

Program Implementation Document

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Republic of the Philippines: Senior High School
Support Program

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Purpose of Program Implementation Document

The Government of Philippines (the government) is wholly responsible for implementing the program supported by results-based lending (RBL). The Asian Development Bank (ADB) staff support the RBL program design and implementation.

The program administration document (PID) consolidates the essential program implementation and administrative arrangements. It is a management tool to effectively and flexibly support program implementation. At loan negotiations, the borrower and ADB will review the PID and reflect the discussion in the minutes of the loan negotiations. The PID is a living document. It is developed throughout the program processing, and refined and updated during the program implementation in close consultation with the government. The PID should be discussed with the borrower at loan negotiations, and kept up to date during implementation.

ABBREVIATIONS

ADB	–	Asian Development Bank
COA	–	Commission on Audit
DBM	–	Department of Budget and Management
DepEd	–	Department of Education
DLI	–	disbursement-linked indicator
GASTPE	–	Government Assistance to Students and Teachers in Private Education
EBEIS	–	enhanced basic education information system
ESC	–	education service contracting
JHS	–	junior high school
K to 12	–	kindergarten to grade 12
M&E	–	monitoring and evaluation
PID	–	program Implementation document
PAP	–	program action plan
RBL	–	results-based lending
SHS	–	senior high school
SHSSP	–	Senior High School Support Program

I. PROGRAM DESCRIPTION

1. The Senior High School Support Program (SHSSP) will support the establishment and implementation of the senior high school (SHS) component of the reform by the Government of the Philippines of the country's kindergarten-to-grade-12 (K to 12) basic education program. The reform aims to lift the quality of basic education, develop lifelong learners, and prepare graduates for tertiary education, middle-level skills development, employment, and entrepreneurship. The K to 12 program is a catalyst for wider improvements in basic education through adoption of a revised curriculum and modern teaching methods. Although the government's K to 12 program encompasses the entire pre-tertiary education system, the SHSSP focuses on the addition of SHS, which will add grades 11 and 12 to the existing 10-grade basic system. SHS is scheduled to be launched nationwide in June 2016. The SHSSP will provide support during 2014–2019 and thus cover both the 2014–2015 preparatory phase and the 2016–2019 implementation phase of the SHS program.

2. The extension of basic education by 2 years requires the Department of Education (DepEd) to prepare a new level of basic education offering SHS students a common core curriculum and a choice from four specialized tracks: (i) academic, (ii) technical-vocational and livelihood (TVL), (iii) sports, and (iv) arts and design. Because SHS is new, DepEd needs to (i) develop content, including curriculum, learning materials, and assessment tools for all subjects; (ii) assign and prepare enough teachers qualified to teach at the SHS level; (iii) deliver sufficient classrooms, laboratories, and workshops for DepEd schools, sometimes using a public–private partnership (PPP) modality; (iv) design and deliver an SHS voucher program to finance graduates from DepEd junior high schools (JHSs), non-DepEd JHS graduates who were supported under the education service contracting (ESC) scheme, and other eligible non-DepEd JHS graduates to attend non-DepEd SHSs; and (v) adjust the management functions of the basic education system to include SHS. Simultaneously, DepEd is participating in government-wide programs to improve financial management, procurement, and anticorruption measures.

3. It is estimated that the SHS program will cost \$4.410 billion during 2014–2019 and about \$900 million per year thereafter to operate, assuming optimization of resources. The SHSSP RBL will provide \$300 million to support selected outcomes within the government's overall SHS program. Table 1 shows the scope of both the SHSSP and the government's SHS programs.

**Table 1: Program Scope
(as at November 2014)**

Item	Broader Government Program	Results-Based Lending Program
Outcome	Improved basic education system; graduates prepared for employment or further education and training	Effective SHS system established and implemented
Key outputs	SHS program, schools and other educational facilities, basic education sector leadership, teacher engagement and training, basic education sector management and administration	SHS program in mathematics, science and TVL; MSS for school facilities in DepEd SHSs; PPPs for school infrastructure; SHS voucher program; fiduciary and safeguards systems strengthened

Item	Broader Government Program	Results-Based Lending Program
Activity types	(i) Curriculum, learning materials, and assessment tools developed; (ii) teachers engaged and trained; (iii) educational facilities delivered; (iv) PPPs used to finance student enrollments; and (v) strengthened sector management	Science, mathematics and TVL curriculum developed; (ii) educational facilities delivered; (iii) assessment of PPP modality for school facilities; (iii) voucher program established; and (iv) procurement system strengthened
Program expenditure	\$4,410 million	\$300 million
Geographic coverage	Nationwide	Nationwide
Implementation Period	2014–2019	2014–2019

MSS = minimum service standard, PPP = public–private partnership, SHS = senior high school, TVL = technical-vocational and livelihood.

Source: Asian Development Bank.

II. RESULTS AND DISBURSEMENTS

A. The RBL Program's Overall Results

4. The government uses a results-based management framework at the country, agency, and program levels. The major targeted outcomes and outputs are derived from the presidential administration's development agenda and articulated at the agency and program levels primarily through (i) the key results indicators for basic education in the Philippines Development Plan (PDP), prepared by the National Economic Development Authority (NEDA); (ii) DepEd's medium-term expenditure plan (METP) service standards, which serve as the basis for cost estimates; (iii) the Department of Budget and Management (DBM) major final outputs; and (iv), and DepEd's K to 12 framework. While the government's current PDP results matrix runs concurrently with this presidential administration, which ends in 2016, its education indicators can be expanded to include SHS. So can the indicators for improving good governance, including financial management, procurement, and anticorruption functions. DepEd's K to 12 framework includes process indicators pertaining to developing SHS, including indicators for curriculum design, voucher program design, and division-level planning for the location of DepEd SHSs. Table 2 shows the compiled SHS results framework.

1. Program Results Framework

Table 2: Program Results Pertinent to Senior High School
(As at November 2014)

(As at November 2014)								
Results Indicators	DLI (Yes/No)	Baseline Value	Base- line Year	Target Values of Results Indicators				
				2015	2016	2017	2018	2019
Outcome: Effective senior high school system established and implemented								
1. Overall MPS for secondary exit assessment	No	MPS on NAT for grade 10 = 47.9%	2010	...	65%	...	...	65%
2. Target MPS for grade 12 exit assessment for mathematics	Yes/DLI 1	MPS on NAT at for grade 10 = 46.8%	2013	...	...	...	...	50%

Results Indicators	DLI (Yes/No)	Baseline Value	Base- line Year	Target Values of Results Indicators				
				2015	2016	2017	2018	2019
3. Target MPS for grade 12 exit assessment for science	Yes/DLI 1	MPS on NAT at grade 10 level = 41.3%	2013	...	...	...	...	45%
4. Target grade 12 exit assessment passing rate for TVL students	Yes/DLI 2	TESDA certification rate HS highest = 56.7%	2010	...	...	...	...	85%
5. Cohort survival rate for secondary level (for grades 7–12) improved	No	79.4% for grades 7–10	2010	...	85%	...	...	90%
6. Transition rate from grade 10 to grade 11	No	Transition rate from grades 9–10 = 97%	2013	...	87%	...	...	88%
7. Net enrolment rate for grades 7–10	No	NER for secondary school = 64.7%	2010	...	71%	...	...	71%
8. Cohort completion rate for secondary level (7–12)	No	75.1% for grades 7–10	2010	...	80%	...	...	77%
Outputs								
1. Proportion of DepEd SHSs achieving MSS for qualified mathematics teachers	Yes/DLI 1	73% of DepEd JHSs met TSR MSS for mathematics subjects	2012	...	...	85%	...	85%
2. Proportion of DepEd SHSs achieving MSS for qualified science teachers	Yes/DLI 1	21% met TSR MSS for science subjects	2012	...	...	...	50%	50%
3. Proportion of DepEd SHSs achieving MSS for student–classroom ratio	Yes/DLI 3	36% of JHS met MSS for student–classroom ratio	2010	...	25%	...	50%	50%
4. Proportion of SHS enrollments in non-DepEd schools	Yes/DLI 5	20% of JHS enrollments were in non-DepEd schools	2012-2013	...	...	30%	35%	40%
5. Proportion of DepEd divisions and regions submitting APCPI on time	Yes/DLI 6	No baseline	2013	...	...	30%	35%	35%
Other								
1. Streamline government processes as per PDP results matrix	No	Reduce complexity of permit and licensing procedure for	2013	Yes				

Results Indicators	DLI (Yes/No)	Baseline Value	Base- line Year	Target Values of Results Indicators				
				2015	2016	2017	2018	2019
		establishing new private SHSs						
2. Linked online public procurement management system with the GIFMIS	No	Electronic public procurement management system designed	2006		Yes			
3. GIFMIS piloted at DepEd	No	GIFMIS tested	2014	Yes				
4. DAP GQMP implemented at school level	No	Percent of DepEd SHSs with ISO 9001 certification						70%

APCPI = Agency Procurement Compliance and Performance Indicator; DAP = Development Academy of the Philippines; DepEd = Department of Education; DLI = disbursement-linked indicator; GIFMIS = government integrated financial management information system; GQMP = government quality management program; ISO = International Organization for Standardization; JHS = junior high school; MPS = mean percentage score; MSS = minimum service standard; NAT = national assessment test; MTEP = medium-term expenditure plan; NER = net enrolment rate; PPP = public-private partnership; SCR = student-classroom ratio; SHS = senior high school; TSR = teacher-student ratio; TVET = technical-vocational education and training; TVL = technical-vocational and livelihood; UACS = uniform account code structure.

Source: Asian Development Bank.

B. Disbursement-Linked Indicators

1. Description of Disbursement-Linked Indicators

5. Some of DepEd's indicators from the overall results framework for SHS have been developed into SHSSP disbursement-linked indicators (DLIs), which are broken down into a sequence of time-bound targets. Since DepEd participates in government-wide programs to improve fiduciary functions, some DLIs reflect DepEd's agency-level targets under those programs. SHSSP DLIs are in Table 3.

