

TECHNICAL ASSISTANCE FOR ENHANCING THE DBM CAPABILITY IN THE PURSUIT OF A PROGRAM ON RATIONALIZING AND IMPROVING PUBLIC SERVICE DELIVERY

ACCOMPLISHMENT REPORT

For the period January 1 to December 31, 2003

I. **Program on Rationalizing and Improving Public Service Delivery**

While awaiting the passage of the Public Sector Institutional Strengthening Bill that would seek to introduce massive and transformational reforms in the bureaucracy, substantial institutional strengthening efforts are being pursued administratively.

The Presidential Committee on Effective Governance (PCEG), a high-level inter-agency body mandated to oversee and coordinate the institutional reforms in the Philippine bureaucracy, continues to pursue the ***Program on Rationalizing and Improving Public Service Delivery***. The Program intends to pursue doable reforms that would have an immediate impact on the government's objective of improving public service delivery and institutional capacity.

Objectives of the Program. The ***Program on Rationalizing and Improving Public Service Delivery***, which was formulated by the PCEG, is aimed at:

- Focusing government efforts and resources on its vital/core services;
- Improving the quality and efficiency of government services delivery by eliminating/minimizing overlaps and duplication, and improving agency performance through the rationalization of service delivery and support systems, and organization structure and staffing; and
- Undertaking the rationalization efforts within the existing capability and resources of the departments/agencies.

Conduct of Strategic Review. The Program would involve the rationalization of the functions and agencies of the Executive Branch through the conduct by all departments of a strategic review of the operations and organizations of all of their components units, including the agencies attached to or under their administrative supervision.

Development of a Change Management Program. The social dimension in pursuing the Program is likewise being addressed. Hence, the PCEG, thru the DBM, has developed a Change Management Program to ensure the smooth and successful implementation of the rationalization process, as well as minimize possible resistance to the effort.

To date, the following activities have been undertaken by the PCEG, thru the Department of Budget and Management (DBM), with regard to the Program:

A. Preparation of Various Issuances on the Conduct of a Strategic Review

Initially, in the pursuit of this effort, an executive order (EO) entitled, **“Directing the Conduct of a Strategic Review of the Operations and Organizations of the Executive Branch”** was drafted to direct all departments of the Executive Branch to conduct a strategic review of the operations and organizations of all of their component units, including agencies attached to or under their administrative supervision.

A Rationalization Plan would have to be prepared by the Department Secretary for the whole department, including the agencies and GOCCs attached to it. The Plan shall be prepared in accordance with the strategic plan of the department and shall contain the disposition of the functions, programs, projects, activities, organizational units, agencies, staffing and personnel of the department. It would include, among others, the functions, programs, projects and activities which would be scaled down, phased out or abolished, or where more resources would be channeled.

The functions, programs and projects which could be scaled down, phased out or abolished could include:

- Those that duplicate or unnecessarily overlap with other programs, projects, and activities within the department and its attached agencies and with other government entities;
- Those that are not producing the desired outcomes, no longer achieving the objectives and purposes for which they were originally designed and implemented, and/or not cost efficient and do not generate the level of physical and economic returns vis-à-vis the resource inputs;

- Those that are redundant/outdated or no longer relevant to the accomplishment of the major final outputs of the department/agency; and
- Those that directly compete with those of the private sector that can be done more efficiently and effectively by said sector.

On the other hand, the functions, programs and projects where more resources would be channeled include:

- Those that directly support frontline services;
- Those that are directly involved in the social, economic and political empowerment of the people, or those that promote private sector initiative;
- Those that contribute to the creation of livelihood or employment opportunities, and an environment conducive to investment and entrepreneurship, and productivity; and
- Those that directly contribute to the ultimate societal outcome objectives and/or intermediate/sector/sub-sector/organizational outcome objectives of the agency and the National Government.

In addition, the PCEG has also prepared an EO to provide options and benefits for government employees who may be affected by the Rationalization Program. There is a need to provide government personnel who may be affected by the effort with a more attractive retirement/separation package in recognition of their service to the government.

Likewise, the Implementing Rules and Regulations on said EOs has also been prepared.

On the other hand, in view of a another school of thought that the President is not authorized to offer additional benefits/incentives beyond what is provided for under existing laws, the PCEG has submitted to the House of Representatives a bill providing additional benefits to government officials and employees who may be affected by said effort.

