation Tools

Phase 1

Development of an updated, simplified and harmonized Integrity Development Program

Integrity Development Program:

- Program results framework;
- Operating guidelines;
- Implementing structure;
- Support interventions
- Institutional arrangements between the ODESLA and OMB, and other concerned oversight agencies

Phase 2

Development of a Manual on Results-Based Monitoring and Evaluation (M&E)

Manual on Results-based
Monitoring and Evaluation

Phase 3

Development of a Training Plan and Trainers' Manual for the New Integrity Development Program

Training Plan and Trainer's Manual
for the New Integrity Development
Program

RM of PDP

GGAC Cluster
Action Plan and
Framework

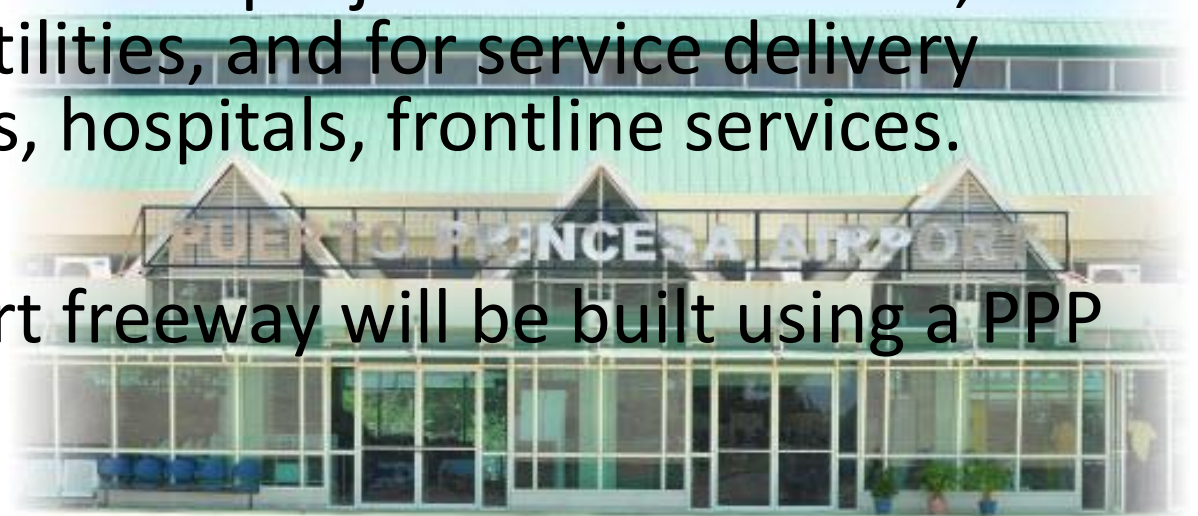
Seal of Good Housekeeping: LGU Performance Challenge

- The Seal of Good Housekeeping for LGUs aims to elevate the practice of governance that values transparency, accountability, participation and performance into an institutionalized status. It recognizes LGUs with good performance in internal housekeeping focusing in four areas, namely: (1) Good Planning; (2) Sound Fiscal Management; (3) Transparency and Accountability; and (4) Valuing of Performance Information. LGUs with the Seal of Good Housekeeping will be entitled to the Performance Challenge Fund for LGUs.



Public-Private Partnerships (PPP)

- The Philippine Government actively promotes PPP for infrastructure projects such as roads, ports, public utilities, and for service delivery such as schools, hospitals, frontline services.
- The new airport freeway will be built using a PPP model
- The National Statistics Office introduced a new computer-based service system through a PPP