Table 3: Disbursement-Linked Indicators
(As at November 2014)

DLIs	Baseline and Year	Prior Results (2014)	2015	2016	2017	2018	2019
DLI 1 Learning outcomes in DepEd senior high school mathematics and science subjects improved	In 2013, MPS for mathematics in DepEd JHSs was 46.8% (M = 47.8%; F = 45.7%) and MPS for science was 41.3% (M = 41.0%; F = 41.3%) In 2012, 73% of DepEd JHSs met TSR MSS for mathematics subjects and 21% met TSR MSS for science subjects	DepEd SHS curriculum that includes specific learning outcomes for mathematics and science in the core subjects and all 4 tracks, as applicable, promulgated		MSS for TSR for qualified SHS mathematics teachers achieved in at least 85% of DepEd SHSs	MSS for TSR for qualified SHS science teachers achieved in at least 50% of DepEd SHSs		Grade 12 exit assessment MPS in DepEd SHSs is at least (i) 50% for mathematics (with the MPS for males and females of at least 45%); and (ii) at least 45% for science (with MPS for males and females of at least 40%) [Partial disbursement of DLI allocation allowed]
DLI 2 Learning outcomes in DepEd senior high school technical-vocational and livelihood subjects improved	In 2009, the percentage of TVET graduates with high school as highest education level attained who passed national certification was 86.1%		DepEd SHS curriculum that includes specific learning outcomes for all TVL subjects promulgated	DepEd policy on SHS TVL track, including a strategy and action plan to promote female enrolment, issued			The exit assessment passing rate for TVL students in DepEd SHSs is at least 50% (passing rate of at least 45% for males and females) [Partial disbursement of DLI allocation allowed]

DLIs	Baseline and Year	Prior Results (2014)	2015	2016	2017	2018	2019
DLI 3 Minimum service standard for student–classroom ratio in DepEd senior high schools achieved	In 2012: 27% of JHSs achieved SCR MSS	MSS for DepEd SHS SCR in instructional and specialized classrooms promulgated		MSS for DepEd SHS SCR achieved in at least 25% of DepEd SHSs [Partial disbursement of DLI allocation allowed]		MSS for DepEd SHS SCR achieved in at least 50% of DepEd SHSs [Partial disbursement of DLI allocation allowed]	
DLI 4 Use of public-private partnership modality considered for a portion of DepEd senior high school infrastructure delivery	In 2013: 20,000 elementary and JHS classrooms delivered under the PSIP 1 and 2	Prefeasibility study on the use of PPP modality for SHS infrastructure delivery reviewed and submitted by DepEd to the PPP Center as a concept note for the Project Development and Monitoring Facility	Feasibility study on the use of PPP modality for SHS infrastructure delivery completed and submitted to the PPP Center		Successful preparation and tendering of PPP-based procurement package for SHS infrastructure delivery on the basis of a positive value-for-money proposition		
DLI 5 DepEd targets for senior high school enrolments in non-DepEd schools achieved	In 2012-2013: 20% of JHS enrolments were in non-DepEd schools	DepEd SHS voucher policy brief announced and DepEd policy for establishing non-DepEd SHSs promulgated [Partial disbursement of DLI allocation	Institutional arrangements for SHS voucher operation and administration defined and initiated		At least 30% of SHS enrolments are in non-DepEd schools [Partial disbursement of DLI allocation allowed]	At least 35% of SHS enrolments are in non-DepEd schools [Partial disbursement of DLI allocation allowed]	At least 40% of SHS enrolments are in non-DepEd schools [Partial disbursement of DLI allocation allowed]

DLIs	Baseline and Year	Prior Results (2014)	2015	2016	2017	2018	2019
		allowed]					
DLI 6 Performance targets in procurement monitoring achieved	No baseline		Proportion of DepEd divisions and regions submitting on time the APCPI report for the previous year is at least 25% [Partial disbursement of DLI allocation allowed]		Proportion of DepEd divisions and regions submitting on time the APCPI report for the previous year is at least 30% [Partial disbursement of DLI allocation allowed]	Proportion of DepEd divisions and regions submitting on time the APCPI report for the previous year is at least 35% [Partial disbursement of DLI allocation allowed]	

APCPI = Agency Procurement Compliance and Performance Indicator, DepEd = Department of Education, DLI = disbursement-linked indicator, F = female, JHS = junior high school, M = male, MPS = mean percentage score, MSS = minimum service standard, PPP = public-private partnership, PSIP = PPP for school infrastructure program, SCR = student-classroom ratio, SHS = senior high school, STEM = science, technology, engineering and mathematics, TSR = teacher-student ratio, TVET = technical and vocational education and training, TVL = technical-vocational and livelihood

2. Disbursement-Linked Indicator Verification Protocols

6. DepEd may submit a withdrawal application periodically, along with evidence verifying (i) achievement of the DLIs. Disbursements are allowed for early or late achievement of DLIs. Verification mechanisms and protocols have been established using public and independent sources and are clarified in the protocols and verification measures included in Table 4. The disbursement amount allocated to each DLI depends on the importance of the DLI. While the costs may be a factor for consideration, there is no one-to-one relationship between the allocation of disbursement and the costs required to achieve the results. Two or more development agencies can disburse against the same DLIs.

a. General Procedures

- (a) DepEd will collect all reports and information necessary to verify accomplishment of the DLI and prepare a draft **DLI achievement report**. Achievement reports refer to the month and year of the DLI achievement indicated in the DLI table.
- (b) DepEd Secretary or designee will assess the achievement of the DLIs and authorize **the DLI achievement report** to be shared with the Department of Finance, Department of Budget and Management and ADB.
- (c) The DLI achievement report will be discussed and confirmed with ADB. In case ADB identifies issues with the DLI achievement, it will relay its concerns to DepEd within 3 months of its receipt of the achievement report.
- (d) Once ADB has confirmed the achievement of a DLI, DepEd through DOF submits the **Withdrawal Application** to ADB accompanied by the evidence of DLI achievement.
- (e) The withdrawal application can be submitted in the same year the DLI is achieved or any subsequent year depending upon the government's financial needs.

b. Verification Protocols

7. To avoid confusion about whether a DLI has been met, verification protocols have been agreed with the government and are presented in Table 4.

Table 4: Disbursement Linked Indicator Verification Protocols
(As at November 2014)

DLI	Definition/Description of Achievement and Verification	Information Source and Reporting Timeframe	Verification Agency and Procedure
DLI 1: Learning outcomes in DepEd SHS mathematics and science subjects improved			
Prior Results (2014): DepEd SHS curriculum that includes specific learning outcomes for mathematics and science in the core subjects and all 4 tracks, as applicable, promulgated	Definitions: <u>SHS curriculum</u> means the complete set of courses comprising the entire SHS program including for each course offered, at a minimum, the knowledge and skills students are expected to learn <u>Learning outcomes</u> are the content standards, performance standards and learning competencies students are expected to achieve defined for each mathematics and science course in the SHS curriculum <u>Promulgated</u> means issued through, at a minimum, posting on the DepEd website This DLI is achieved when the SHS curriculum including learning outcomes for all SHS mathematics and science courses is posted on the DepEd website	DepEd Website November 30	(i) Focal unit prepares an attestation that the DLI is met and attaches website address
2016: MSS for TSR for qualified SHS mathematics teachers achieved in at least 85% of DepEd SHSs	Definitions: <u>Teachers means</u> full or part time teachers teaching SHS classes in mathematics <u>MSS for TSR for qualified mathematics teachers</u> means the maximum number of SHS students per qualified mathematics teacher which is to be defined in a DepEd policy <u>Qualified SHS mathematics teachers</u> are those who meet the requirements set out in a DepEd policy This DLI is achieved when analysis of school level data on teacher qualifications and courses taught shows that at least 85% of DepEd SHSs meet the MSS for TSR for qualified mathematics teachers	EBEIS report or separate school survey Random field verification visits Data as at August 31, processed by September 30	Using the EBEIS or a separate survey, focal unit prepares a report showing the percentage of DepEd SHSs meeting MSS for TSR for mathematics subjects, including: (i) EBEIS or survey results; and (ii) Results of field verification
2017: MSS for TSR for qualified SHS science teachers achieved in at least 50% of DepEd SHSs	Definitions: <u>Teachers means</u> full or part time teachers teaching SHS classes in science <u>MSS for TSR for qualified science teachers</u> means the maximum number of SHS students per qualified science teacher which is to be defined in a DepEd policy <u>Qualified science teachers</u> are those who meet the	EBEIS report or separate survey Data as of August 31, processed by September 30	Using the EBEIS or a separate school survey, focal unit prepares a report showing the percentage of schools meeting MSS for TSR for science subjects, including: (i) EBEIS or survey results; and (ii) Results of field verification

DLI	Definition/Description of Achievement and Verification	Information Source and Reporting Timeframe	Verification Agency and Procedure
	requirements set out in the DepEd policy This DLI is achieved when analysis of school level data on teacher qualifications and courses taught shows that at least 50% of DepEd SHSs meet the MSS for TSR for qualified science teachers		
2019: Grade 12 exit assessment MPS for DepEd SHSs is at least (i) 50% for mathematics (with the MPS for males and females at least 45%) and (ii) 45% for science (with the MPS for males and females at least 40%) [Partial disbursement of DLI allocation allowed]	Definitions: <u>Grade 12 exit assessment</u> includes a standardized examination of student achievement of mathematics and science learning outcomes, as defined in the core curriculum <u>MPS</u> means the mean percentage score This DLI is achieved when the results of a grade 12 exit assessment in mathematics and science subjects demonstrate that the target MPS has been achieved, including the gender targets <u>Partial disbursement</u> : 25% of allocation can be disbursed for achievement of MPS in mathematics subjects, 25% for achievement of MPS in science subjects, and 12.5% of allocation can be disbursed for achievement of each of the gender targets for mathematics and science <u>Partial DLI disbursement</u> on a pro-rata basis will be made when the MPS reaches 60% of the target	DepEd report summarizing grade 12 assessment results, including MPS for learning outcomes in mathematics and science subjects July 31	Focal unit attests to the achievement of the DLI and attaches the DepEd report
DLI 2: Learning outcomes in DepEd SHS TVL subjects improved			
2015: DepEd SHS curriculum that includes specific learning outcomes for all TVL subjects promulgated	Definitions: <u>SHS curriculum</u> means the complete set of courses comprising the entire SHS program including for each course offered, at a minimum, the knowledge and skills students are expected to learn <u>Learning outcomes</u> are those specific competency standards defined for each SHS TVL course <u>Promulgated</u> means issued through, at a minimum, posting on the DepEd website This DLI is achieved when the SHS curriculum including learning outcomes for all SHS TVL courses is posted on the DepEd website	DepEd Website November 30	Focal unit prepares an attestation that the DLI is met and attaches website address
2016: DepEd policy on SHS TVL track, including a strategy	Definitions: <u>DepEd policy on SHS TVL track</u> contains, at a minimum: (i) Content, performance standards and learning	DepEd Order or policy statement	Focal unit prepares a report, including the DepEd policy as an attachment, or provides website

