

**Philippine Development Forum Working Group on
Millennium Development Goals (MDGs) and Social Progress**

Basic Education

A Progress Report

I. BACKGROUND

Though there have been significant gains in basic education in the Philippines in past decades, many have not been sustained and chronic education problems persist, and in some regions, they may be increasing. Any comparative advantage the Philippines might have had in education has been eroding.

There remains a continuing need to focus and sustain the country's attention and effort on attaining improved educational outcomes for all Filipinos. Improvements in basic education are central to any effort to improve the human capital of the nation and to increase opportunities for the poor and disadvantaged to help them out of poverty. Improved educational outcomes will help the country attain all its Millennium Development Goal (MDG) targets.

The education challenge remains acute

In the past decade, the Department of Education (DepED) has introduced policy actions to mitigate input shortages in textbooks and school buildings, revised the basic education curriculum, promulgated new instructional policies and took steps towards achieving a more equitable teacher deployment.

Yet these policy actions have not all produced better outcomes: real per capita government spending on basic education continues to lose ground to population growth and inflation; DepED has made only incremental gains in achieving a more equitable deployment of the large teaching force; and the bureaucracy has been slow to implement decentralization in line with the Governance of Basic Education Act of 2001.

The impact of the continuing underinvestment in basic education coupled with unabated increase in student population and widespread poverty has resulted in dismal educational performance of children. In recent years, there has been no improvement in drop-out rates; participation rates are declining; cohort survival rates remain below 70 percent in elementary schools and may be worsening; retention rates in secondary school are low; the country is always at the bottom end of international testing and benchmarking exercises; and significant and extensive pockets of educational disadvantage remain.

Growing inequality is also characterizing the education system. Levels of resourcing, quality of instruction, and student achievement vary greatly across different regions of the country, between rural and urban areas, among different ethnic groups, and among different types of schools.

Resource allocations made by the center take no account of the capacity (or the lack of it) of parents and Local Government Units (LGUs) to support their schools, or the logistics of staff deployment across diverse geographic areas. Hence there are wide variations in student-teacher ratios, access to classrooms and learning materials, and the quality of education delivered. These significant variations in inputs result in marked inequality in outcomes across different provinces/cities of the country, between rural and urban areas, among different ethnic groups, and

among different types of schools. Striking evidence of such inequality is provided by results of the 2003 TIMSS when for 4th Grade pupils, the Philippines had the highest *spread* of achievement among all 25 participating countries.

The underinvestment in Basic Education also prevents the school system from expanding tested innovations that will enhance the inclusiveness of education services for disadvantaged children and those at risk. The declining levels of participation rate and cohort survival rates in recent years point to a growing number of children who are unable to enjoy their right to education. As of SY 2003 there were already an estimated 4.4 million children aged 6-15 who were out-of-school. There is also a deepening gender disparity in key education indicators, with boys at a disadvantage, being two to three times more likely to repeat or drop out of school.

II. CHALLENGES

A. Improving governance

A pervasive factor in poor sub-sector performance and growing inequality is weak system governance. There is limited provision for disadvantaged communities, little empowerment of local school communities, and favorable treatment of selected communities through strong political support. With slow implementation of decentralization, education decision-making remains largely regulated by centrally prescribed administrative memos and orders. Under the centralized system, there is no clear accountability structure, inefficiencies exist in resource management, and schools are unable to respond flexibly to local needs.

For these challenges to be overcome, the key institution in the system, DepED, will need to change. The organizational culture, financial systems, technological capabilities and accountabilities will have to be reformed and reshaped. At the same time, if schools are to deliver better outcomes, the key players within the school and the community it serves must be enabled and empowered to manage school-level affairs and to be responsible for educational outcomes.

B. Financing gaps

Problems of weak governance have been exacerbated by a significant fiscal challenge in the education sector. Although being around 18 percent of the GOP budget, and despite an average nominal increase of 4.5 percent in the DepED budget between 2000 and 2004, real spending per student fell by an average 3 percent *per annum* over that period. The total levels made available each year are insufficient to meet the basic input needs of good quality education.

DepED's ten-year spending plan, completed in 2005, shows that existing fiscal pressures will worsen over time and will impair the country's ability to progressively achieve its 2015 *Education for All* targets. While overall secondary enrollments grew, migration of students from the private sector to public schools following the 1997 Asian financial crisis has placed additional strain on public resources.

Progress has been further frustrated by continued rapid growth in the population (around 2 percent per year) and by the high proportion of the budget given to personnel costs (e.g. 89 percent in 2005).