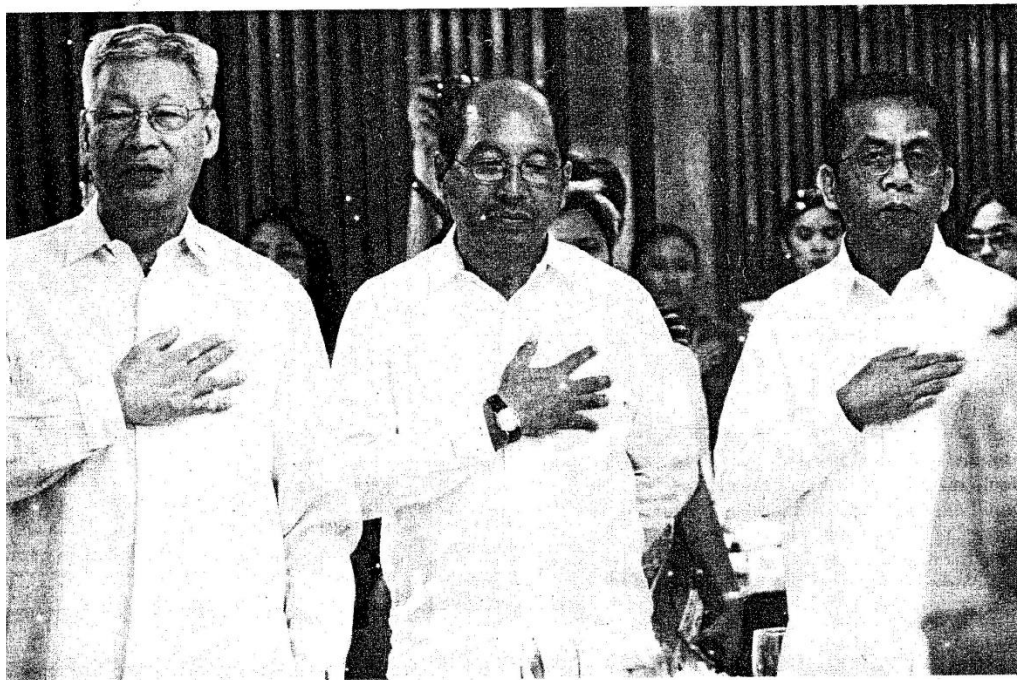
Executive and Management Development

- Through DAP, the Government is professionalizing public service management and creating a new generation of leaders equipped to manage high performance public organizations.
- The Presidentially-mandated Public Management and Development Program for both executives and middle managers uses the Baldrige Quality Management framework as its center piece.



"... human resource development is one of the tools that can be maximized by government to develop its institutions. The DAP Master's Program is a good start in systematically developing the capacity of government employees. With this, we would be able to hurdle our future challenges."

- Sec. Balisacan, NEDA



ECONOMY'S MINDERS — Former National Economic and Development Authority Director General Cayetano W. Paderanga Jr. (left), newly appointed NEDA chief Arsenio M. Balisacan (right), and Budget Secretary Florencio B. Abad (center) hold their right hands over their hearts during the singing of the National Anthem at the launch of the Development Academy of the Philippines Public Management Development Program at the DAP Building in Pasig City on May 17, 2012. (Mark Balmores)

The PMDP, inspired by the success of Career Executive Service Development Program implemented in the 1980s, aims to revitalize and reform the government through an intensive, multi-modal residential training facilitated by DAP.

**PERFORMANCE INCENTIVE BASED
ON RESULTS**

Performance Incentives Based on Results



- The President has implemented a robust system of management by results, involving report cards for management and program priority performance at both the Department and Presidential levels.
- This performance accountability system is linked to a new pay-for-performance system – Performance-Based Incentives.

