



*Tanggapan ng Kalihim  
Office of the Secretary*

June 8 1999

DECS MEMORANDUM  
No 230, s 1999

**ORGANIZING THE TASK FORCE ON THE STUDY ON DECENTRALIZATION  
OF BASIC EDUCATION MANAGEMENT**

To Undersecretaries  
Assistant Secretaries  
Bureau Directors  
Directors of Services/Centers and Heads of Units  
Regional Directors  
Schools Superintendents  
Others Concerned

1 The Asian Development Bank has extended a grant financed Advisory Technical Assistance (ADTA) to help DECS in the development of a ten year strategic plan for the decentralization of basic education management. The detailed Terms of Reference of the TA is in Inclosure No 1.

2 The TA will be implemented starting June 14 1999 for 18 months. A team of international and domestic consultants will be fielded by ADB to assist the Department in the TA activities.

3 To ensure the smooth and successful implementation of the study, a Task Force on Decentralization is hereby created with the following composition:

Overall Chairman	Undersecretary Nilo L. Rosas
Co-Chairman	Undersecretary Antonio A. S. Valdes
Members	Undersecretary Bartolome Carale
	Undersecretary Victor Andres Manhit
	Asst. Sec. Emmanuel Mariano
	Asst. Sec. Ramon C. Bacani
	Asst. Sec. Mario Bravo
	Asst. Sec. Fe Hidalgo

The organizational structure is in Inclosure No 2.

4 The Task Force will be divided into five (5) Task Force Work Groups of which the composition and the detailed Terms of Reference are in Inclosure No 3. The Work Group Leaders will act as the counterparts to the TA consultants.

5 The existing Project Management Advisory Committee (PMAC) for TEEP and SEDIP chaired by the Secretary will provide policy directions and guidance on implementation issues. The Project Development and Evaluation Division (PDED) and Planning and Programming Division (PPD) under the Office of the Planning Service will serve as the technical secretariat. The Assistant Secretary for Planning is responsible for overseeing the work of the technical secretariat.

6 To facilitate consensus-building within DECS and among key government oversight agencies, consultative meetings, round table discussions and workshops will be organized both at the central and field levels. All central, regional and division offices as well as the districts and schools are expected to extend full support and cooperation.

7 The government counterpart fund required to cover personnel services and other operating expenditures for CY 1999 shall be taken from OSEC funds. For CY 2000, the counterpart fund requirement shall be provided from the amount specifically proposed for the said study.

8 The official station of the Consultants will be at the Office of the Project Development and Evaluation Division, 4<sup>th</sup> Floor Bonifacio Building, DECS Complex, Meralco Avenue, Pasig City. However, as deemed appropriate, the Task Force Work Group Leaders should make available a work area for any of the Consultants to work closely with specific units of DECS.

9 Immediate and wide dissemination of this Memorandum is desired.

  
BRO ANDREW GONZALEZ, FSC  
Secretary

Incls As stated

Reference None

Allotment 1—(DO 50-97)

To be indicated in the Perpetual Index  
under the following subjects

COMMITTEES  
OFFICIALS  
PROJECTS

**TECHNICAL ASSISTANCE FOR  
DECENTRALIZATION OF BASIC EDUCATION MANAGEMENT**

**A Background**

1 The enactment of the Philippine Local Government Code of 1991 mandates the decentralization of many functions previously carried out by the national Government agencies to local government units (LGUs). Although the LGUs have been given the responsibility to construct and maintain public elementary and secondary schools, the education administration has remained centralized. Nevertheless, to meet the new challenges for sustainable human development, the new Philippine National Development Plan (Plan 21) seeks to hasten the decentralization of educational management as articulated in the Department of Education Culture and Sports (DECS) Master Plan for Basic Education. The ten-year master plan (1995-2005) is anchored on the thrusts of decentralization and modernization.