Actual levels are committed only year-to-year which tends to weaken multi-year program implementation due to lack of predictability and sustainability of funding. It is rare that important intermediate multi-year education goals are attained first before moving on to other goals. It is more often the case that spending is allocated erratically over the years with many intermediate goals being pursued at any one time and few goals being fully achieved.

Additionally, annual allocations are fragmented into many programs and projects, many of which may have good designs but have inadequate population coverage or insufficient technical intensity of inputs to fully deliver their intended benefits. Limited resources thus end up being spread too thinly across too many objectives.

Some spending does not fully maximize synergies of other parallel and potentially complementary spending. Much of the spending is weak on response to known inequities or is poorly guided by best available knowledge on effective interventions. Realizing efficiency gains continues to be important.

C. Response of Government

The Philippines development and poverty reduction strategy is articulated in the Government's Medium-Term Philippines Development Plan (MTPDP) 2004-2010. It gives high priority to achieving universal basic education.

The country's education strategy is anchored on the National *Education for All* (EFA) 2015 Plan and attainment of the *Millennium Development Goals* (MDGs). The former provides an overarching policy framework for basic education with a vision that all Filipinos will acquire basic competencies, while the latter sets out two broad goals in the area of primary and secondary education: the attainment of universal primary education and the elimination of gender disparity at the primary and secondary levels.

The particular challenges for basic education have been acknowledged by the country's leaders and educators and there have been important gains made in the last decade.

Important initiatives on rationalization were introduced by DepED administration following the passage of the *Governance of Basic Education Act (Republic Act RA 9155)* in 2001 with its emphasis on decentralization and its declaration that "the school shall be the heart of the formal education system."

The reform proposals were progressively refined and by 2005, there was widespread consensus on the need for urgent sector-wide strategies that would place schools first and empower local communities to take initiatives to achieve school improvement. This consensus was articulated as the *Schools First Initiative* (SFI). The strategies were in turn translated into policy actions under the Government's *Basic Education Sector Reform Agenda* (BESRA).

The BESRA strategy has been informed by international and local research on school improvement in a decentralized environment and by good outcomes from successful pilots in the Philippines on school-based management (SBM).

The overall objectives of BESRA encompass universal access and success for children in basic education schooling with community support enabling effective school-based management and provision for universal adult functional literacy through alternative learning schemes.

The policy actions of BESRA are collected under five Key Reform Thrusts (KRTs): (i) continuous school improvement facilitated by active involvement of local stakeholders; (ii) better learning outcomes achieved by improved teacher standards; (iii) desired learning outcomes enhanced by national curriculum strategies, multi-sector coordination, and quality assurance; (iv) improved impact on outcomes resulting from complementary early childhood education, alternative learning systems and private sector participation; and (v) a change in DepED culture from prescribing actions through orders and memos to facilitating school initiatives and assuring quality.

BESRA will eventually serve as the operational framework to secure parallel or pooled management of all basic education resources, funded by government, donors or other partners.

III. PROGRESS/UPDATES since the 2005 PDF

On the part of DepED:

Since the 2005 PDF meeting, DepED has focused on following through with the directions shared with the donor community and the priorities for action that were identified last year. DepED's efforts have included:

1. Completed, adopted and approved the Philippine *Education for All (EFA)* Plan 2005-2015.
2. Continued to work with DepED staff, the general public, and key partners (LGUs, NGOs, legislators and donors) to embed the *Schools First Initiative (SFI)* within the education system as a continuing popular and collective approach to improving the public education system. SFI directions were publicly and collectively re-affirmed by the DepED bureaucracy after July 2005.
3. Formulated (including through extensive consultations with different stakeholders) and adopted as an evolving guide for further implementation the *Basic Education Sector Reform Agenda (BESRA)*, which contains fundamental reforms and policy actions under five Key Reform Thrusts. These policy reforms are expected to create the critical changes necessary to further accelerate, broaden, deepen and sustain the improved education effort already begun with the SFI.
4. Created various multi-stakeholder task teams and technical working groups to prepare specific policy instruments or proposals for each policy action described for BESRA.
5. Commissioned a detailed study to provide multi-year enrolment projections and cost scenarios to enable DepED to clearly estimate its future budget requirements.
6. Developed and submitted to the Development Budget Coordinating Council (DBCC) Technical Board (TB) for evaluation a proposed National Program Support for Basic Education (NPSBE), a World Bank loan-financed budget support program to finance selected expenditure items within DepED's annual budget from 2006 to 2010 linked to implementation of selected policy actions in four of the five key reform thrusts of BESRA. The Program seeks to improve the capacity and effectiveness of the DepED system through coherent package of reforms to address the issues in equity, quality, governance and financing of basic education through four components: (i) Strengthen School-Based

Management; (ii) Improved Teacher Effectiveness; (iii) Enhanced Quality and Equity through Standards, Assessment and Support; and (iv) Effective Resource Mobilization.