DLI	Definition/Description of Achievement and Verification	Information Source and Reporting Timeframe	Verification Agency and Procedure
and action plan to promote female enrolment, issued	<p>competencies, for each approved SHS course in home economics, information and communications technology, agri-fishery arts, and industrial arts</p> <p>(ii) MSS for DepEd and non-DepEd TVL providers</p> <p>(iii) Terms of reference for career counselors and career advocates</p> <p>(iv) Strategies for enlisting the participation of private providers</p> <p>(v) Gender equity actions, including gender sensitivity training and gender awareness materials</p> <p><u>Issued</u> means make available to DepEd and non-DepEd TVL providers, DepEd DOs and ROs and the public, including through posting on the DepEd website and direct distribution to ROs and DOs</p> <p>This DLI is achieved when the policy on TVL is posted on the DepEd website and sent to all ROs and DOs for distribution to DepEd and non-DepEd TVL providers</p>	June 30	address
<p>2019</p> <p>The exit assessment passing rate for TVL students in DepEd SHS is at least 50% (passing rate of at least 45% for males and females)</p> <p>[Partial disbursement of DLI allocation allowed]</p>	<p>Definitions:</p> <p><u>Exit assessment</u> means a standardized assessment of TVL student competencies</p> <p><u>TVL students</u> means those who are registered under the SHS TVL track</p> <p><u>Passing rate</u> means the proportion of TVL students who demonstrates competency through the exit assessment</p> <p>This DLI is achieved when the results of assessments for TVL subjects demonstrates that the specified target passing rate has been achieved, including the gender targets</p> <p><u>Partial Disbursement</u>: 50% of allocation can be disbursed for achievement of TVL passing rate target and 25% of allocation can be disbursed for achievement of each of the gender targets</p> <p><u>Partial DLI disbursement</u> on a pro-rata basis will be made when the passing rate has reached 60% of the target</p>	<p>DepEd report summarizing results of TVL subject assessment, including passing rate prepared</p> <p>July 31</p>	Focal unit attests to the achievement of the DLI and attaches the DepEd report
DLI 3: Minimum service standard for student–classroom ratio in DepEd SHS achieved			
Prior Results (2014):	Definitions:	DepEd website	Focal unit prepares a report,

DLI	Definition/Description of Achievement and Verification	Information Source and Reporting Timeframe	Verification Agency and Procedure
MSS for DepEd SHS SCR in instructional and specialized classrooms promulgated	<p><u>MSS for DepEd SHS SCR</u> sets the maximum number of students per (i) instructional classrooms; (ii) specialized classrooms (e.g. workshops, laboratories and studios)</p> <p><u>Promulgated</u> means MSS for DepEd SHS SCR are made available to teachers and principals of DepEd and private schools/TVIs, DepEd DOs and ROs and the public, by means of a DepEd policy which is posted on the DepEd website and distribution to ROs and DOs</p> <p>This DLI is met when the MSS for SCR are set and promulgated</p>	November 30	including the DepEd policy and DepEd website address
<p>2016 MSS for DepEd SHS SCR achieved in at least 25% of DepEd SHSs 2018: At least 50%</p> <p>[Partial disbursement of DLI allocation allowed]</p>	<p>Year 2 and Year 4 DLIs are met when at least (i) 25% of DepEd SHSs have SCRs consistent with the MSS as evidenced through the EBEIS in Year 2; and (ii) 50% of DepEd SHSs have SCRs consistent with the MSS as evidenced through the EBEIS in Year 4</p> <p><u>Partial DLI disbursement</u> on a pro-rata basis will be made when the proportion of DepEd SHSs achieving MSS for SCR reaches 50% of the target</p>	EBEIS September 30 September 30	<p>EBEIS survey includes the following information for DepEd SHSs: (i) classrooms, laboratories and TVL workshops assigned for SHS (ii) number of students registered by grade, track, and stream; and (iii) number of shifts offered. Based on this EBEIS generates a report, on SCR</p> <p>Focal unit prepares a report using data from EBEIS to calculate the proportion of schools that have met the MSS for DepEd SHS SCR. Field verification of a sample of schools will be carried out and results included in the report</p>
DLI 4: Use of PPP modality considered for a portion of DepEd SHS infrastructure delivery			
<p>Prior Results (2014):</p> <p>Prefeasibility study on use of PPP modality for SHS infrastructure delivery reviewed and submitted by DepEd to the PPP Center as a concept note for the Project Development and Monitoring Facility</p>	<p>Definitions:</p> <p><u>Prefeasibility study on use of PPP</u> means an independent assessment of the desirability and practicability of using PPP modality for SHS infrastructure delivery</p> <p><u>Submitted</u> means DepEd receives written acknowledgment of receipt of the prefeasibility study from the PPP Center of the Philippines</p> <p>This DLI is met when DepEd completes a review of the prefeasibility study and submits it to the PPP Center of the</p>	<p>Prefeasibility study final report and acknowledgement receipt November 30</p>	<p>DepEd will review the pre-feasibility study and consider how the PPP modality could be used for SHS infrastructure delivery</p>

DLI	Definition/Description of Achievement and Verification	Information Source and Reporting Timeframe	Verification Agency and Procedure
	Philippines as a concept note for the Project Development and Monitoring Facility		
2015 Feasibility study on the use of PPP modality for SHS infrastructure delivery completed and submitted to the PPP Center	Definitions: <u>Feasibility study</u> means a project-level evaluation of the use of PPP modality versus other procurement modalities for the delivery of SHS infrastructure <u>Submitted</u> means DepEd receives acknowledgment of receipt of the feasibility study from the PPP Center. This DLI is met when DepEd receives acknowledgment of receipt of the feasibility study from the PPP Center	Feasibility study and acknowledgement receipt August 31	Focal unit verifies the submission and acknowledgement receipt and attaches them to the DLI achievement report
2017 Successful preparation and tendering of PPP-based procurement package for SHS infrastructure delivery on the basis of a positive value-for-money proposition	Definitions: <u>On the basis of a positive value-for-money proposition</u> means the feasibility study shows that the PPP modality offers value-for-money <u>Successful</u> means all documentation needed to initiate procurement process for SHS infrastructure delivery through PPP modality is prepared and issued	Procurement packages April 30	Focal unit submits a copy of the invitation to bid and the tender documents.
DLI 5: DepEd targets for SHS enrollments in non-DepEd schools achieved			
Prior Results (2014): DepEd SHS voucher policy brief announced and DepEd policy for establishing and operating non-DepEd SHS promulgated [Partial disbursement allowed]	Definitions: <u>Voucher policy brief</u> means policy brief issued by DepEd describing, at a minimum, program beneficiaries, providers, and pricing principles of the voucher <u>Policy brief announced</u> means voucher brief presented to DepEd staff, press release issued, and policy statement distributed to ROs, DOs and private school associations <u>DepEd policy for establishing and operating non-DepEd SHSs</u> means the guidelines governing the establishment and operation of non-DepEd SHSs <u>Promulgated</u> means issued to the relevant stakeholders. This DLI is met when the voucher policy brief and policy on establishing and operating non-DepEd SHSs are announced <u>Partial Disbursement</u> : 50% of allocation can be disbursed for policy brief announced and 50% for policy on establishing and	DepEd website, press release and policy brief materials November 30	Focal unit provides policy statement, press releases and the website address

DLI	Definition/Description of Achievement and Verification	Information Source and Reporting Timeframe	Verification Agency and Procedure
<p>2015</p> <p>Institutional arrangements for SHS voucher operation and administration defined and initiated</p>	<p>operating non-DepEd SHSs</p> <p>Definitions:</p> <p><u>Voucher design parameters</u> means detailed design features of the voucher program, including, <i>inter alia</i>, voucher amounts, eligibility rules, voucher funds flow, voucher distribution mechanism, and monitoring mechanism. This will include preparation of a voucher operations manual containing this information</p> <p><u>Institutional arrangements defined</u> means nominating a focal unit within DepEd, defining the functions of the unit and contracted entities to include, <i>inter alia</i>, voucher program general oversight, financing and fiduciary monitoring, and supervising outsourced functions, if any</p> <p><u>Initiated</u> means partial or full functioning of focal unit and procurement of outsourced entities, if any, initiated and preparatory work associated with voucher program full implementation by 2016 initiated</p> <p><u>Preparatory work</u> includes, <i>inter alia</i>, identification of eligible students, preparation of database of eligible private schools, mechanism for voucher redemption, mechanism for voucher distribution, mechanism for notifying students and parents</p> <p>This DLI is met when implementation arrangements are documented in a voucher program operations manual, evidence of initiation of implementation collected and the focal unit is established and operational</p> <p><u>Partial DLI disbursement is allowed:</u> 50% for voucher operations manual, 25% for preparatory work, and 25% for implementing institutional and administration arrangements</p>	<p>Voucher operations manual by July 31</p> <p>Focal unit established and operational by July 2015</p>	<p>Focal unit writes a letter attesting to the achievement of the DLI and attaches the voucher operations manual and approved revised organizational chart and staffing complement</p>
<p>2017</p> <p>At least 30% of SHS enrolments are in non-DepEd schools</p> <p>2018: At least 35%</p> <p>2019: At least 40%</p> <p>[Partial disbursement of DLI allocation allowed]</p>	<p>Definitions:</p> <p><u>Enrolled in non-DepEd schools</u> means the student is registered in a DepEd permitted/recognized non-DepEd SHSs</p> <p>This DLI is met when the proportion of students enrolled in non-DepEd schools reaches the target</p> <p><u>Partial DLI disbursement</u> on a pro-rata basis will be made when the proportion of students enrolled in non-DepEd schools reaches 75% of the target</p>	<p>EBEIS generated report on DepEd and non-DepEd SHS enrollment and report generated by voucher management information system</p> <p>September 30 (all years)</p>	<p>Focal unit prepares a letter attesting to the achievement of the DLI and attaches the EBEIS report and voucher MIS report</p>