Performance Management as One of the Pillars of Action to Raise Accountability

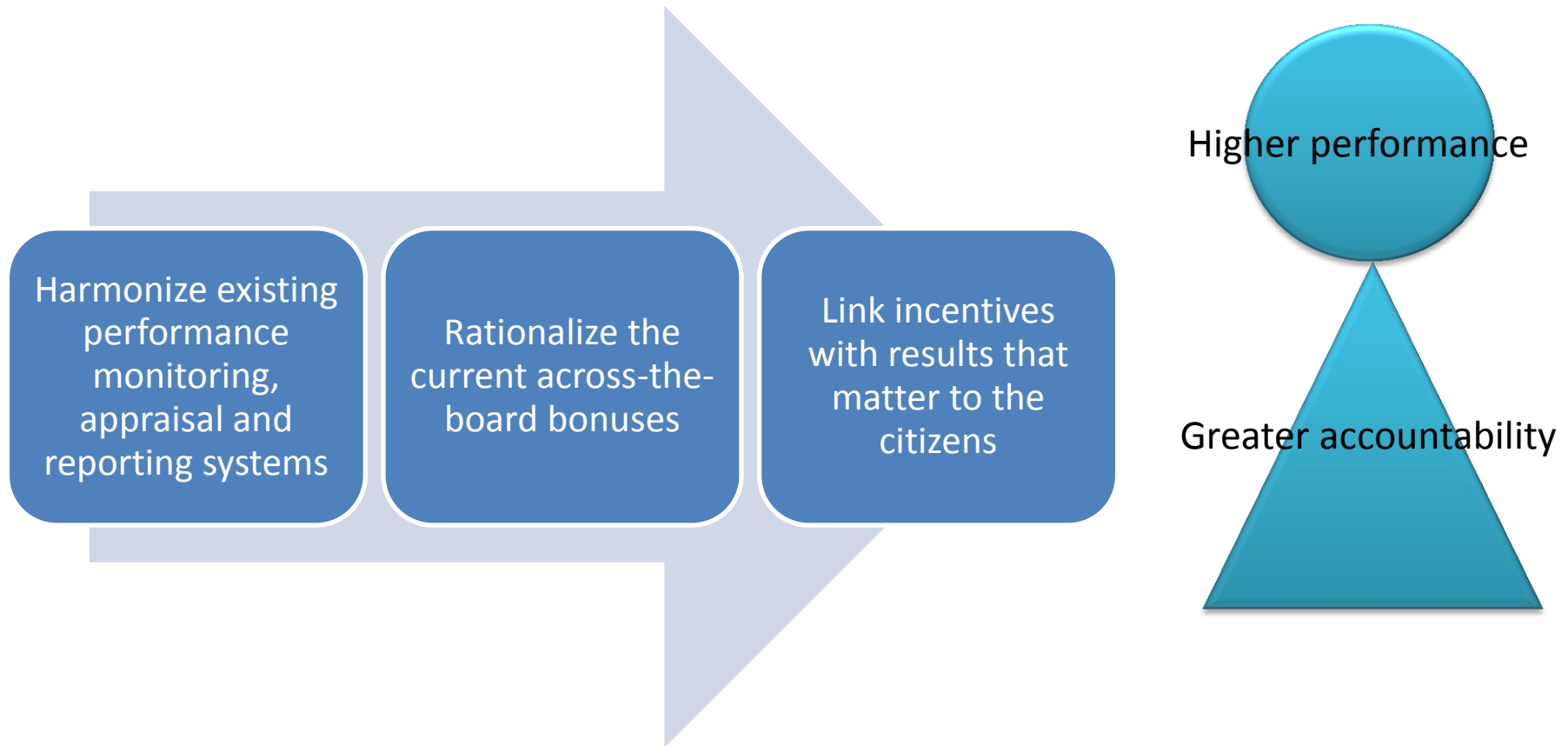
Good Governance and Anti-Corruption Cluster Plan 2012-2016



- Strategic Objectives of curbing corruption, improving the delivery of public services; and enhancing the business and economic environment;

- Pillars of action of instituting transparency in all actions and decisions of government; accountability to the highest ethical standards as well as to measurable performance outcomes; and active citizen engagement.

Strengthening Performance Management Systems in Government



The Bottomline

“serbisyong ramdam ni Juana at ni Juan”

Citizen-centric service delivery



**Results-Based
Performance
Management
Systems**

**Performance-Based
Incentive System**

**Government
Executive
Information System**
*to be developed



Administrative Order
No. 25 s. 2011

Executive Order No. 80
s. 2012

Changes Introduced

- Emphasizing quality over quantity = focusing on the impact of the service
- Cascading of performance targets to delivery units= understanding roles and strategy
- Posting of agency performance scorecards = accountability and transparency
- Linking the bonus to agency and individual performance = fostering teamwork and meritocracy