7. Undertook a Strategic Planning exercise which is focused on building the DepED Management Committee as the effective collective leader in directing and executing key strategic directions embodied in EFA, SFI, BESRA and NPSBE.
8. The proposed 2006 DepED budget is expected to include a Php7 billion increase. While this falls short of the Php19 billion increase originally requested by the DepED (based on the resource requirements to meet the EFA targets), if approved by Congress, this increase will represent a positive shift in the balance of spending as it provides for an increase in the share of recurrent costs (Maintenance and Other Operating Expenses) vis-a-vis Personal Services (fixed costs), allowing for increased funding of some of the reform items as spelled out in the BESRA (eg Schools First Initiative Fund).
9. Successfully increased the mobilization of additional resources for basic education from the private sector (through the *Brigada Eskwela*, League of Corporate Foundations, individual and collective initiatives etc.) and certain LGUs through their Special Education Fund and in some cases IRA.

On the part of the Donor Community:

1. Engaged DepED in a series of consultations to keep abreast of developments related to the SFI and BESRA.
2. Reviewed their respective programs and projects to reconcile them with the BESRA framework and key result areas.

III. RECOMMENDATION on Basic Education

The Basic Education Working Group of the MDG and Social Progress Thematic Group of the Philippine Development Forum recommends the following:

To Partners Working In Basic Education

1. Endorse and support the implementation, continued enrichment and further development of the Basic Education Sector Reform Agenda (BESRA) as the key vehicle for meeting the challenges of basic education and raising education outcomes essential to meeting the country's MDGs.
2. Affirm the institutional leadership of DepED and the cooperative multi-sectoral engagement of other national government agencies, local government units, communities and development partners, as crucial to accelerating the pace and widening the scope of BESRA implementation.
3. Continue dialogue and discussion among DepED and development partners in basic education to agree as soon as possible on: (a) sector-wide framework for coordinated communications, targeting, monitoring and evaluation applicable to both donor-assisted projects as well as GOP programs; (b) organizational structures and processes for regular and on-going consultations on, and prompt resolution of, various issues concerning the implementation of BESRA; (c) measures to strengthen the linkages between off-budget project spending by local and external

donors and regular GOP programs; (d) other mechanisms to operationalize a sector-wide approach to donor coordination in basic education based on implementing the BESRA.

4. Arrest the state of decline in key education indicators, an even widening gender gap, and geographic disparities and highlight how the BESRA will address these issues.

To Development Partners in the Social Progress Thematic Group

1. Support a feasible and sustainable population management policy and program that can effectively meet women's rights to reproductive health, couple's preferences on number and spacing of children and community aspirations for attaining improved welfare (including improved basic education) for a growing population.
2. Universalize a core package of cost-effective early childhood care and development interventions to reduce infant and child malnutrition, increase children's readiness for school and prepare all children to benefit fully from future improvements in basic education.

To Government and the Development Partners in the Philippine Development Forum

1. Endorse and support the Basic Education Sector Reform Agenda (BESRA) as the key vehicle for meeting the challenges of basic education and raising education outcomes essential to meeting the country's MDGs.
2. Approve and install, as a key measure to sustain implementation of BESRA, a national budget framework for financing basic education expenditures that is: (a) based on a multi-year expenditure framework approved by the Development Budget Coordinating Committee that targets increasing real per capita spending in basic education over the medium term; (b) authorized annually through new simpler national budget formats covering key expenditure items and priority programs linked to improving education outcomes; (c) amenable to more equitable cost-sharing between national government and local governments and more efficient public-private collaboration in basic education delivery.
3. Achieve and sustain fiscal reforms necessary to assure robust government revenues in the short to medium term to increased levels sufficient to finance the substantially increased public spending expected to be required to attain MDG targets.
4. Accelerate implementation of governance reforms to reduce and eliminate corruption and to stabilize the political situation as basic education and social progress, including poverty reduction, are often the first and most damaged victims of bad governance.

Manila, 24 March