



Filipino Report Card on Pro-Poor Services

Chapter VIII. Institutionalization of the Report Card

1. INTRODUCTION

1. The Filipino Report Card on Pro-Poor Services assesses the performance of selected government services based on client experience. These services are basic health, elementary education, housing, potable water, and food distribution. The Report Card results throw light on the constraints Filipinos face in accessing public services, their views about the quality and adequacy of services, and the responsiveness of government officials. They provide valuable insights on the priorities and problems faced by the clients and how the various services may be better tailored to the needs of Filipinos in general, and the poor in particular.

2. It is expected that the service providers would take the Report Card findings into consideration in adjusting their programs to improve service delivery. However, many past assessments did not have a lasting impact on service delivery because they were often one-shot exercises with no effective means to follow through. It is necessary to implement the Report Card surveys periodically in order to assess the improvements in service delivery from a bottom-up perspective. The incentive to respond with concrete improvements would be greater, if service providers know they will be tracked again. Thus, there is a need to institutionalize the Report Card mechanism as an ongoing process to be repeated periodically (say, at 12 to 18-month intervals).

3. Such a regular mechanism is timely, as enhanced accountability of the state to the people (clients) has become an important area of development focus in the past decade. Various initiatives have been underway on such related aspects as corruption as well as on the overall reform of the civil service. Further, the vital role of a socially responsible private sector and a vibrant civil society as key actors in enhancing good governance and reducing poverty is being increasingly recognized. In the aftermath of People Power II, there is general consensus in the Philippines that citizens must continue to monitor the government to ensure improved performance and greater accountability.

2. GLOBAL EXPERIENCE WITH REPORT CARDS

4. While citizen report cards are new to most governments and their agencies, these are now being used as one way to assess the performance of public agencies in the delivery of services in Canada, Denmark, Ghana, India, Sweden, Ukraine, the United Kingdom, and the United States. It is instructive to review the institutional arrangements for report

cards in these countries in exploring potential options for institutionalizing the Report Card in the Philippines.

5. The institutional arrangements for the report cards range from independent non-government policy research institutions, central statistical agencies of government, government service provider agencies, and federal coordinating agencies. Three main types (models) of institutional arrangements for the report cards are discussed briefly below.

Model 1. Report Card by Civil Society Organization

6. Under this model, the initiative for preparation of the report cards comes from a civil society organization - often a policy research and advocacy institute. A primary example of this is the Public Affairs Centre (the Centre) in Bangalore, Karnataka State, India. Aware of the anecdotal evidence on client dissatisfaction with municipal services in Bangalore and the inability of individual citizens to influence the performance of public service providers, the Centre initiated the preparation of a report card on public services "as a means to help civil society address issues of service quality and accountability, with the power of information." The report card was expected to stimulate collective action by citizens on their dissatisfaction with the services provided by public agencies. Also, it was to provide an opportunity for reform minded leaders of public agencies to design corrective actions and bring in strategic reorientation.

7. The initial report card surveys undertaken by the Centre were funded largely out of grants from local and external sources. The first report card was prepared in 1994 and the results presented to citizens, service providers, city administrators, print and audio-visual media, and professional groups. The response from a large majority of the stakeholders was positive, although a couple of service providers were defensive. Recognizing the value of the feedback from the first report card, the city fathers from Ahmedabad (Gujarat State), Bangalore, and Pune (Maharashtra State) commissioned the Centre to undertake/repeat the report card on client satisfaction with municipal services in their cities.

8. Based on the successful outcomes of these efforts, the Chief Minister of Karnataka State requested the Centre to prepare a report card on essential public services in the state. The Centre undertook the Millennial Survey of Public Services in Karnataka in 2000. The survey had two significant components: (i) citizen feedback on the qualitative and quantitative dimensions of the selected public services, and (ii) independent assessment of the facilities/services by the survey personnel. The citizen feedback generated a comprehensive picture on the various dimensions of public service delivery and some broad indicators on fundamental development rights and entitlements. The independent observations were useful for triangulating (user/client, observer/enumerator and service provider) the survey findings. Once again the results were well received by all stakeholders and follow-up actions to improve service delivery are under way with support from the highest levels of government in Karnataka.

9. The work by the Public Affairs Centre is truly exceptional and is largely the result of the vision and dynamism of its Chairman. The strength of this model is that it is independent of the government/public service providers and interest groups. The organization undertaking the preparation of the report cards is a non-profit and professionally competent organization, which is well recognized both within the country and outside. Its credibility with government and the public is high. The report card findings are taken seriously by all parties, although some public service providers may not act on them. This is a testimony to the stature of the Chairman, and as a result of his remarkable work, the Government of India has asked the Centre to conduct a millennial report card on public services for the entire country.

10. The limitations of this model relate to the difficulties in replicating the unique situation. Not many civil society organizations are likely to have the technical capacity and willingness to undertake/sustain such an exercise. In the absence of a well respected champion behind the report card, the government service providers and coordinating agencies may resist the findings and/or undermine them. As the exercise relies on external funding, its long-term sustainability (i.e., repetition of the report card surveys) is uncertain.