Results-Based Performance Management System (RBPMS)

Societal Goals/Outcomes

STR SONA
Technical
Report/

Sectoral Goals/Outcomes

SER
Socio-Economic
Report

**Good
Governance
and Anti-
Corruption**

**Human
Development
& Poverty
Reduction**

**Economic
Development**

**Security,
Justice, and
Peace**

**Climate
Change
Adaptation**

P^PARC
Priority Program
Accountability
Report Card

Organizational Outcomes

MARC- I
MFO
Accountability
Report Card

Major Final Outputs (Citizen-focused Services (Goods))

Financial Stewardship

Internal Process

**Leadership, Learning and
Growth**

MARC- II
Management
Accountability
Report Card

Strategic Performance Management System (Individual)

To qualify for PBB, agencies must meet at least 90% of P^PARC and 90% of MARC-I, and satisfy 100% of MARC-II (good governance conditions)



MFO ACCOUNTABILITY REPORT CARD (MARC-1)

DEPARTMENT OF
LABOR AND
EMPLOYMENT

OUTPUTS

DEPARTMENT
BUDGET
FY 2012

(in Million Php)

OVERALL RESULTS ASSESSMENT

SERVICE/ PRODUCT RESULTS

PERFORMANCE
INDICATORS

FY 2011 ACTUAL
ACCOMP

FY 2012 TARGET

FY 2012 ACTUAL
ACCOMP

RATING

MAJOR FINAL OUTPUTS

Employment Facilitation and Manpower Development Services	Php3,395.36	Number of individuals reached through timely Labor Market Information	769,688 individuals	772,000 individuals	1,297,169 individuals	168%
		Number of workers/ apprentices trained/ assessed/ certified/ licensed	2,756,533 workers/ apprentices	2,816,735 workers/ apprentices	2,907,811 workers/ apprentices	103%
		Number of qualified jobseekers referred for placement	1,461,528 job seekers	1,500,000 job seekers	1,565,625 job seekers	104%
Employment Relations, Standards, Enforcement and Protection Services (Labor Law Compliance and Labor Case Resolution)	Php860.13	Number of establishments inspected	40,537 establishments	33,313 establishments	35,949 establishments	108%
		Strike Case Disposition Rate	100 percent	95 percent	100 percent	105%
		Labor Case Disposition Rate	80 percent	98 percent	98 percent	100%
Employment Enhancement, Empowerment and Welfare Services	Php1,423.98	Number of workers provided livelihood and emergency employment	97,427 workers	62,494 workers	78,386 workers	125%
		Number of documents/ contracts verified/ processed based on OE rules and guidelines	2,217,543 documents/ contracts	2,218,000 documents/ contracts	2,302,122 documents/ contracts	104%
		100% of repatriation assistance request served	27,784 repatriation assistance request served	100 percent of repatriation assistance request served	100 percent of repatriation assistance request served (26,919 requests)	100%

STO and GASS

<p>Support to Operations</p>	Php42.22	<p>Number of researches produced in support of the issuance of policy/ guidelines</p>	22 research projects	15 research projects	14 research projects	93%
			203 research supports	225 research supports	268 research supports	119%
		<p>Number of timely statistical information disseminated (publications & statistical reports) in support to labor and employment programs</p>	73 publications/ materials	48 publications/ materials	54 publications/ materials	113%
<p>General Administration and Support Services</p>	Php1.25	<p>Compliance to Anti-Red Tape Act (ARTA)</p>	100 percent	100 percent	100 percent	100%
		<p>Compliance with Transparency seal requirements per compliance with GAA</p>	<p>Posted at the DOLE Website (including Ros and Aas websites) the seven information required for transparency seal</p>	100 percent	100 percent	100%



PRIORITY PROGRAM ACCOUNTABILITY REPORT CARD (P^aARC)

Department of Labor
and Employment

The Department's thrusts and priorities are responsive to the Key Results Areas of President Benigno S. Aquino III's Social Contracts with the Filipino people, specifically in contributing to employment creation and poverty reduction, and guided by the good spirit of good governance. The labor and employment policies are also anchored on the strategic framework of the Philippine Development Plan, 2011-2016 with the goal of inclusive growth and poverty reduction. These are translated into strategies and concrete actions in the Philippine Labor and Employment Plan (LEP) 2011-2016.