DLI	Definition/Description of Achievement and Verification	Information Source and Reporting Timeframe	Verification Agency and Procedure
<p>DLI 6: Performance targets in procurement monitoring achieved</p> <p>2015 Proportion of DepEd divisions and regions submitting on-time the APCPI report for the previous year is at least 25% 2017: At least 30% 2018: At least 35%</p>	<p>Definitions:</p> <p><u>Division and region APCPI</u> means the annual Agency Procurement Compliance and Performance Indicators report, substantially compliant with the requirements of the Government Procurement Policy Board's Resolution No. 10, series of 2012 (dated June 1, 2012), submitted by each DepEd division and region to the DepEd central office</p> <p><u>On time</u> means by the deadline specified in DepEd Order No. 6, 2014 (dated February 12, 2014)</p> <p><u>Proportion of DepEd divisions and regions</u> means the figure obtained by dividing the number of DepEd divisions and regions (excluding ARMM) with on-time submissions by the total number of official DepEd divisions and regions (excluding ARMM) for the APCPI year</p> <p><u>Previous year</u> means the year before the DLI is achieved</p> <p>This DLI is met when the proportion of DepEd divisions and regions (excluding ARMM) submitting APCPI on time reaches the target</p> <p><u>Partial disbursement</u> on a pro-rata basis will be made when the proportion of DepEd divisions and regions submitting APCPI on time reaches 75% of the target</p>	<p>Procurement monitoring report implementation</p> <p>By April 30 (all years) or based on the deadline set forth in the most recent DepEd order</p>	<p>Focal unit prepares a letter attesting to the achievement of the DLI, including list of all divisions and regions (excluding ARMM) and indicating those that have submitted on time.</p>

APCPI = agency procurement compliance and performance indicator, ARMM = Autonomous Region of Muslim Mindanao, DepEd = Department of Education, DLI = disbursement linked indicator, DO = division office, EBEIS = enhanced basic education information system, JHS = junior high school, LFS = labor force survey, MPS = mean percentage score; MSS = minimum service standard, PPP = public-private partnership, Q = quarter, RO = regional office, TSR = teacher:student ratio, SCR = student:classroom ratio, SHS = senior high school, SY = school year, TVI = technical-vocational institute, TVL = technical-vocational and livelihood.

C. Disbursement Allocation

8. DepEd may submit a withdrawal application periodically, along with evidence verifying achievement of the disbursement-linked indicators (DLIs). Disbursements are allowed for early or late achievement of DLIs. Verification mechanisms and protocols have been established using public and independent sources and are clarified in these protocols and verification measures.

D. Disbursement Principles

- (i) **The disbursement amount allocated to each disbursement-linked indicator depends on its importance.** While the cost of achieving the DLI may be a factor for consideration, there is no one-to-one relationship between the allocation of disbursement and the costs required to achieve the results. Two or more development agencies can disburse against the same DLIs.
- (ii) **Advance financing.** ADB can provide up to 25% of its financing (i.e., \$75 million) as advance disbursement. Advances can be considered for initial and subsequent DLIs during the implementation period. The amount of advances will be recovered from subsequent disbursements when DLIs are achieved. Additional advances can be made once an earlier advance has been recovered or partially recovered. The recovered advance is then available, as needed, for additional advances (“revolving advances”), but the outstanding advance should not at any time exceed the ceiling of 25% of ADB financing. The government will refund any advances (or portions of advances) if the DLIs have not been met or fully met by program completion no later than 6 months after program completion.
- (iii) **Financing prior results.** Some results may need to be achieved before an RBL operation is approved. In such cases, ADB will be able to finance and disburse based on the DLIs achieved before the effectiveness of the results-based lending program. The total amount for such financing should not exceed 20% of the ADB financing (i.e., \$60 million). Financing of prior results achieved either on (i) July 2014 or (ii) not more than 12 months before loan signing will be allowed in order to support government to initiate actions required to achieve Year 1 DLIs. Prior results have been agreed with the government, and the DLIs against which the amount of prior results financing will be made have been identified during program preparation. The program team is of the view that such results are within the scope of the program supported by RBL and are subject to the agreed verification protocols.
- (iv) **Ceilings for advance financing and financing for prior results.** Ceilings are (i) advance financing (25%), and (ii) financing for prior results (20%). The combined ceiling for both is 30%. Additional detail is available in the program implementation document.
- (v) **Partial disbursements are allowed.** Partial disbursements are allowed for DLI 1, 2, 3, 5 and 6 and the formulas for partial disbursement for those DLIs are detailed in these protocols.

Table 5: Disbursement Allocation and Schedule

DLIs	Total ADB Financing Allocation	Share of ADB Financing (%)	Financing for Prior Results	2015	2016	2017	2018	2019
Outcome								
DLI 1. Learning outcomes in DepEd senior high school mathematics and science subjects improved	80.00	26.67	5.0	0.0	25.0	25.0	0.0	25.0
DLI 2 - Learning outcomes in DepEd senior high school technical-vocational and livelihood subjects improved	40.00	13.33	0.0	12.5	12.5	0.0	0.0	15.0
Outputs								
DLI 3 Minimum service standard for student:classroom ratio in DepEd senior high schools achieved	46.25	15.42	3.75	0.0	22.5	0.0	20.0	0.0
DLI 4 - Use of public-private partnership modality considered for a portion of DepEd senior high school infrastructure delivery	10.00	3.33	2.5	2.5	0.0	5.0	0.0	0.0
DLI 5 - DepEd targets for senior high school enrolments in non-DepEd schools achieved	113.75	37.92	3.75	25.0	0.0	30.0	30.0	25.0
DLI 6 - Performance targets in procurement monitoring achieved	10.00	3.33	0.0	3.3	0.0	3.3	3.4	0.0
Total	300.0	100.00	15.0	43.3	60.0	63.3	53.4	65.0

Source: Asian Development Bank.

III. EXPENDITURE FRAMEWORK AND FINANCING

A. Expenditure Framework

9. **Program expenditures.** The projected expenditure during 2014 to 2019 for the government's overall SHS program is \$4,410 million (Table 3).

Table 3: Expenditure Framework for Senior High School Support Program, 2014–2019

Item	Amount (\$ million)	Share of Total (%)
1. SHS teachers	1,283	29.1
2. Textbooks	39	0.9
3. SHS vouchers	1,522	34.5
4. School MOOE	138	3.1
5. Classrooms	1,024	23.2
6. Other capital investments	391	8.9
7. All other items	13	0.3
Total	4,410	100.0

MOOE = maintenance and other operating expenses, SHS = senior high school.

Note: Figures are in nominal prices.

Source: Asian Development Bank.

B. Program Financing

10. The government will finance \$4,110 million (93.2%) of the \$4,410 million cost of implementing the SHS program during the 2014–2019 period. The government has requested a loan of \$300 million (6.8% of the total SHS program cost) from ADB's ordinary capital resources to help finance the RBL program. The financing plan is in Table 4.

Table 4: Program Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Government	4,110.0	93.2
Development partners		
Asian Development Bank		
Ordinary capital resources	300.0	6.8
Total	4,410.0	100.0

Source: Asian Development Bank.

IV. PROGRAM SYSTEMS AND IMPLEMENTATION ARRANGEMENTS

11. Throughout the implementation period, SHSSP will use government systems for undertaking key management functions.

A. Monitoring and Evaluation System

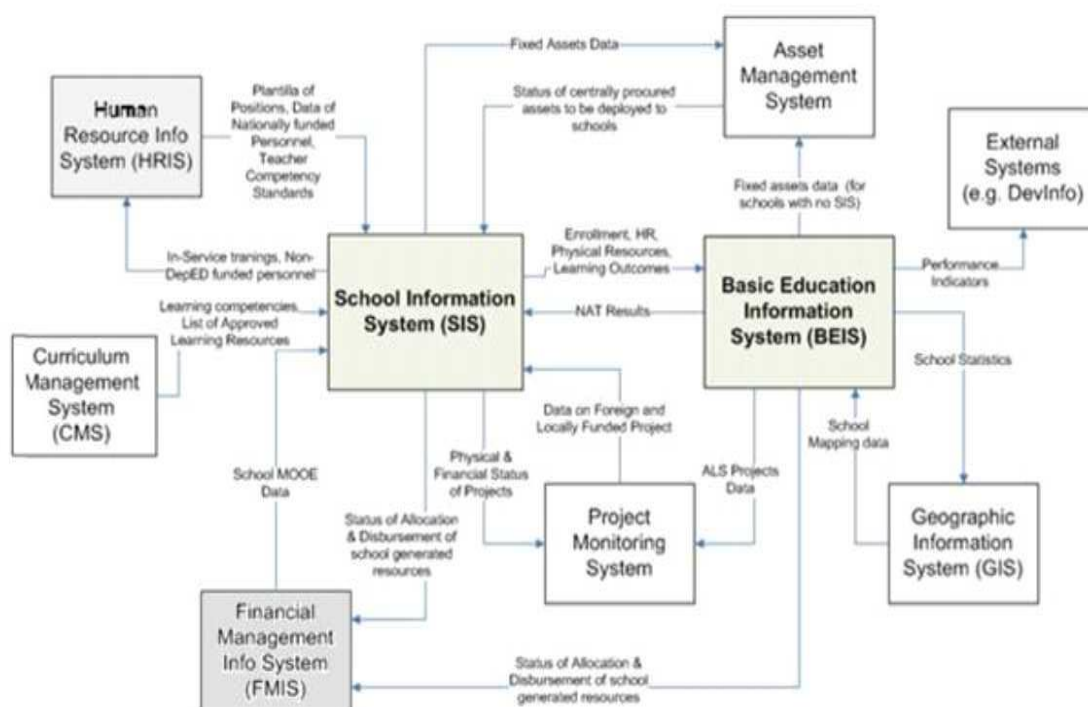
i) Summary of Monitoring and Evaluation System and Actions

12. **Reports.** SHSSP monitoring, evaluation and reporting activities will include preparation and sharing of key program implementation status reports including: (i) reports on progress and achievement of DLIs as defined in the DLI verification protocols; (ii) semi-annual and annual

reports on the progress and status of PAP actions; (iii) financial reports as described in the loan agreement; (iv) annual updates on compliance with any loan covenants and social, and environmental safeguards (v) annual progress and status reports on DepEd's overall SHS program; and (vi) other reports as agreed by DepEd and ADB or requested by the SHSSP program steering committee. Within 12 months of loan closing, DepEd will produce a program completion report which will be shared with ADB.