2 DECS defines decentralization as (i) promotion of school-based management and community based literacy programs, (ii) transfer of authority and decision making from the central and regional offices to the provincial (divisions) and schools, (iii) sharing education management responsibilities with other stakeholders such as the LGUs, parent teacher community associations (PTCAs) and non-governmental organizations (NGOs) and (iv) devolution of education functions. To develop a long-term decentralization strategy, the Government has requested technical assistance (TA) to the Asian Development Bank (ADB). The Third Elementary Education Project (TEEP) financed by the World Bank and the Overseas Economic Cooperation Fund (OECF) of Japan, and Secondary Education Development and Improvement Project to be financed by the Bank and OECF will support improvement of the quality of basic education for poverty affected rural provinces in a decentralized setting. The outcomes of the TA, the experiences drawn from the two projects, as well as domestic and international research on school effectiveness will form the basis for the refinement of the basic education decentralization strategy.

**B Objectives**

3 The proposed TA will assist the Government in developing a ten year strategic plan for the decentralization of basic education with emphasis on formal basic education. The overall objectives of the TA will be (i) to develop through a participatory process, a long-term plan for the decentralization of the basic education system and (ii) to conduct a benefit-cost analysis of a decentralized basic education organization. More specifically the TA will (i) review policies, laws, and regulations that regulate the basic education system and suggest modifications to strengthen the decentralization efforts, (ii) define and build consensus on appropriate roles, responsibilities and functions for the central level regions, divisions, districts, schools, PTCAs, LGUs and NGOs in supporting education improvement in a decentralized setting, (iii) review the existing basis for financial and staff resource allocation and accountability and recommend long-term improvements.

(iv) examine what changes will be necessary in management mechanisms and staff resources at each level to ensure effective management of basic education in a decentralized organization (v) analyze the institutional culture appropriate for decentralization and identify strategies for its promotion (vi) facilitate discussion review and consensus building among the key Government agencies on the desired policies, strategies and implementation plans and (vii) estimate the financial and staff implications of decentralization of basic education and (viii) suggest and estimate the costs of different options for decentralization

### **C Scope of Services**

4 About 22 person-months of international and 22 person-months of domestic consulting services will be needed to carry out the TA activities. The consulting services include (i) education decentralization (ii) education economics and finance (iii) budget finance and audit (iv) human resources planning and development and (v) legal issues. The TA will provide a number of consultation meetings and workshops to facilitate consensus building between different levels of hierarchy within DECS and between the key Government oversight agencies such as the Department of Budget and Management, Department of Finance, Civil Service Commission, National Economic Development Agency and the LGUs.

### **D Cost Estimates and Financing Plan**

5 The total cost of the TA is estimated to be \$1,003,000. The Bank will provide a grant of \$798,000 which will be financed on a grant basis from the Japan Special Fund, funded by the Government of Japan. The Government will meet the remaining cost of \$205,000 equivalent, which represents expenditures (in cash or in kind) for the remuneration of counterpart staff, office space and other costs related to workshops and consultations.

### **E Implementation Arrangements**

6 DECS will be the Executing Agency for the TA, and will be responsible for providing administrative and counterpart support to the consultants. DECS will create a decentralization task force as a counterpart to the TA. The DECS Project Management Advisory Committee (PMAC) will act as the advisory body. The outputs of the TA will be presented to the interagency Social Development Committee for endorsement to the Cabinet.

7 The TA will be implemented over a period of approximately 18 months by an international consulting firm to be recruited by the Bank in accordance with the Bank's Guidelines on the Use of Consultants.

## **F Reporting Requirements**

8 The consultants will submit to the Government and the Bank technical reports/documents in line with a work program agreed on during contract negotiations. In addition to the technical reports of the individual team members, the consultants will submit an inception report, quarterly progress reports, a draft final report, and a final report. Adjustments of the work program can be made in the inception report to ensure that the TA is aligned to recent developments within basic education.

## **G Expected Outputs of the TA**

9 The TA will have the following outputs:

- (i) An implementable ten-year plan (including options and schedules) for decentralization of basic education with an emphasis on formal education. The plan will cover:
  - (a) analysis of what changes are required in the regulatory framework to permit decentralized organization; the analysis should cover educational and operational policies and laws, financial and personnel rules and regulations, as well as pending proposals of relevance to basic education; a distinction should be made between those changes that can be addressed by DECS and those that require the involvement of other departments/agencies, particularly the LGUs;
  - (b) suggestions on appropriate organizational arrangements in a decentralized DECS, including new functions for the suggested administrative levels as well as accountabilities of key staff;
  - (c) staffing and skills mix requirements in a decentralized DECS;
  - (d) analysis of the administrative capacities of DECS and the LGUs to execute their roles in a decentralized setting, and suggestions on what measures need to be taken to reach the required capacity;
  - (e) desirable as well as implementable options and schedules for allocation, transfer, deployment and development of the basic education human resources and financial implications of the different decentralization options;
  - (f) a proposal on how the basic education support systems such as planning and monitoring and evaluation should be adjusted/modified to fit a decentralized organization while being retained within the framework of the central government systems; the following planning and monitoring systems should be addressed in the proposal: strategic planning, annual planning, budgeting, resource allocation,