Model 2. Report Card by Government Service Provider Agency

11. This model is characterized by a government service provider agency initiating the preparation of the report card, with the actual survey and draft report preparation often contracted out to a commercial organization. The draft report is vetted by the agency, finalized and disseminated to the public. The focus of the report card may be confined to a single program (service) or a facet relevant to a program administered by the agency.

12. Examples of countries using this model include Canada and the United Kingdom (UK). Thus, the Social Research Branch of the Department of Social Security, UK, has been involved in the preparation and dissemination of report cards on different programs administered by the department for more than a decade. In Canada, federal government departments and some provincial government departments have been active in facilitating the preparation and dissemination of report cards on the services they provide. The results of the report card surveys are disseminated to the public and often fed back into the public expenditure allocation processes in the form of either voluntary or mandated reporting requirements to legislatures.

13. A major strength of this model is the ownership of the exercise by the public agency. Preparation of the report card by a private firm brings some degree of independence to the exercise. The preliminary results are available to the agency and its views and feedback would have been included in the final report. The same factors may become weaknesses in the model when viewed from a different perspective. As the report card preparation is sponsored, and its implementation overseen, by the service provider, the public at large, government coordinating agencies and legislators may question the independence and objectivity of the findings. In addition, the information collected is

usually tailored to meet the requirements of the public agency, and is not packaged for the consumption of, and advocacy by, average citizen groups.

Model 3. Report Card by Government Oversight (Coordinating) Agency

14. Typical arrangements under this model involve a government coordinating agency engaging an independent civil society organization to undertake the design and preparation of the report card in consultation with (but independent of) the public service provider agencies. The experience in the United States of America is instructive in this context. The Government Performance and Results Act of 1993 requires the executive branch of the federal government to report to Congress (legislative branch) on the performance of various government agencies and the results achieved. To comply with the provisions of the Act, the President of the United States issued an order setting customer service standards and directed that the standard of quality for government services equal that of business. Since then, all federal government agencies have been preparing annual performance plans. The General Accounting Office (GAO), a Congressional watchdog agency of the government, has been reviewing the plans, suggesting improvements and presenting its findings on progress in preparation of the plans to Congress during the latter's review of federal agency budget submissions. However, an independent monitoring of the results (e.g., improvements in service delivery) on implementation of the plans was missing.

15. To fill this gap, the General Services Administration (GSA), a government coordination agency, was instructed to devise a mechanism for assessing performance of the federal agencies. The American Customer Satisfaction Index (ACSI) developed jointly by the University of Michigan Business School, American Society for Quality (a professional society), and Arthur Andersen Company (a private consulting firm), was selected by an interagency board as the tool to use for assessing the performance of the federal agencies. Under the sponsorship of the President's Management Council, the GSA engaged the consortium to undertake the 1999 Customer Satisfaction Survey of Federal Agencies in the United States. The survey covered 30 customer segments (identified in consultation with the agencies) of 29 federal agencies, which included most of the high impact agencies that dealt with 90% of the federal government's customers. The results of the survey were presented to Congress. Thus, a link between agency performance, as measured by a report card based on client satisfaction, and the budget allocations to the agencies has been established.

16. Among the three models discussed above, this third model is the most comprehensive both in terms of product and process. A mandate, and resources, for undertaking the report card was established through legislation. An independent and credible team of institutions was recruited to prepare the report card. A well-established methodology was used to assess the performance. The consultation process with public service providers is appropriate, but not dominant. Last, but most importantly, the report card findings (results) were fed back not only to the service providing agencies and the public but also into the budget allocation process of the Congress.

3. INSTITUTIONALIZING THE FILIPINO REPORT CARD

17. The rationale for institutionalizing the Filipino Report Card is provided in the first section (Section 1) of this chapter. The discussion on the three types of institutional arrangements in use in different countries in the preceding section (Section 2) indicates that the third model is the most desirable one to consider for adoption in the Philippines, with appropriate modifications. The first round of the Filipino Report Card incorporated many of the desirable attributes of the third model.

18. Institutionalizing the Report Card tool in a government oversight agency that feeds the results directly into the public expenditure allocation process is highly advantageous as it ties the budget allocations not only to past performance, but also to the constraints that remain to be tackled for improving future performance. Thus, the "power of the purse" could be used to correct deficiencies, ameliorate constraints and improve performance. This should prove to be an effective means for improving the delivery of public services and enhancing the accountability of public agencies. It also provides an opportunity for citizens to get involved in the process of allocating public resources to address their basic needs. This is particularly beneficial to the poor, given their relatively weak voice as users and purchasers of public services.