13. With some modifications, DepEd's monitoring and evaluation (M&E) systems for providing reports to Congress and oversight agencies can be used to prepare most of the reports needed to monitor the SHSSP. Those modifications are noted in the M&E system assessment, which observed that Australian Aid is providing significant support to upgrade and integrate M&E systems during 2013–2019. The assessment found that DepEd's upgraded M&E system will be able to generate the information needed to monitor the SHSSP performance on achievement of DLIs. However, some changes are required. Among other things, they involve the need to (i) regularize the information currently collected on teachers on a pilot basis into the routine enhanced basic education information system (EBEIS); (ii) link the learner information system to the unified information system to allow real-time monitoring of the voucher program; and (iii) revise national assessments to align with the new curriculum, including SHS. Figure 1 represents the unified information system as it is will be in 2019. Prior to unification, the individual system components will be able to generate the needed reports.

Figure 1: The Department of Education's Proposed Unified Information System



Source: Australian Aid. Program Design Document Basic Education Sector Transformation Project. Unpublished.

14. In addition, SHSSP will require (i) an assessment and impact evaluation of the voucher program, (ii) the annual Agency Procurement Compliance and Performance Indicator (APCPI) report, and (iii) evidence of compliance with loan covenants, and (iv) reports on progress in implementing the PAP.

15. A focal unit within DepEd's project management service unit will monitor the SHSSP and be responsible for preparing all reports on the SHSSP. This will be done with inputs from other units within DepEd, as well as from other government agencies and nongovernment organizations when required. The focal unit will facilitate preparation of third-party reviews and special reports when required. The SHSSP monitoring reports will be disclosed to the program steering committee and the ADB.

ii) Fiduciary Systems

i. Financial Management System

1. Summary of the Financial Management System and Actions

16. The SHSSP will be implemented using the RBL modality and will use the government's financial management systems for implementation. The RBL arrangement is fully aligned with the government's systems and procedures for fund management. The government budget allocated to DepEd will serve as the SHSSP budget. The management of funds in support of the SHSSP will follow the government's system for budget formulation, execution, accounting, internal control/audit, and external audit. The implementation of SHSSP will be entirely funded from the government budget with no requirement for DepEd to identify which transaction or payment is funded from which source. DepEd will not be required to ring-fence the implementation of the ADB-financed program, or to apply specific accounting and reporting of ADB financing. However, additional support will be provided to strengthen sector management for SHSSP implementation. This will be to strengthen government management capacity rather than for the purpose of having the government comply with ADB specific monitoring and reporting requirements. Based on the financial management assessment, it was agreed to implement a number of actions to strengthen the financial management systems to meet SHSSP requirements. These are included in the PAP.

17. **Budgeting.** DepEd's budget division is responsible for the preparation, including submission to the Department of Budget and Management (DBM), of budgetary estimates in support of DepEd's operations, plans and programs to achieve its goals of providing the citizenry better access to quality basic education. The process also involves the review, evaluation and consolidation of the budget proposals of the DepEd central office and regional offices, and coordination with the office of planning service. The budget division helps management present DepEd's budgetary estimates and proposals to approving bodies, and provides technical assistance to other units in the application and utilization of budgetary methods and procedures. It is also the primary responsibility of the division to prepare the annual work and financial plans and matrices, and other documentation to ensure the release of funds under the General Appropriations Act (GAA) and from other sources. Financing for activities associated with the PAP or with achieving results in the DLIs will be included in DepEd's general budgeting processes.

18. **Funds flow.** Based on the MTEP, DBM allocates funds to DepEd and the department receives funds from the government general fund. Within the government, the funds flow for DepEd will follow the ordinary process for general fund resources. The loan proceeds will be disbursed to the government in accordance with ADB procedures based on the government's withdrawal applications. ADB's loan funds will merge with other government revenues in the general fund, and there will be no requirement for DepEd to identify transactions or payments related to any other funding source. Within the government, the funds flow for DepEd will follow

the ordinary process for general fund resources, while for DPWH it is assumed to be similar to that provided as per the DBM-DepEd-DPWH Joint Circular 2013.

19. **Accounting.** DepEd's accounting division of the financial and management services is responsible for the maintenance of the books of accounts of central office staff, bureaus and services. It administers financial reports, processes disbursement and trust accounts and undertakes branch accounting in regional offices. It consolidates the financial reports of central offices and regional offices for submission to fiscal agencies. It has technical supervision over all of DepEd. Accounting is characterized by a large number of mainly small-value transactions carried out by a large number of entities (central office, 17 regional offices, about 202 district offices and 2,141 implementing units and schools). The accounting system involves bank account reconciliations and the liquidation of cash advances. DepEd has introduced the new electronic government accounting system in two bureaus of the central office, one regional office and one district office. It has developed a database system, although it is used by only about 60% of the entities as about 90 offices have paper-based accounting records. Accounting records are maintained at the DepEd central office using the new electronic government accounting system.

20. **Internal control.** The Commission on Audit (COA) made observations each year during 2009–2013 in its consolidated annual audit reports (CAAR) on the DepEd. These were related to an absence of or weaknesses in internal controls. To address this weakness, DepEd is preparing a consolidated financial management and operating manual.

21. **Internal audit.** Internal audit is the responsibility of DepEd's internal audit service (IAS) and has been weak in the past. In terms of financial reporting, DepEd prepares the required reports and forwards them to COA and DBM using information obtained from regional and division office reports. DepEd will strengthen its system for internal auditing to address the SHSSP needs. Specific actions are included in the PAP.

22. **Financial reporting arrangements.** DepEd is one of six departments that will pilot the government integrated financial management information system, starting in October 2015. Among the six, it is the only spending agency. In accordance with the PAP, DepEd will prepare an action plan for adopting the unified account code structure and implementing the system. This will enable the alignment of ex ante and ex post financial reporting, including program classification reporting. DepEd will prepare financial reports for the SHSSP in accordance with accounting principles acceptable to ADB, for FY2015, FY2016, FY2017, FY2018 and FY2019. It will furnish these to ADB no later than 3 months after the close of each fiscal year.

23. **External auditing and public disclosure.** COA will audit the financial statements of DepEd, which will include the SHSSP, and prepare the CAAR, which includes the auditor's report (including the audit opinion), the audited financial statements (including the statement of management responsibility, the consolidated balance sheet, the consolidated statement of income and expenses, the consolidated statement of cash flows, and the notes to the financial statements, observations and recommendations [the audit management letter], and status of implementation of prior year's audit recommendations). DepEd will furnish to ADB, no later than 12 months after the close of FY2015 and FY2016, no later than 10 months after the close of FY2017, and no later than 9 months after the close of FY2018 and FY2019, a copy of the CAAR for DepEd, in English, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request. ADB shall disclose the CAAR for DepEd on the ADB website in accordance with ADB's Public Communications Policy (2011).¹

¹ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

ii. Procurement System

1. Summary of Procurement System and Actions

24. **Procurement profile.** Since the SHSSP will be implemented using the RBL modality, it will use the government's procurement systems for implementation. DepEd is the main procuring entity under the SHSSP. All procurement actions are aligned with the Government Procurement Reform Act (GPRA), which stipulates that all government agencies must procure through public bidding and limits the use of procurement modes where competition is restrained. DepEd will include procurement related to SHSSP in its annual procurement plan which will be disclosed to the public through its website. DepEd will use its standard bidding documents and procurement procedures for any procurement made under SHSSP. DepEd central office, regional offices and division offices will prepare an annual agency procurement compliance performance indicator, a self-assessment tool prepared by its bids and awards committees (BACs). There are two central, 157 field, and several secondary school BACs.

25. **Annual procurement plan.** DepEd's procurement service will include SHS in the annual procurement plan that initiates the procurement process. DepEd will need to follow all required government procurement steps including:

- (i) Holding of pre-procurement conference;
- (ii) Advertising of Invitation to apply for eligibility and to bid;
- (iii) Posting of the project in the in the official government procurement portal, Phil-GEPS;
- (iv) Pre-bid conference;
- (v) Opening and evaluation of bids;
- (vi) Post-qualification of lowest calculated bid/highest rated bid; and
- (vii) Preparation of the notice of award.

