Challenge

Education is the government’s central strategy for achieving inclusive economic growth by investing in human capital development to reduce poverty and build national competitiveness. The government’s Philippine Development Plan, 2011–2016 sets out broad strategies to achieve inclusive growth, including providing quality basic education.

However, Philippine education faces significant challenges, particularly at the secondary level. The secondary net enrollment rate in school year 2012/13 was low. Significant disparities in access between regions, urban and rural populations, and income classes also exist. On average, the country’s 18–24-year-olds had only 8 years of schooling. The quality of education is diminished by large class sizes; a crowded basic education curriculum; insufficient teaching resources; and a lack of specialist teachers, particularly in mathematics and science.

The education sector has also been experiencing chronic underfunding during a time when a growing school-age population has increased the demand for basic education. This has resulted in large shortages in such crucial resources as teachers, classrooms, textbooks, school furniture, and water and sanitation facilities.

Solution

Recently, with the passage of the Enhanced Basic Education Act of 2013, the government expanded the basic education system from 10 years to 1 year of kindergarten, 6 years of elementary school, 4 years of junior high school, and 2 years of senior high school (SHS).

IMPACT AND RESULTS

ADB’s Senior High School Support Program (SHSSP) helps the Philippine government implement an effective senior high school system with a view to helping SHS graduates find jobs more easily.

Unlike the traditional project funding approach, the program uses ADB’s results-based lending (RBL) modality, which links disbursements to results rather than expenditures. An RBL modality reduces transaction costs, response times, and makes program administration more efficient as it uses a country’s own systems in administering a program.

The program results have been grouped into four areas:

- **Improved quality of the SHS program.** Core SHS curriculum and electives in the academic, technical-vocational and livelihood, sports, and arts and design tracks are being developed and implemented.

- **Additional infrastructure and improved teachers’ capacity.** The Department of Education is building schools and classrooms through public–private partnership and new teachers are being trained.

- **An SHS voucher program.** The SHSSP helps support government assistance through a voucher program that provides financial assistance for SHS students.

- **Strengthened basic education management, fiduciary, and safeguards systems.** Financial management, procurement, and other systems at the Department of Education school, region, division, and central levels are being strengthened to ensure that they meet government performance targets.
The addition of SHS intends to bring the Philippines’ basic education system more into line with international standards and make SHS graduates more competitive domestically and globally. Beginning in SY2016–2017, SHS (grades 11 and 12) will offer a core curriculum and specializations in four tracks: academic, technical-vocational and livelihood, sports, and arts and design.

To support the development of SHS during 2014–2015, and the implementation of the SHS program during 2016–2019, the Asian Development Bank (ADB) approved in December 2014 the Senior High School Support Program (SHSSP), which uses an innovative lending approach. The SHSSP supports a subset of the SHS program and will build on the government’s recent efforts and the pioneering engagement of ADB in secondary education in the Philippines.

The program uses a results-based loan (RBL) modality. This modality helps the program achieve its aims efficiently and effectively as it emphasizes government accountability for results through its strategic planning, optimal and effective use and allocation of resources, systematic implementation, performance measurement, and monitoring and evaluation. The program uses indicators—agreed upon by both ADB and the government—that are linked to disbursement. Funding is based on what is delivered, rather than on expenses incurred. The program is also supported by a strong focal unit dedicated to implementation. Government’s capacity is strengthened through technical assistance. Clear disbursement procedures are used.

The RBL modality is used for the SHSSP due to strong government ownership of the SHS program and the government’s commitment to results-based planning, budgeting, and management. The SHSSP’s accountability framework provides incentives for the Philippine government to achieve results that further strengthen its own systems and institutional capacity.

At the same time, the SHSSP is financing several significant reforms before results are achieved. These include the issuance of the SHS curriculum, achievement of minimum student–classroom ratio in Department of Education SHS, prefecasibility study on the use of public–private partnerships for educational infrastructure, announcement of the SHS voucher policy brief, and issuance of a policy for establishing non-Department of Education SHSs.

Preparing the RBL has enhanced ADB’s dialogue with the government and education sector stakeholders. In addition, the program encourages private sector participation through activities such as school infrastructure construction. Nongovernment organization networks are also involved in activities such as identifying opportunities for on-the-job learning in communities.

The project is in line with the ADB Education Sector Group’s strategic priorities. The Education Sector Group, anchored in the Sustainable Development and Climate Change Department, provides operational support to the regional departments, plans and monitors ADB support to education, conducts analytical studies on education issues, and promotes interagency coordination for education.

Cost and Financing:
Ordinary capital resources, $300 million; Government, $4.1 million.

Program approval date: 15 December 2014
Status: Ongoing
Modality: Results-based loan
Executing agency: Department of Education

For more information:
Senior High School Support Program

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