19. In recent years, the Department of Budget and Management (DBM) has initiated a program on development of performance-based indicators for public agencies to assess their effectiveness, and guide future budget allocations. Three key areas proposed for measurement of results and performance are: (i) outputs, (ii) processes, and (iii) client satisfaction. To this end, the DBM has expressed a strong interest in institutionalizing the Report Card, piloted jointly by the SWS and the World Bank, as a way of obtaining regular user feedback on key public services. It is expected that the incentive for service providers to respond to client feedback will be enhanced if they know that they will be monitored regularly by the DBM, using the Report Card instrument as one of the three key mechanisms to assess performance and allocate resources.

20. The government's new initiative on performance-based budgeting provides an opportunity to channel user feedback into decisions relating to public spending. The DBM can increase public accountability by seeking client feedback on major programs and expenditures of government agencies and by using the results as an input into the budget allocation process. It would be a strong complement to (and a valuable cross-check on) the agency reports on outputs/results as well as those on processes. Thus, it would create a comprehensive performance monitoring system by augmenting the DBM's ongoing output and process monitoring efforts with client feedback.

21. To this end, the idea of institutionalizing the Report Card in the DBM to gauge satisfaction of users of public services on a regular basis is compelling. Both the DBM and the Bank agree that instead of reinventing the wheel, the Report Card tool, which has recently been tested in the context of five public services in the Philippines, can be applied, with appropriate modifications, to cover a broader range of public services and agencies that are engaged in service delivery to Filipinos, including specific target groups

such as the poor. Preliminary discussions indicate implicit support for this approach from NEDA.

22. Implementation of the Report Card survey, analysis and report preparation would be contracted out by DBM to a credible and independent civil society organization with substantial expertise and experience in such activities. An advisory panel comprising representatives of service providers, other key government agencies, private sector, civil society organizations, including sectoral (interest) groups and prominent experts, should be convened to advise and guide the Report Card exercise and its integration with the budgetary processes. It may be worth exploring the feasibility of utilizing the multi-stakeholder advisory panel on the budget set up by the government in mid-2000 for this purpose, with appropriate augmentation of its membership. Involving the representatives of service providers from the private sector and civil society in the advisory panel would help bring their perspectives to bear on the Report Card and budget exercises. Also, it would strengthen the complementarity between different service providers, minimize duplication, and enhance the effectiveness of all service providers. It may prove to be a pragmatic means for the government to influence service providers in the private and civil society sectors, without resorting to additional heavy-handed regulatory mechanisms.

23. The DBM has agreed to build and expand on the pilot Report Card exercise for institutionalization of client feedback on key public services. It plans to undertake the planning, conduct and analysis of the second round of the Report Card by engaging a qualified civil society organization. There are a number of reputed local agencies in the Philippines, which are experienced in conducting client feedback surveys, and the DBM will outsource this activity based on a transparent selection process. The selection of a credible and qualified civil society organization to monitor performance of public agencies will enhance the independence and integrity of the findings, and strengthen civil society-government partnership. Development partners will assist the DBM to develop a plan for the institutionalization of the Report Card as an instrument to regularly gauge the satisfaction of users of key public services. Their participation in selecting the indicators for monitoring performance and analyzing the data will increase the usefulness of the Report Card.

4. IMPROVING THE REPORT CARD TOOL

24. A continuous assessment of the concepts and measures used in the pilot Report Card should be undertaken to further improve the tool leading to progressively better measurement of client satisfaction in the coming years. For example, the sampling frame and phrasing of some questions will require refinement during the next rounds. Further, the Report Card coverage should be expanded gradually to encompass a larger array of public services. Eventually, the customer services provided by all government agencies should be covered, along the lines of the US model (Model 3) described in Section 2 of this chapter.

Focusing on Key Performance Indicators

25. The first (pilot) round of the Report Card spread the net wide and tried to cover as many facets of service delivery as possible within the budget. Based on the lessons learned, it is recommended that the scope of future Report Cards be limited to a few principal performance indicators. Ideally, the performance indicators selected for coverage under the Report Card should have a significant overlap with those (to be) used by DBM in monitoring outputs and processes. This would facilitate the triangulation of the results obtained from the three perspectives (i.e., outputs, processes and client feedback) and provide a comprehensive picture of the performance.

Revising the Questionnaire

26. The need for revision of the questionnaire is another important lesson emerging from the first round of the Report Card. First, there are some overlaps in the survey questions that should be minimized and eliminated. Second, some of the questions need to be modified to bring greater clarity. Third, other questions should be eliminated as they do not seem to elicit useful/important findings. Fourth, the questionnaire should be augmented in some areas and the process of selection of households modified in order to cover those poor groups that have been left out in the first round. Finally, the main focus of the questionnaire should be tailored to the selected principal performance indicators that are common with those used for monitoring outputs and processes by the DBM.

Improving Cost-Effectiveness

27. Revision and refinement of the questionnaire should bring about considerable savings as the cost of the survey depends critically on the number of questions. It should make it more cost-effective and sustainable. Also, limiting the scope to a few principal and common performance indicators should focus the attention of the public service providers and key policy makers and result in concrete actions and follow-up. Above all, it should help better focus the attention on improved service delivery to the poor.