26. **Key actions to improve the system.** The SHSSP will support the government's program to increase the capacity of DepEd to meet the requirements of the recently adopted K to 12 reform program as well as government-wide efforts to strengthen procurement capacity. To strengthen procurement monitoring in a decentralized system, a DLI (DLI 6) and PAP actions are included in the SHSSP.

iii. Anticorruption System

1. Summary of Anticorruption System

27. Because the SHSSP is part of DepEd's SHS program, it will be implemented in accordance with the legal framework and through institutions designed to protect government from corruption risks. These include anticorruption measures stated in the Good Governance and Anti-Corruption Cluster Action Plan for 2012–2016. The key strategy under this action plan involves the requirement that all government agencies have an official website with a transparency seal that makes it easy for citizens to get official information on matters of public interest, such as annual reports, financial reports, and physical plans. As part of SHS program, the SHSSP will be included in DepEd's anticorruption actions. Other safeguard avenues open to protecting the SHSSP are approaches to the key government institutions established to prevent corruption, including the Office of the Ombudsman and COA. The former was created by the 1987 Constitution to investigate and prosecute public officials violating anticorruption laws and regulations. COA deals with irregularities in the use of public funds and is able to

uncover these through its authority to examine and audit all government revenue and expenditure accounts. In addition to these two anti-corruption agencies, the Civil Service Commission serves as a disciplining authority that determines culpability of public officials involved in wrongdoing and imposes administrative sanctions.

28. ADB has a fiduciary responsibility to ensure that its loans and other forms of financing are used only for the purposes for which they were granted, in accordance with the Agreement Establishing the Asian Development Bank. To uphold that obligation, ADB developed guidelines to prevent or mitigate fraud, corruption, and other prohibited activities in RBL operations financed in whole or in part by ADB (Appendix 1). These guidelines have been discussed with the government.

2. Anticorruption System Related Program Action Status

29. The key action to strengthen the existing anticorruption system is included in the PAP (PAP 4.16).

B. Satisfying Procurement Member Country Eligibility Restrictions

30. ADB member country procurement eligibility restrictions have been discussed with the government.

C. Safeguard Systems

1. Summary of Safeguard System and Actions

31. **Safeguard systems.** A program safeguard systems assessment of the DepEd was undertaken and confirmed a safeguard categorization for the SHSSP of B for environment, involuntary resettlement, and indigenous peoples. Activities in results area 2 may have environmental, involuntary resettlement, and indigenous peoples impacts, while those in results area 1 may have indigenous peoples impacts. A common issue across all three safeguard areas is the fact that, although DepEd does not plan to build SHSs on land it does not own, school locations are yet to be determined. Good practices include (i) DepEd's inclusion of environmental issues in its education facilities manual; (ii) DepEd's preparation of resettlement plans for development partner-funded projects, and consultation with affected communities; and (iii) strong laws on the rights of indigenous peoples that exceed the requirements of ADB's Safeguard Policy Statement (2009) in some respects. Gaps identified by the assessment include (i) the medium and timing of disclosure of environmental impact reports; (ii) the timing and levels of compensation to affected persons from involuntary resettlement, and the procedure for negotiated settlements; and (iii) the lack of a requirement to prepare an indigenous peoples plan. Human resource and institutional capacity gaps were also identified in all three safeguard areas. Actions to address safeguard system gaps are included in the PAP.

D. Gender and Social Dimensions

32. Girls do better than boys across many basic education indicators, including net enrollment and completion. They also make up a larger proportion of enrollments and have higher retention rates in higher education.² However, women have a lower labor force participation rate and higher unemployment rate than men. Gender segregation by occupation

² Philippine Commission on Women. Statistics on Filipino women and men's education. <http://pcw.gov.ph/statistics/201405/statistics-filipino-women-and-mens-education>.

and class of worker is also significant, and women tend to work mainly in informal industries and suffer the majority of gender-related discrimination.³ DLIs 1 and 2 include gender outcome targets. The PAP also includes gender actions (PAP 1.4, 1.6, 2.3, and 3.4–3.5). The SHSSP is categorized as effective gender mainstreaming.

E. Communications Strategy and Information Disclosure Arrangements

33. In preparing the K to 12 program, DepEd has engaged in extensive consultation with stakeholders in forums around the country. This policy of open communication will continue and a focus on SHS will intensify beginning in 2015. DepEd's disclosure strategy is to disseminate financial, procurement, and safeguard information electronically, as required in the anticorruption plan. DepEd also discloses through its website limited data on schools and a one page summary on overall sector performance. Data from the EBEIS and physical facilities database is available upon request by non-government organizations, development partners, and researchers. Findings of evaluation reports are not routinely disclosed. ADB disclosure requirements have been discussed with the government.

34. DepEd's proposed communication and disclosure plan will cover public awareness of SHS, awareness of the voucher policy, engagement with private partners in service provision, awareness of indigenous peoples and involuntary resettlement plans, and gender-sensitization issues. Internal communications will be through electronic media and public communications will use traditional, mass, electronic and mobile media.

F. Development Coordination

35. Externally support education sector development activities in the Philippines are coordinated through the Philippines development forum working group on the Millennium Development Goals and social progress, whose membership includes government and development partner representatives. The development forum is the government's primary mechanism for facilitating substantive policy dialogue between stakeholders on the country's development agenda. It also provides a process for developing consensus and generating commitments from stakeholders to actions critical to achieving the government's reform agenda. The alignment of externally funded programs and projects with the government's K to 12 priorities is assured by the Philippines' rigorous development assistance approval process, which entails review and approval at the highest level of the executive branch of government. In 2013, DepEd appointed an undersecretary for external partnerships as a step toward greater coordination between development partners, other government departments, and the private sector.

V. INTEGRATING RISKS AND MITIGATING MEASURES

A. Key Risks and Mitigating Measures

³ World Bank. 2011. *Making Everyone Count*. Washington, DC.

Table 5: Status of Integrated Risk Assessments and Mitigating Measures
(As at November 2014)

Risks	Rating without the Mitigating Measures	Key Mitigating Measures
Results It may be difficult to recruit and retain the required numbers of SHS teachers, particularly in such specialized areas as mathematics, science, and technical-vocational subjects.	Substantial	Government has introduced more flexible rules on teacher licensing to allow graduates in subjects such as mathematics, science, and engineering to teach full or part-time in secondary schools without passing the licensure examination for teachers. New teachers will be trained to deliver the new curriculum. TVET teachers can either be certified by TESDA or teach part-time.
Inefficient placement and/or capacity of newly constructed SHSs could reduce quality and raise the cost of delivery, thus putting SHSSP outcomes at risk.	Substantial	DepEd completes 3-year, division-level rolling plans to gauge demand for SHS, and identify potential public and private SHS providers.
The regulatory framework for non-DepEd schools may discourage entry of new SHS providers.	Moderate	DepEd has promulgated a policy for establishing non-DepEd SHSs and will undertake a review of the regulatory framework for establishing and operating non-DepEd SHSs (DLI 5).
Management and operation of SHS voucher program, including development of learner information system.	Substantial	DepEd develops policy and institutional arrangements for voucher operation to be developed by DepEd (DLI 5). This support will be supplemented by technical assistance.
Expenditure and financing Weak country PFM system, especially regarding budget execution, accounting and reporting, and budget credibility.	Substantial	DepEd to continue to support implementation of the PFM reform road map (2011–2016), especially the GIFMIS, reporting and performance management, and accounting and auditing reform projects. Support the 2014–2015 updated PEFA PFM assessment.
Government may provide insufficient financing for the SHS program.	Moderate	SHSSP is included in DepEd MTEP for 2014–2020. The MTEP includes both capital and recurrent costs.
Fiduciary DepEd's financial accountability framework insufficiently defined, insufficiently supported by skilled staff, and inadequately enforced.	Substantial	Implement the DepEd reorganization plan to support restructuring and governance and accountability improvements. Ensure that an adequate number of financial management positions are created, filled, and deployed, and that adequate staff are trained.
Decentralization, weak central oversight, and limited information from DBM could limit DepEd's ability to monitor consolidated fund releases and spending.	Substantial	Introduce UACS under PFM reform road map (2011–2016). DepEd continue phased introduction of GIFMIS under the PFM reform road map.
DepEd manual bookkeeping and accounting processes, combined with a weak and fragmented internal control environment.		Prepare time-bound action plan in 2015 to implement UACS and GIFMIS to support improved accounting. Enhance DepEd accounting through expanded NGAS implementation. Implement Philippine public sector accounting standards.

Risks	Rating without the Mitigating Measures	Key Mitigating Measures
Efficacy of DepEd internal audit function limited by staff resources and methodology.	Substantial	DepEd will fill vacant internal audit positions. Strengthen internal audit function through implementation of the 2011 Philippine government internal audit manual, supported by a train-the-trainers program. Prepare and submit annual internal audit report to DepEd executive committee, beginning 2014.
Delayed consolidated financial reports. Weak FM and internal audit capacity due to insufficient numbers of FM positions at DepEd regional office, division office and school level, delayed filling of vacant FM positions and inadequate deployment of qualified and experienced internal audit staff.	Substantial	UACS and GIFMIS will support improved monitoring and reporting and enhanced accounting through the NGAS, as part of PFM reform road map. FM positions have already been created for the eligible schools, and a program for recruiting the staff has already been initiated. DepEd will also create additional FM positions for regional and division offices.
Lack of capacity in internal audit skills, planning, and motivation can lead to limited evaluation of effectiveness of financial controls.	High	Improvements to internal audit through additional IA staff and implementation of the 2011 Philippine government internal audit manual.
Scope and quality of audit is satisfactory, and evidence exists of follow-up on audit recommendations, but legislative scrutiny is lacking.	Substantial	Strengthen external audit capability and practices as part of PFM reform road map. This will include the Commission on Audit's adoption of new Philippine public sector standards on auditing.
Procurement Procurement capacity at subnational levels requires strengthening.	Moderate	Provision of procurement training to BAC members and procurement staff at all levels, with focus on procurement planning and packaging strategies.
Weak procurement monitoring functions.	Moderate	Strengthen compliance with submission of APCPI reports and procurement monitoring reports (DLI 6).
Insufficient procurement staff and facilities.	Moderate	Increase procurement staff and facilities to meet growing workload.
Safeguards Uneven compliance with Philippine EIS system	Moderate	Secure ECC/CNC for subprojects.
Lack of environmental and social safeguards staff.	Moderate	Designate a safeguards unit with assigned safeguards focal person(s).
Vague institutional role for IR implementation and lack of capacity in addressing IR concerns.	Substantial	Focal persons appointed at DepEd/LGU level to address social safeguards issues.
Operating environment Delay in development of EBEIS and UIS.	Substantial	Technical assistance to develop management information systems is being provided through Australian Aid's BEST Program.
Timely preparation of integrated monitoring reports may be hindered by fragmentation of information system across units under DepEd.	Medium	DepEd reorganization plan addresses the coordination issue.
Overall Program Risk	Substantial	