## **H Terms of Reference of Consultants**

### **1 Education Decentralization and Institutional Development Specialist (International Team Leader 15 person months), Counterpart chairperson of the decentralization task force**

**10** The key role of the team leader will be to work closely and effectively with the senior DECS administrators and with senior personnel in the central agencies and in local government to ensure that the operational plan and strategies in the proposed change process are supported effectively. A second role will be to manage the consultant team so that it is able to provide effective and responsive support to the DECS task force in its work. In this, the team will need to assist the DECS task force identify and examine the major issues that need to be addressed if the proposed educational objectives and improvements through decentralization are to be achieved effectively. Accordingly, the team leader will need to be able to assist the DECS team acquire any additional competencies required to complete their work effectively, and coach them discreetly in the application of those competencies to the tasks set for them. The team leader is expected to work closely with the TEEP and the proposed Project teams to ensure that there is consistency in the approaches and strategies for decentralization of the basic education system.

**11** The technical tasks will include

- (i)** mobilizing the team to optimize their inputs
- (ii)** ensuring a consistent approach on the part of team members to facilitating and supporting members of the task force in developing and implementing the decentralization program,
- (iii)** preparing synthesized analytical inception, progress, and final reports,
- (iv)** assisting the task force to prepare and run workshops, and ensuring adequate consultation, participation, and consensus building in the process on the part of the various stakeholders in the education system,
- (v)** ensuring all task force members are appropriately trained in diagnostic analysis of basic education, planning, and change management techniques, and in the implementation of a complex program,
- (vi)** assisting the DECS task force to
  - (a)** complete an outline situation analysis of education with particular attention to the adequacy of the legislative and regulatory framework, the policy framework, the current and intended roles and responsibilities allocated to various levels of DECS and the LGUs, the capacity of the LGUs and associations like the PTCA's to support local schools, and present the findings to the PMAC,

- (b) identify weaknesses in operational capacity, especially in light of the proposed transfer of powers from the DECS central and regional offices to divisions and from divisions to the schools, and any weakness in the LGUs given their planned responsibilities for physical infrastructure and all constraints or barriers to change, and present the findings to the PMAC
  - (c) develop functions for each level in the DECS administration and suggestions on future roles and functions of the LGUs, PTCAs, and NGOs in education management,
  - (d) evaluate a number of alternative decentralization plans identifying the strength and weakness in each, present these alternatives to the PMAC for a decision on the preferred operation for the decentralization plan
  - (e) develop an outline of the decentralization plan, and detailed strategies and sequence of steps to progressively decentralize responsibilities to the divisional and school levels, the plan should include a budgetary and operational strategy to drive the proposed changes to the divisions and the LGUs and school levels, as well as options on how the basic education is to be financed
  - (f) coordinate the development of a plan with the TEEP and the proposed Project with a particular emphasis on ensuring that there is no potential for overload at the divisional level as responsibilities are progressively delegated to it
  - (g) identify actions that DECS, other ministries of the Government and in particular the LGUs should take to ensure that the drive support, and commitment to achieve the desired decentralization outcomes are in place at the outset of the implementation program and
- (vii) provide regular briefing to the Bank on the progress of the TA. The briefing should provide realistic assessments of progress and any difficulties being encountered. Difficulties should be accompanied by an action plan, setting out how they are being addressed and who is responsible

**2 Education Economist**  
 (International 7 person months) Counterparts assistant secretary for planning and assistant secretary for finance and management services

12 The consultant will

- (i) conduct benefit cost analysis of different decentralized basic education options
- (ii) conduct benefit cost analysis of different decentralization implementation options