B. Presentation of the Program to the President and Cabinet Secretaries

The Program has been presented by the DBM Secretary and PCEG Co-Chair to the President in a Cabinet meeting on 03 January 2003. It was later presented to the President during the

National Economic and Development Authority Board Executive Committee meeting on 12 August 2003.

C. Conduct of Training-Workshops/Consultation Meetings/Dialogues with Various Stakeholders

- C.1 The PCEG, thru its Rationalization Team, has conducted four (4) change management workshops which were participated in by 174 officials/representatives of the departments/agencies of the Executive Branch.

An 'internal' workshop for the **Rationalization Team** was held on 23 January 2003, composed of representatives from the DBM, Civil Service Commission, Commission on Audit and support agencies like the Government Service Insurance System, Home Development Mutual Fund/ Pag-IBIG, Office of the Solicitor General, Technology and Livelihood Resource Center, and Technical Education and Skills Development Authority. Academic institutions such as the Asian Institute of Management, Ateneo School of Government, Development Academy of the Philippines, La Salle School of Governance and University of the Philippines, also participated in the aforesaid activity.

The change management workshop involving key representatives from the Departments of Public Works and Highways, and Transportation and Communications was held on 30 January 2003. On the other hand, the workshop for key representatives from the Office of the President, Departments of Agriculture, and Foreign Affairs, National Economic and Development Authority and Office of the Press Secretary was conducted on 07 February 2003. A similar workshop participated in by key representatives from the Departments of Agrarian Reform, Education, Energy, Environment and Natural Resources, Finance, Health, Interior and Local Government, Justice, Labor and Employment, National Defense, Science and Technology, Social Welfare and Development, Tourism, and Trade and Industry was held on 19 February 2003.

These activities informed the participants on the: a) purpose of the Rationalization Program and the change management principles and processes involved; b) conduct of the strategic review of the operations and organizations of the Executive Branch and the preparation by the Department Secretaries of a Rationalization Plan for the whole department; and c) next steps in the rationalization effort.

- C.2 Five (5) separate consultation meetings have also been conducted for some of the Secretaries/Undersecretaries/ other officials of the Departments of Agriculture, Education, Environment and Natural Resources, Foreign Affairs, Health, Interior and Local Government, Justice, Labor and Employment, National Defense, Science and Technology, Tourism, Trade and Industry, Transportation and Communications and Office of the Press Secretary to brief them on the Program and seek their support on the same.
- C.3 A two-day live-in ***Trainors' Training Program on Change Management*** was also conducted on 19 and 20 June 2003 at the Development Academy of the Philippines Conference Center in Tagaytay City for the PCEG's partner-agencies: four (4) academic institutions and seven (7) agencies involved in the implementation of impact mitigation measures. The workshop enabled the 46 participants to come up with approaches in guiding the members of the Change Management Teams in the departments who would conduct the strategic review of their respective operations and organizations and implement the identified reforms.
- C.4 Briefings/dialogues on the Rationalization Program were also conducted by the PCEG to various stakeholders, as follows:
- Various Departments/Agencies – Department of Health, Philippine Information Agency
 - Legislators – Senators Edgardo J. Angara, Teresa Aquino-Oreta and Aquilino Q. Pimentel, Jr., and Representatives Victor R. Sumulong, Rolando G. Andaya Jr., Edgar M. Chatto and Clavel A. Martinez
 - Employees' Unions – Public Sector Labor Management Council, Philippine Government Employees Association, Confederation of Independent Unions in the Public Sector
 - 27 Government-Owned and/or –Controlled Corporations (GOCCs) which are highly subsidized by the National Government, and the Technology and Livelihood Resource Center
 - Philippine Association of State Universities and Colleges (PASUC)

- Philippine Association for Government Budget Administration, Inc. (PAGBA)

D. Public Information Campaign

The PCEG has coordinated with the Philippine Information Agency the formulation/conduct of a Public Information Campaign for the Rationalization Program.

The PCEG also held a ***Communication and Advocacy Planning Workshop*** on the Rationalization Program for the Information Officers of the Development Communication Network (DEVCOMNET), an organization of heads of the information offices/units of the departments/agencies of the Executive Branch on 31 July and 01 August 2003, at the Development Academy of the Philippines Conference Center in Tagaytay City.