APCPI = Agency Procurement Compliance and Performance Indicator, BEST = Basic Education Sector Transformation, COA = Commission on Audit, CNC = certificate of non-coverage, DepEd = Department of Education, DLI = disbursement-linked indicator, EBEIS = enhanced basic education information system, EIS = environmental impact statement, DBM = Department of Budget and Management, EA = executing agency, ECC = environmental compliance certificate, NGAS = new government accounting system, FM = financial management, GIFMIS = government integrated financial management information system, IR = involuntary resettlement, LGU = local government unit, M&E = monitoring and evaluation, MSS = minimum service standard, program action plan, MTEP =

medium-term expenditure plan, PEFA = public expenditure and financial accountability, PAP = program action plan, PFM= public financial management, PPP = public-private partnership; SHS = senior high school, SHSSP = Senior High School Support Program, TA = technical assistance, TESDA = Technical Education and Skills Development Authority, TVET = technical and vocational education and training, UACS = unified accounts code structure, UIS = unified information system.

Note: The definitions of the ratings are as follows: low = low likelihood of occurring and low impact; moderate = substantial or high likelihood but low or moderate impact; substantial = low or moderate likelihood but substantial or high impact; high = high likelihood and high impact.

Source: Asian Development Bank.

VI. PROGRAM ACTION PLAN

A. Status of Program Action Plan

36. The PAP is set out in Table 6. The actions included in the PAP will be reflected in DepEd's annual performance reports.

Table 6: Program Action Plan
(As at November 2014)

Actions	Responsible Agencies	Time Frame
A. Results Areas		
1. Quality of DepEd senior high school program upgraded		
1. Develop and implement grade 12 exit assessment tool for learning outcomes (DLI 1 and DLI 2)	DepEd NETRC	From 2018
2. Develop guidelines for assigning qualified math and science teachers to DepEd SHSs (DLI 1)	DepEd DOs and DepEd focal unit	2016
3. Implement TVL track at DO level, and prepare consolidated report at national level (DLI 2)	DepEd focal unit and DOs	2016
4. Institutionalize sex-disaggregated EBEIS data collection on teacher specializations, including mathematics and science (DLI 1 and DLI 2)	DepEd focal unit	From 2016
5. Request that Labor force survey include "senior high school graduate" as a category for "highest grade attained" (DLI 2)	DepEd makes request to PSA	2017
6. Make career counsellors or advocates available to DepEd SHS students	DepEd DOs	2016
2. Minimum service standard for school facilities in DepEd senior high schools achieved		
1. Formulate and implement division-level rolling 3-year plans for SHS provision, including facilities and teachers (DLI 3 and DLI 4)	DepEd focal unit	From 2014
2. Develop physical facilities database and integrate into EBEIS (DLI 3 and DLI 4)	DepEd PFSED and focal unit	From 2015
3. Develop and implement MSS for provision of male and female toilets in DepEd SHSs (DLI 3)	DepEd PFSED and focal unit	2015
4. Strengthen system for monitoring and reporting on SHS infrastructure delivery (DLI 4)	DepEd PFSED	From 2015
3. Senior high school voucher program developed and implemented		
1. Integrate unique learner identification into EBEIS and use to track enrolments in DepEd and non-DepEd SHSs (DLI 5)	DepEd focal unit	From 2016
2. Develop and implement criteria and process for approving non-DepEd providers to participate in SHS voucher program, with special criteria for providers offering the TVL track (DLI 2 and DLI 5)	DepEd Legal Affairs	From 2016

Actions	Responsible Agencies	Time Frame
3. Prepare SHS voucher operations manual (DLI 5)	DepEd F&A unit	2015
4. Conduct (i) independent sex-disaggregated assessment of voucher operations, and (ii) impact evaluation of SHS voucher program (DLI 5)	DepEd F&A unit	2019
5. Undertake review of regulatory framework for establishing and operating non-DepEd SHSs (DLI 5)	DepEd Legal Affairs	2015
4. Basic education management, fiduciary, and safeguards systems strengthened		
1. Assign and staff SHSSP focal unit within DepEd, and engage consultants as required (all DLIs)	DepEd OSEC	2014
2. Adjust DepEd human resources system to accommodate all SHS teachers (DLI 1 and DLI 2)	DepEd HR	2015
3. Prepare manual to implement NGICS strengthening plan, including an outline for central office support to, and monitoring of, ROs and DOs	DepEd internal audit service	2015
4. Conduct training for central-, regional-, and division-level BAC members (DLI 6)	DepEd Procurement Services	2015 and 2017
5. Conduct comprehensive annual education statistical bulletin published each year, including sex disaggregated data (DLI 1 and DLI 2)	DepEd focal unit	2015 onwards
6. Support the 2014–2015 updated PEFA PFM assessment	DBM	2014–March 2015
7. Develop time-bound action plan to prepare for adoption of UACS and rollout of GIFMIS	DepEd F&A unit	2016
8. Ensure adequate number of financial management positions created, filled, and deployed, and that staff are trained	DepEd HR	2015
9. Enhance DepEd accounting through expanded NGAS implementation	DepEd	2015–2016
10. Fill vacant DepEd internal audit positions	DepEd HR and DBM	From 2014
11. Prepare and submit annual internal audit service report to the DepEd executive committee	DepEd internal audit service	Annually from 2014
12. Comply with full disclosure requirements by posting procurement and monitoring information on SHS delivery on relevant government websites (DLI 6)	DPWH/DepEd PFSED	Beginning 2015
13. Implement independent third party monitoring and documentation of negotiated land settlements	DepEd, DPWH and DOs	2015, prior to award of civil works
14. Prepare and implement resettlement plan for each subproject with LAR impacts with meaningful consultations conducted with AHs, assets compensated at full replacement cost, and nontitled holders compensated for non-land assets, including resettlement assistance provided prior to physical and/or economic displacement	DepEd, DPWH and DOs	2015 onward, prior to award of civil works
15. Regularize the status of the DepEd text action center to maintain its core function as independent GRM; and strengthen its capacity to address environment-related complaints, land acquisition, resettlement and indigenous peoples grievances through additional training	OSEC	2015
16. Update MTEP annually	DepEd F&A unit	2014 and annually

AH = affected household; BAC = bidding and awards committee; DBM = Department of Budget and Management; DepEd = Department of Education; DLI = disbursement-linked indicator; DO = district office; DPWH = Department of Public Works and Highways; EBEIS = enhanced basic education information system; F&A = finance and administration; FM = financial management; GIFMIS = government integrated financial management information system; GRM = grievance redress mechanism; HR = human resources; LAR = land acquisition report; MTEP = medium-term

expenditure plan; NETRC = National Education Testing and Research Center; OSEC = Office of the Secretary; PFSED = physical facilities and schools engineering division; RO = regional office; SHS = senior high school; SHSSP = Senior High School Support Program.
Source: Asian Development Bank.

VII. TECHNICAL ASSISTANCE

A. Summary

37. No technical assistance loans or grants are associated with the SHSSP. Instead, technical assistance required to strengthen DepEd capacity will be procured by DepEd using ADB or government procedures and guidelines for the procurement of services. Australian Aid is providing DepEd with extensive technical assistance and capacity-building resources through its Basic Education Sector Transformation Program (2013–2019).

VIII. MONITORING OF KEY PROGRAM COVENANTS

IX. SUMMARY OF KEY OUTSTANDING ISSUES

X. ACCOUNTABILITY MECHANISM

38. People who are or may in the future be adversely affected by the SHSSP may submit complaints through ADB's accountability mechanism. The accountability mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted operations can voice their problems and seek a resolution of these problems, as well as report alleged violations of ADB's operational policies and procedures.

39. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems and/or issues by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they make use of the accountability mechanism.⁴

40. RBL operations will be subject to the Accountability Mechanism Policy.⁵ The RBL will not alter ADB's role in problem solving. Because no operations manual on RBL will be produced during the piloting stage, the compliance review will be carried out in accordance with the Accountability Mechanism Policy and the RBL policy.

XI. CHANGES IN PROGRAM SCOPE AND IMPLEMENTATION MECHANISMS

41. Changes of scope and implementation arrangement during the course of implementation (including both major and minor changes) are recorded in this section to provide a chronological history of changes in scope and implementation arrangement for the program (see Table 7).

Table 7: Changes in Scope and Implementation Arrangements
(As of November 2014)

Number	Changes	Date	Names of Documents
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⁴ For further information see: ADB. Accountability Mechanism. <http://www.adb.org/site/accountability-mechanism/main> (accessed 12 November 2014).

⁵ ADB. 2012. *Review of the Accountability Mechanism Policy*. Manila.