PRIORITY PROGRAMS	PROGRAM/ PROJECT BUDGET (FY 2012) <i>in Million PhP</i>	OVERALL RESULTS ASSESSMENT			
		SERVICE/ PRODUCT RESULTS			
		PERFORMANCE INDICATORS	FY 2012 TARGETS/ MILESTONES	FY 2012 ACTUAL ACCOMP	RATING
	Community Based Employment Program (CBEP)	PHP 227,588.00 <i>(Government-wide)</i>	Number of jobs generated through infrastructure and non infrastructure projects	2,549,589 jobs	1,039,189 jobs
		PHP 636.00 <i>(DOLE Contribution)</i>	<i>DOLE Contribution:</i>		
			SPES	140,000 jobs	136,563 jobs
			DILP	58,000 jobs	78,281 jobs
	Employment Facilitation	PHP 50.45	Number of workers placed	1,000,000 workers	1,326,688 workers
	Training-for-Work Scholarship Program (TWSP)	PHP 700.00	Number of TWSP- subsidized TVET graduates	70,000 graduates	64,095 graduates
	Industry-based Training-for-Work Scholarship Program(I-TWSP)	PHP 689.08	Number of I-TWSP graduates	68,000 graduates	74,861 graduates

98%

135%

133%

92%

110%

Performance-Based Incentive System



PBB

Performance-Based Bonus (PBB) – top-up bonus based on individual's contribution to accomplishment of Department targets



PEI

Productivity Enhancement Incentive (PEI) – across-the-board bonus of P5,000 per employee

Criteria and Conditions to Qualify for FY 2012 PBB



Achieved at least 90% of MFO, STO, GASS targets



Achieved at least 90% of Priority Program targets agreed with the President under the five Key Result Areas of EO 43







Meet 100% of good governance conditions under the performance drivers of the RBPMS, set by the AO 25 Task Force for FY 2012