- (iii) analyze different options for education finance and their implications (e.g. cost sharing with the LGUs, NGOs, PTCAs and the private sector) suggest the most appropriate considering the local conditions
- (iv) refine the content, format and planning cycle for schools plans to ensure that these plans are integrated in the Government planning system
- (v) review in cooperation with TEEP and the Project staff current criteria for resource allocation to schools suggest appropriate changes to achieve education quality equity, and
- (vi) assess the planning cycles applied in TEEP and the proposed Project suggest one cycle appropriate for the whole country

The education economist must closely coordinate work with that of the other consultants in the team, especially the team leader

**3 Budget, Finance and Audit**  
(Domestic 10 person months), Counterparts: chiefs of budget, accounting, management and audit divisions

13 The consultant will

- (i) identify implementable improvements of the current educational budgeting system within the framework of operating a conventional performance management system, outline options for education planners on how a financial performance management system would operate under different budgeting and accounting scenarios,
- (ii) review the existing information technology system and information needs within the current DECS accounting and reporting requirements,
- (iii) review current accounting practices of the LGUs and schools, identifying weaknesses, assess what would be required to place schools on a system that not only meets current DECS accountability requirements, but also would provide the management information necessary to enhance the capacity of divisions to manage the subsector more effectively,
- (iv) develop in close cooperation with the Department of Finance and the LGUs proposals for the effective financing of LGUs and schools within the budget consider alternatives to align appropriations to schools
- (v) assess the business planning needs of schools and design a process to enable them to develop business plans as part of the annual budgeting cycle suggest the inputs required to make the process sustainable,
- (vi) establish specifications for appropriate reporting of financial performance at each level of the education system,



- (vii) evaluate the capacities of administrative/accountancy staff and develop proposals to enable them to progress from bookkeepers to management accountants,
- (viii) do an inventory of existing information technology software and hardware at all levels of the system and identify what might be needed to satisfy basic requirements for improved planning, effective information distribution, and management reporting systems, estimate costs, including the recurrent costs to maintain and upgrade the systems
- (ix) outline the requirements for introducing simple management information systems for schools to enable school management to effectively plan its work schedules and then monitor its performance (together with TEEP and the proposed Project)
- (x) develop a strategy for the sustainable maintenance of the systems. Identify the training required by personnel to operate the system and produce and analyze the financial and management information required by the system (together with TEEP and the Project, and
- (xi) review current audit practices within DECS and suggest implementable changes of audit rules and procedures required in a decentralized school administration (in cooperation with TEEP and the Project)

**4 Human Resources Planning and Development Specialist (Domestic 10 person months), Counterpart chiefs of personnel and staff development divisions**

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The consultant will

- (i) assist in assessing the adequacy of current personnel policies and procedures regulating education staff and suggest changes suitable in a decentralized setting
- (ii) review the existing personnel management information system, analyze information needs in a decentralized organization, and suggest modifications within the framework of overall consistency with the central Government system
- (iii) analyze current staff capacity within DECS and LGU administrations
- (iv) assess staffing and skills mix requirements in a decentralized DECS, indicate options, and assess the costs of the different options
- (v) suggest strategies and optional plans for staff allocation, reallocation, and retrenchment, and estimate the costs of the different options
- (vi) assess the human resources development requirements for the implementation of a decentralized DECS, estimate the costs of the human resources development plan, and indicate a tentative implementation schedule

- (vii) assist in developing generic job descriptions including accountability for key administrative staff
  - (viii) review the promotion and career planning system of DECS and determine constraints to developing strategies to ensure that competent personnel are promoted to levels appropriate to their competencies and that there is a ready pool of senior teachers to be promoted to principals
  - (ix) assist in developing an incentive system for increased teacher mobility and
  - (x) assist in developing change strategies, and training staff in change management techniques
- 5 Legal Adviser**  
(Domestic 2 person months) Counterpart assistant secretary for administration

15 The legal adviser will assist the DECS task force on decentralization and legal issues related to decentralization and changes in the regulatory framework. The legal adviser will be accessible for consultations throughout the TA up to a maximum of two months.

