

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SESS/SERD

|   |                |                                  |  |   |
|---|----------------|----------------------------------|--|---|
| <b>TA No. and Name</b><br>TA 3500-PHI: Preparing the Education Sector Development Program (ESDP)  |                |                                  | <b>Amount Approved:</b> \$ 998,000           |   |
|   |                |                                  | <b>Revised Amount:</b> \$ 998,000            |   |
| <b>Executing Agencies</b><br>Department of Education (DepEd)<br>Commission on Higher Education (CHED)   |                | <b>Source of Funding:</b><br>JSF | <b>TA Amount Undisbursed</b><br>\$144,653.44 | <b>TA Amount Utilized</b><br>\$853,346.56 |
| <b>Date</b>   |                |                                  | <b>Completion Date</b>                       |   |
| <b>Approval</b>   | <b>Signing</b> | <b>Fielding of Consultants</b>   | <b>Original</b>                              | <b>Actual</b>                             |
| 12 September 2000   | 4 October 2000 | 18 October 2000                  | 30 Sep 2001                                  | 30 Sep 2005                               |
|   |                |                                  | <b>Closing Date</b>                          |   |
|   |                |                                  | <b>Original</b>                              | <b>Actual</b>                             |
|   |                |                                  | 30 Sept 2001                                 | 28 Feb 2006                               |
| <b>Description</b>  |                |                                  |  |   |
| <p>This preparatory technical assistance (TA) grew out of the Philippine Education Sector Study (TA 3072-PHI), a successful sector study conducted by ADB and the World Bank in 1998-99, and the Presidential Commission on Education Reform (PCER, 1999-2000) which identified key reforms on the basis of the findings of the sector study and extensive consultations with stakeholders. The intention of the TA was preparation of an education sector development program (SDP) that would implement the key policy reforms in basic and higher education through these activities. There were two executing agencies: the Department of Education (DepEd) for basic education, and the Commission on Higher education (CHED) for higher education. Although the project prepared under the TA was subsequently approved and implemented by the Government, no loan ensued as funding was provided from the Government's own resources.</p>  |                |                                  |  |   |
| <b>Expected Impact, Outcome and Outputs</b>   |                |                                  |  |   |
| <p>The objective of the TA was to prepare a program of policy and project measures that would improve the efficiency, equity, and quality of basic and higher education in accordance with the recommendations of the studies listed above. In basic education, the TA focused upon measures to enhance equity in the allocation of education resources, and the quality of the teaching/learning environment. In higher education, the TA aimed to support government efforts to reduce and rationalize public subsidies, further the capacity of CHED to oversee the higher education system effectively, enhance opportunities for low-income students, and improve the quality of teaching and management. The TA aimed to select a few feasible, strategic interventions with high potential impact</p> <p>The output of the TA was to be an SDP that would assist in (i) improving system efficiency through better management information and revised institutional funding formulae; (ii) enhancing equity through targeted, pro-poor funding and reduced dropout in basic education, and equitable access to higher education and (iii) enhancing quality through improved systems for monitoring and assessment, quality assurance, and improved managerial and teaching skills. The TA was very relevant as it aimed to support the Government's own reform agenda, targeting especially the key reforms identified through the PCER's comprehensive consultative effort.</p>  |                |                                  |  |   |
| <b>Delivery of Inputs and Conduct of Activities</b>   |                |                                  |  |   |
| <p>The TA was financed by a grant of \$998,000 from JSF, and provided for 22 person-months of international individual and 20 person-months of domestic individual consultancy services (13 international consultants, including the team leader, and 10 domestic consultants). The TA also funded consultation meetings and workshops to facilitate consensus building among different levels of the central bureaucracy, and between the center and the regional offices.</p> <p>The performance of the consultants ranged from excellent to satisfactory. The consultants proved very competent in their fields and were well-liked and respected by their counterparts. The TA was participatory throughout, with a high level of involvement in the agencies involved: DepEd (responsible for basic education) and CHED (responsible for higher education). This soon changed in the case of DepEd, however, when the Secretary was replaced after the downfall of the Estrada administration. The new Secretary preferred short-term programs and withdrew DepEd from the TA. The performance of DepEd is not rated. The proposed ESDP thereafter focused mainly on higher education but maintained some agreed policy reforms for basic education. Support for the TA and the higher education reform agenda in CHED was enthusiastic, supportive and productive, and continued at that level throughout the ESDP preparation. There were several instances where new policies or strategies developed were picked up and implemented by CHED immediately. The performance of CHED is rated as highly satisfactory.</p> <p>ADB conducted four review missions during the TA, in addition to numerous meetings and consultations on the program design with CHED commissioners and staff, and other agencies and stakeholders involved in the higher education sector. A loan fact-finding mission was also fielded. There was excellent collaboration among these agencies and the project officer. ADB responded quickly to requests made by CHED or the consultants, often by providing additional support when needed. The performance of ADB can therefore be rated as satisfactory.</p> |                |                                  |  |   |
| <b>Evaluation of Outputs and Achievement of Outcome</b>   |                |                                  |  |   |