The said workshop enabled the participants to appreciate and understand the objectives and merits of the Program and assisted them in the preparation of their respective Communication Plan.

A Communication Plan (Complan) for the Program has also been prepared with the assistance of media consultants to ensure the smooth and successful implementation of the rationalization process which would involve primarily the conduct of a public information campaign to support the rationalization effort.

The Complan was formulated for purposes of:

- Increasing awareness on the Rationalization Program;
- Increasing knowledge on the change process and the rationale, aims, thrusts, features and benefits behind it; and
- Generating support for, and acceptance of, the Program, and minimizing possible resistance from personnel who may be affected.

The Complan includes, among others,:

- Strategies in communicating the rationalization effort to the various stakeholders;
- Specific messages for particular audiences;

- Channels for message dissemination, including mass media outfits such as print media publications, radio and television shows;
- Timelines for message dissemination; and
- Various information materials that would be disseminated to the public and other stakeholders such as a primer on the program, newsletters, press releases, etc. as part of the public information campaign in support of the rationalization process.

II. **Pilot Project on ISO 9000:2000 Aligned – Quality Management System**

In view of the slowing down of the implementation of the Rationalization Program and a window of opportunity seen to pursue other governance reforms that would have immediate impact on the government's objective of improving public service delivery, the PCEG, thru the DBM, was not able to engage the services of local consultants who would document the change process, particularly the lessons learned, the methods/strategies developed, and the difficulties encountered as guide in future endeavors.

In lieu of the documentation of the change management process, the TA was utilized in pursuing the ***Pilot Project on Institutionalizing ISO 9000:2000 – Aligned Quality Management System (QMS)***.

The Project, which is aimed at making government organizations more responsive, effective, competitive and innovative, would initially cover 5 pilot agencies: DBM's Organization and Productivity Improvement Bureau, Department of Education, Department of Health, Land Transportation Office and City of Muntinlupa. These pilot agencies would be assisted in developing and enhancing their QMS that is geared towards improving service delivery to customers and giving the public value for their money.

The PCEG, thru the DBM, in coordination with the DAP, had already conducted awareness seminars on QMS and trainings on ISO documentation for selected employees of the pilot agencies.

III. Policy and Technical Staff Support to the PCEG

A. *Shepherding of a Public Sector Institutional Strengthening Bill*

In the pursuit of the various reform efforts of the PCEG, the DBM was able to produce policy studies, technical papers, researches and other materials for the PCEG.

Specifically, the PCEG, thru the DBM, continue to pursue the Public Sector Institutional Strengthening Bill. The reengineering bill has passed the deliberations in the House Committees on Government Reorganization, and Civil Service and Professional Regulation. The House Committee on Appropriations has approved the bill with some amendments.

The bill intends to create a ***Commission on Government Reengineering*** which would be composed of the following: experts on government operations, organization and management, financial management, and human resource management; the Chairperson of the Public Sector Labor Management Council; and a representative of the employees' unions. The Commission would conduct studies, review policies, programs, and models relevant to reengineering the government bureaucracy and formulate reengineering plans for the Executive Branch.

B. *Streamlining of the Office of the President (OP)*

In relation to the streamlining of the OP which resulted in the rationalization of various agencies under it, the DBM got involved in the evaluation of the winding-up plan of the agencies covered by several issuances such as the WTO-AFTA Advisory Commission, Presidential Commission on the 20/20 Initiative, Presidential Commission on Rizal-Laguna-Aurora-Quezon Growth Commission, Mount Makiling Reserve Area and Laguna de Bay Commission and Office of the Presidential Adviser on the Peace Process.

Moreover, an EO that would provide for the transfer of the organizational attachment of Other Executive Offices and GOCCs from the Office of the President (OP) to the departments/agencies concerned has also been drafted. This effort aims to enhance the capacity of the President in the overall management of government affairs by unloading the OP of the direct responsibility of supervising agencies whose functions are properly aligned with/subsumed under

the different departments/agencies to achieve greater operational efficiency and effectiveness within OP.

C. Recruitment of Public Sector Management Specialists

Two (2) **Public Sector Management Specialists** were hired from external sources to augment the personnel complement of the PCEG Secretariat.

The said Specialists provided various technical services such as preparing reports, studies, and papers, in support of the good governance reforms and institutional strengthening efforts of the PCEG.

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