**Project Organizational Structure for the  
TA on Decentralization Study**

- Discuss interagency policy issues and formulate recommendations for executive or legislative action
- Provide policy direction on DECS operational concerns for TA implementation
- review/approve recommendations
- act as counterpart to the consultants
- mobilize human and physical resources
- lead the work group
- review outputs

**Social Development Committee 1/  
Chairman NEDA**

**Project Management Advisory  
Committee  
Chairman Secretary Andrew Gonzalez**

**Task Force on Decentralization Study**

<b>Chairman</b>	USEC Nilo L. Rosas
<b>Co-Chairman</b>	USEC Antomo Valdes
<b>Members</b>	
	Usec Bartolome Carale
	Usec Victor Manhit
	Asec Ramon Bacani
	Asec Mario Bravo
	Asec Fe Hidalgo
	Asec Emmanuel Mariano
<b>Secretariat OPS PDED and PPD</b>	

1/ Other agencies not represented in the SDC will be on call such as Civil Service Commission, COA, DILG, etc

**TA on Decentralization Study  
Proposed Composition and Terms of Reference  
of Task Force Work Groups**

**A PROPOSED COMPOSITION**

1	Task Force Workgroup	<b><u>Decentralization Planning and Organizational Development</u></b>
	Leader	USEC Nilo L. Rosas
	Co Leaders	USEC Antonio A. S. Valdes and USEC Victor Andres Manhit
	Asst. Leader	Director Alberto P. Mendoza BSE
	Members	Director Lidinila L. Santos BEE Director Rosario de Guzman BNFE Director Ma. Lourdes G. De Vera OPS Napoleon Imperial NEDA SDS Representative of Regional Directors Representative of Schools Division Superintendents Dominador Capripin OPS-PPD Miriam N. Coprado OPS-PDED
2	Task Force Workgroup	<b><u>Benefit-Cost Analysis</u></b>
	Leader	ASEC Ramon C. Bacani
	Asst. Leader	Teresita D. Felipe SEDIP NPMO
	Members	Lilia Z. Roces OPS RSD Leovigildo Arellano FMS-Management Division NEDA (to be identified) Representative of School Division Superintendents Corazon Guerra OPS PPD Pysche Vetta G. Olayvar OPS-PDED
3	Task Force Workgroup	<b><u>Finance, Budget and Audit</u></b>
	Leader	ASEC Mario Bravo
	Asst. Leader	Lydia Austria Budget Division
	Members	Representative of Schools Division Superintendents Blanca Bautista Accounting Division DBM (to be identified) COA (to be identified) DILG (to be identified) Estela Blanco OPS PPD Erlinda A. Sevilla OPS PDED
4	Task Force Workgroup	<b><u>Human Resource Development</u></b>
	Leader	ASEC Fe Hidalgo
	Asst. Leader	Dr. John Banquicio NEAP
	Members	Dalmacio Casison Jr. FMS Management Division Zayda Ascueta HRD-SDD Estelita Reyes HRD EWBD Rosita Santiago HRD-Personnel Division Chona Castano BEE SDD

Lolita Andrada BSE SDD  
COA (to be identified)  
DBM (to be identified)  
Representative of Regional Directors  
Representative of Schools Division Superintendents  
Yolanda Mendoza OPS-PPD  
Rossana S Carnecer OPS-PDED

**Task Force Workgroup**                    **Legislation and Legal**

**Leader**                                    **USEC Bartolome Carale**  
**Asst Leader**                           **USEC Victor Andres Manhr**  
**Members**                               **ASEC Emmanuel Mariano**  
   **Atty Felipe Millo Legal Division**  
   **Representative of Regional Directors**  
   **Representative of Schools Division Superintendents**  
   **Teresita Castillo Office of Sen Aquino-Oreta (Senate Com**  
   **Ricky Tana Office of Rep Quimpo (Congress Committee**  
   **Gilbert Trinidad OPS PDED**

**Terms of Reference of Each Task Force Workgroup**

In close collaboration with the TA Consultancy Team the five (5) Task Force Work Groups will undertake the following

- a Participate in the development of a detailed work program for the study area assigned to the workgroup
- b Identify and mobilize stakeholders who should be involved or consulted during the study
- c Assist in the generation of data/information relevant studies policies or draft legislative papers available within and outside the DECS and in the preparation of discussion papers as may be required
- d Participate in discussions workshops consultations and field surveys
- e Review outputs of the consultants and recommend areas for improvement and/or further study

*for workgroups/disk.ta-decentralization*