The TA produced a very large number of high quality outputs, which was reflected in the high level of demand for these reports. A series of 15 technical background reports covered (i) information systems and dissemination in higher education, (ii) normative financing in higher education, (iii) graduate tracer studies, (iv) student financial aid, (v) professional board examinations, (vi) the higher education development fund, (vii) accreditation and quality assurance, (viii) management development, (ix) faculty development, and (x) CHED institutional development. The key recommendations of these reports were synthesized into an excellent final report. The project design was prepared with the active involvement of CHED and had its strong ownership. It also had the enthusiastic support of many university leaders who were eager to reverse the effects of years of low investment in higher education, and so tackle the problem of declining quality.

The ESDP sought to achieve three general objectives, equity, efficiency, and quality. More specifically, these were: (i) to enhance equitable completion of education at all levels by lower income groups, (ii) to rationalize the system of education and make better use of resources; and (iii) to improve quality of educational achievements and outcomes. As an SDP it was divided into two parts: a policy framework to be supported by tranche releases; and an investment project. The policy framework covered both basic and higher education, and dealt mainly with finance and the distribution of resources. The investment part of the Project included an array of assistance concentrated exclusively on higher education. The interventions in higher education were selected for their strategic importance in stimulating extensive reform.

**Policy, Framework and Actions.** The policy matrix included a set of six sector-wide measures designed to support the achievement of the three overall objectives. Three measures supported equity, two measures supported rationalization and one supported quality. These policy measures aimed to leverage reforms in the education system through increased financing or better methods of allocating finance. For higher education, the policy measures were: (i) the Government would increase the share of the higher education budget allocated to scholarships for low-income students; (ii) the Government would introduce normative financing based on outputs to help make resource use more efficient in state universities and colleges (SUCs); and (iii) it would adopt a policy and introduce measures to rationalize the number, distribution and growth of SUCs, and concentrate resources in a limited number of institutions.

**The Project.** The project design included eight strategic investments that could exert broad impact in improving higher education. The interventions were either system-wide (pre-baccalaureate year, faculty development) or targeted at critical points of leverage in the system (central management, HEI management, targeted development funds, exit examinations and accreditation.) The interventions supported the three project objectives of equity, the rationalization of higher education, and system quality improvements. Key interventions aimed to strengthen (i) the capacity of the higher education development fund to select, finance, and implement high quality development projects through reorganization, adoption of new criteria and procedures and staff training; (ii) the Professional Regulation Commission, a key organization in setting and enforcing professional standards, by introducing a quality assurance system, bringing higher education curricula up-to-date, and improving the licensure examination process; (iii) existing accreditation agencies, through the adoption of quality assurance practices benchmarked to international standards; and. (iv) the academic qualifications of approximately 5,000 university teaching faculty in key fields through work on advanced degrees.

#### **Overall Assessment and Rating**

The TA can be rated successful because the TA produced an excellent project design that was subsequently approved and funded by the Government, and a series of background technical reports for which there was high demand. Despite being a project preparatory TA, the TA had significant development impact because many of the TA recommendations and strategies were actually implemented during the TA by CHED and some universities, using their own funds when necessary. The declining quality of university education was also brought more into the spotlight. The TA succeeded in mobilizing energies in the sector, by providing forums for discussing and suggesting creative solutions to persistent problems. The prospect of increased investment was also energizing. Ultimately, the TA did not result in a loan from ADB, but the project is currently being implemented by the Government, albeit on a smaller scale and without some of the inputs planned, such as consultancy support. It also lacks the discipline of an externally-funded project.

#### **Major Lessons**

The TA demonstrated the critical importance of strong commitment from executing agencies. The active involvement of CHED management and staff resulted in a project design that had a high level of ownership inside and outside the agency. Close collaboration among ADB, the consultants, and CHED enhanced the development impact of the TA as several of the project measures were trialled immediately. Conversely, lack of commitment from the new Education Secretary resulted in the withdrawal of DepEd. The fact that the Project did not result in a loan was an outcome mainly of Philippine budgetary constraints. When the TA started, the overall political and economic environment was favorable to the proposed project, but this changed in a manner that could not have been predicted.

#### **Recommendations and Follow-Up Actions**

There are no specific recommendations arising from the TA. As the government's budgetary situation improves, new interventions may be pursued in the education sector.

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