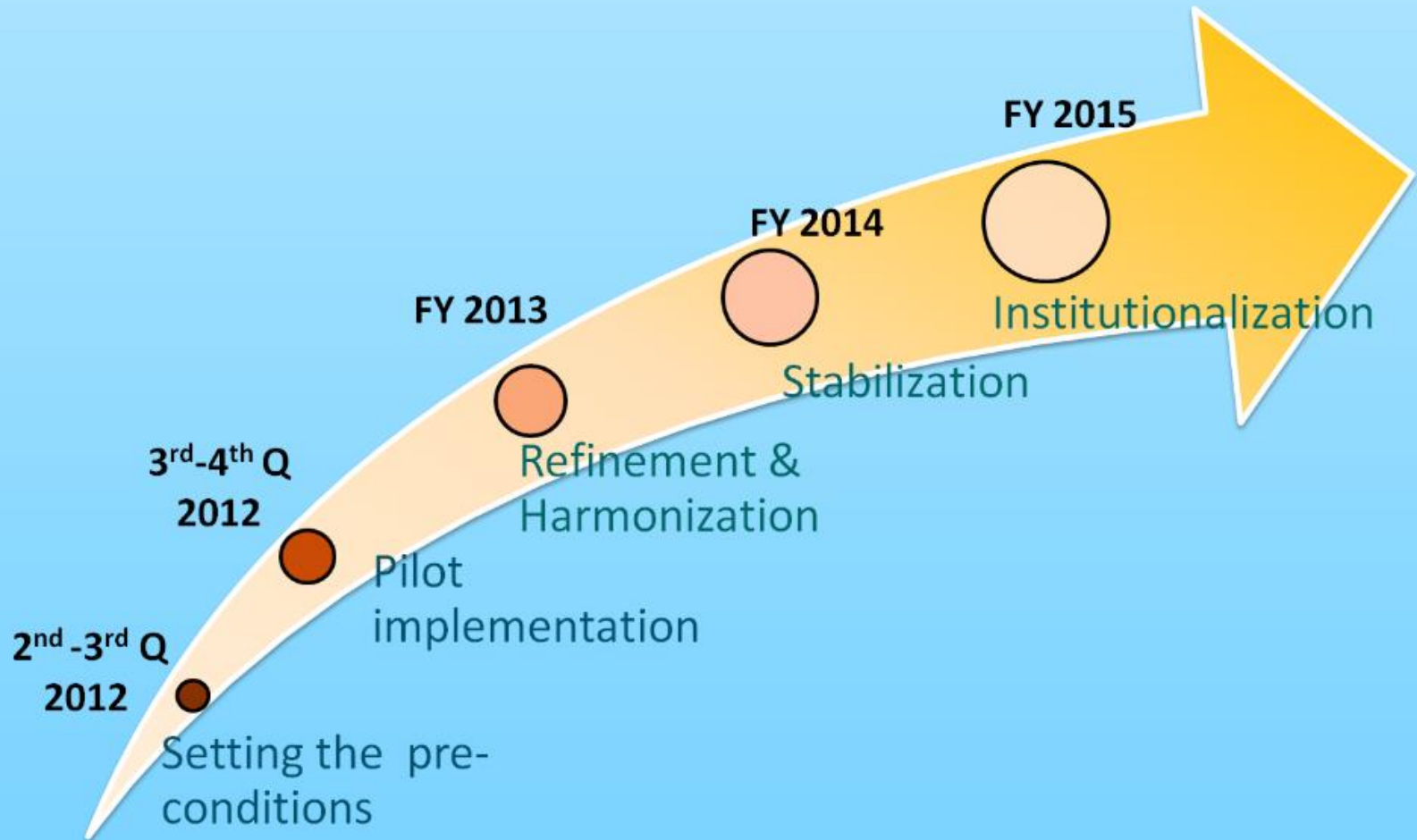


Bureaus/delivery units within the Department meeting above conditions are forced ranked and the personnel within them

Good Governance Conditions for FY 2012

-  Agency Transparency Seal (GAA 2012 Sec. 93 of General Provisions)
-  PhilGEPS posting of all Invitation to Bids and awarded contracts (Revised IRR of RA 9184)
-  Liquidation of all Cash Advances granted to officials and employees (COA Rule)
-  Establishment of Citizen's Charter or its equivalent (RA 9485)

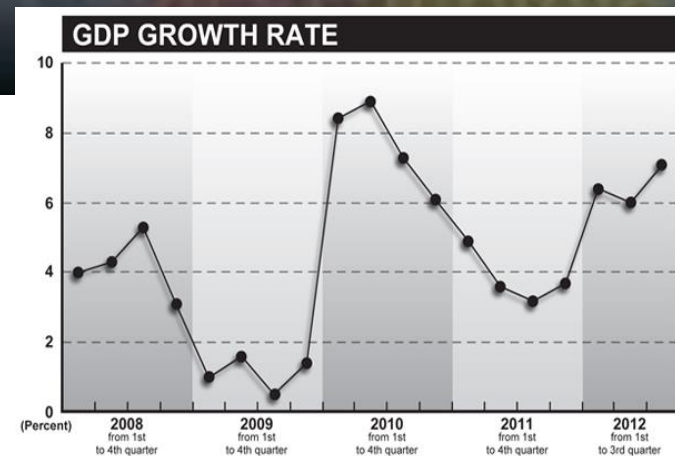
Phases of PBB Implementation



Lessons Learnt in RBPMS Implementation

- PBB and the RBPMS is contributing to the better understanding of the agency roles, missions, strategies
- PBB is improving the quality of PIs and facilitating the shift into an output based budget
- RBPMS and the PBB has the potential to improve performance by fostering teamwork, transparency and meritocracy
- Workshops, meetings and coaching are essential to build capacity in the line and oversight agencies.
- PMS requires better information systems which will yield timely, reliable and accurate information.

Overall,



Thank you and see you in Manila!