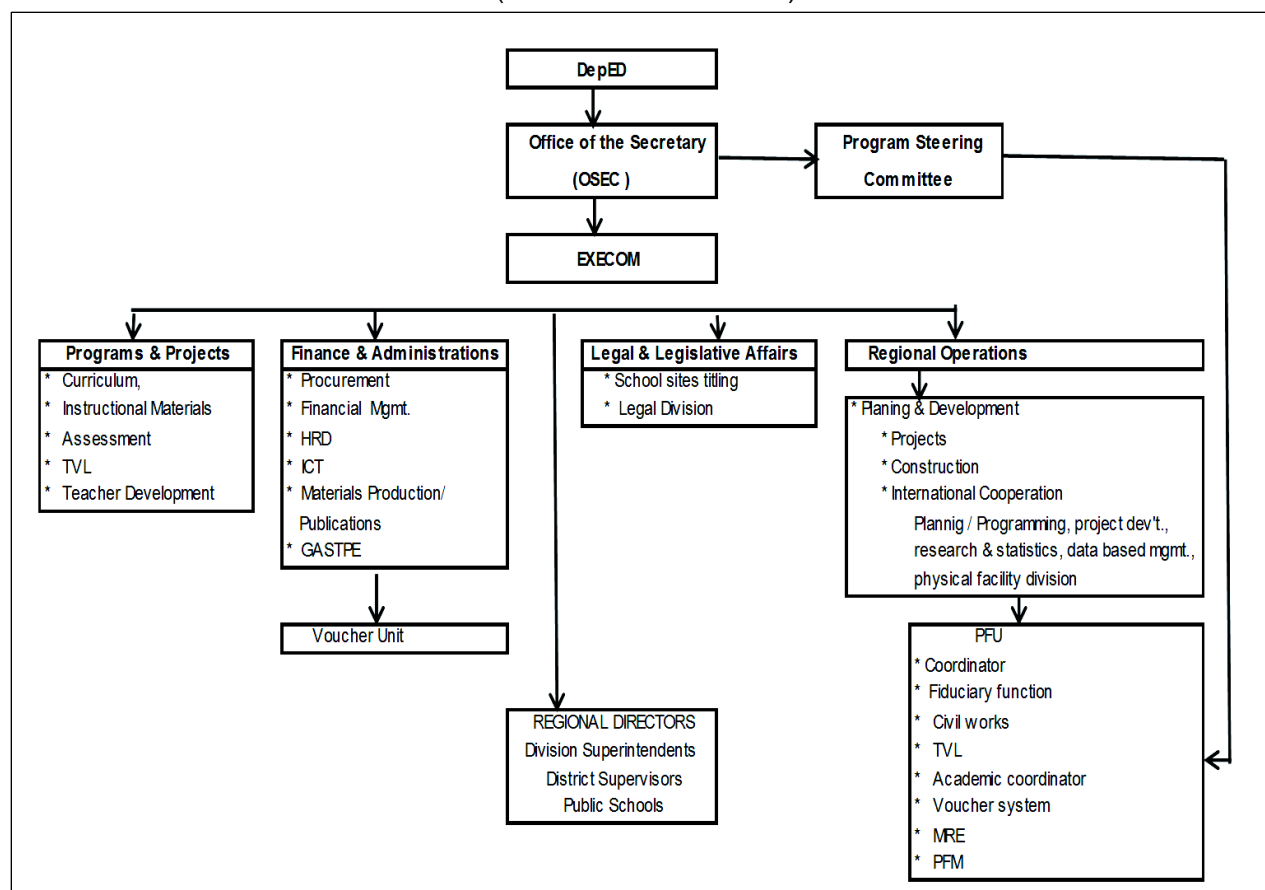
Number	Changes	Date	Names of Documents
1			
2			
3			
4			
5			
6			

XII. KEY PROGRAM ORGANIZATION STRUCTURE AND FOCAL STAFF

A. Organizational Structure

42. Figure 2 illustrates the reporting relationships between the key units involved in SHSSP implementation. This is based on the DepEd organizational structure as of December 2013. DepEd will be reorganized under a pending DepEd plan, and the key program structures will be adjusted at that time.

Figure 2: SHSSP Organization Structure
(As of November 2014)



Source: DepEd.

43. Overall responsibility for the development and mainstreaming of the SHS program rests with DepEd, therefore DepEd offices, units and field level personnel responsible for implementing the SHS program will also be responsible for achieving results associated with SHSSP. The SHSS:P will be implemented from January 2015 to December 2019. DepEd will be the executing agency, which will implement this program through its head office as well as its regional offices and divisional offices. A program steering committee will be formed to oversee implementation of the SHSSP. It will set policy guidelines and strategic directions for the SHSSP, be headed by the DepEd Secretary, and will include DepEd's executive committee. A focal unit will be established to monitor and report on progress in achieving the DLIs.

44. Actions to advance government-wide reforms to mitigate fiduciary risks in an incremental and sustainable manner are included in the PAP. This PAP is a living document that can be refined, improved, and updated during implementation, as needed.

B. Program Officers and Focal Persons

1. Initial Arrangements

Table 8: Program Officers and Focal Persons
(As of October 2014)

Number	Key Government Staff and Positions	Key ADB Staff and Positions
1.		Ayako Inagaki, Director, Social and Human Development Division (SEHS), Southeast Asia Department (SERD)
2.		Norman LaRocque, Principal Education Specialist, SEHS, SERD
3.		Said Zaidansyah, Senior Counsel, Office of the General Counsel
4.		Arlene De Guzman-Bacasmás, Project Analyst, SEHS, SERD

2. Changes during Implementation

Table 9: Changes in Key Executing Agency Staff and ADB Mission Leader
(as of November 2014)

Number	Changes	Date	Reasons for the Change
1.			
2.			
3.			
4.			
5.			
6.			

Source: Asian Development Bank and Department of Education

**PROPOSED GUIDELINES TO PREVENT OR MITIGATE FRAUD, CORRUPTION,
AND OTHER PROHIBITED ACTIVITIES IN RESULTS-BASED LENDING FOR
PROGRAMS**

A. Purpose and General Principles

1. The developing member country (DMC) is responsible for the implementation of programs supported by results-based lending (RBL). The Asian Development Bank (ADB) has a fiduciary responsibility to ensure that its loans and other forms of financing are used only for the purposes for which they were granted, in accordance with the Agreement Establishing the Asian Development Bank (the Charter).¹ To uphold that obligation, ADB presents these guidelines to prevent or mitigate fraud, corruption, and other prohibited activities in RBL operations financed in whole or in part by ADB. These guidelines build upon the legal obligations presented in the loan agreement and apply to operations funded by the RBL (the programs).²
2. These guidelines do not limit any other rights, remedies, or obligations of ADB or the DMC under the loan agreement or any other agreement to which the ADB and the DMC are both parties.
3. All persons and entities participating in the programs must observe the highest ethical standards; take all appropriate measures to prevent or mitigate fraud, corruption, and other prohibited activities; and refrain from engaging in actions described in these guidelines in connection with such programs.

B. Definitions

4. These guidelines address the following practices as defined by ADB:
 - (i) A “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
 - (ii) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.³
 - (iii) A “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to improperly influencing the actions of another party.
 - (iv) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
5. In addition, ADB may investigate conflicts of interest, obstruction, and retaliation:
 - (i) A “conflict of interest” is a situation in which a party has interests that could improperly influence a party’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations. To

¹ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila.

² ADB may support a part (or a slice) of a government program or the entire government program through RBL. The program or the part that is supported by the RBL is the RBL operation. The term “program” in these guidelines refers to the RBL operation as defined unless otherwise specified.

³ To act “knowingly or recklessly,” the fraudulent actor must either know that the information or impression being conveyed is false, or be recklessly indifferent as to whether it is true or false. The inaccuracy of such information or impression, committed through negligence, is not enough to constitute a fraudulent practice.

the extent that conflicts of interest may provide an unfair competitive advantage or compromise the integrity of financial and governance systems, conflicted persons and entities must be excluded from participating in relevant program activities.

- (ii) An “obstructive practice” includes deliberately destroying, falsifying, altering, or concealing evidence material to an investigation; making false statements to investigators in order to materially impede an investigation; threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or materially impeding ADB’s contractual rights of audit or access to information.
- (iii) Retaliation against whistleblowers or witnesses is any detrimental act, direct or indirect, recommended, threatened or taken against a whistleblower or witness or person associated with a whistleblower or witness in a manner material to a complaint because of the report or cooperation with an investigation by the whistleblower or witness.

C. Developing Member Country’s Actions to Prevent Fraud, Corruption, and Other Prohibited Activities in Results-Based Lending for Programs

6. Unless otherwise agreed in writing by the DMC and ADB, the DMC will take timely and appropriate measures to

- (i) ensure that the program is carried out in accordance with these guidelines;
- (ii) avoid conflicts of interest in the program;
- (iii) prevent fraud, corruption, and other prohibited activities from occurring in the program, including adopting, implementing, and enforcing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the loan are used only for the purposes for which the loan was granted;
- (iv) promptly inform ADB of allegations of fraud, corruption, and other prohibited activities found or alleged related to a program;
- (v) investigate allegations of fraud, corruption, and other prohibited activities and report preliminary and final findings of investigations to ADB;
- (vi) respond to, mitigate, and remedy fraud, corruption, or other prohibited activities that are found to have occurred in a program and prevent its occurrence;
- (vii) cooperate fully with ADB in any ADB investigation into allegations of fraud, corruption, and other prohibited activities related to the program, and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to the DMC’s jurisdiction in such investigation, including, in each case, allowing ADB to meet with relevant persons and to inspect all of their relevant accounts, records and other documents and have them audited by or on behalf of ADB; and
- (viii) ensure that persons or entities sanctioned by ADB do not participate in RBL supported activities in violation of their sanction.

D. ADB’s Actions to Prevent Fraud, Corruption, and Other Prohibited Activities in Results-Based Lending for Programs

7. Unless otherwise agreed in writing by the DMC and ADB, ADB will

- (i) inform the DMC of credible and material allegations or other indications of fraud, corruption, and other prohibited activities related to a program, consistent with ADB’s policies and procedures;

- (ii) have the right to investigate allegations independently or in collaboration with the DMC;
- (iii) inform the DMC of the outcome of any investigation, consistent with ADB policies and procedures;
- (iv) have the right to sanction any individual or entity for engaging in practices defined above in accordance with ADB's prevailing sanctions policies and procedures; sanctions may result in that party's exclusion from participating in an RBL-financed activity indefinitely or for a stated period of time;⁴ and
- (v) recognize sanctions determined by other multilateral development banks (MDB) in accordance with the agreement for the mutual enforcement of debarment.

⁴ Participation does not include the performance under contracts entered into or other engagements begun before the date of the loan agreement.