

PARTNERSHIP FOR TRANSPARENCY FUND

Philippines - Textbook Count 4 Project Completion Assessment

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Background

In 2003 the Department of Education of the Philippines launched a program entitled Textbook Count: National Textbook Delivery Program. The purpose of the program is to improve the efficiency of the procurement, production and distribution of textbooks to elementary and high schools in the country. A special feature of the program is the extensive involvement of civil society organizations (CSOs). Four annual rounds have been completed covering the academic years 2003/2004 through 2006/2007¹. TBC 2, 3 and 4 have received financial support from PTF. Completion assessment reports of TBC 2 and 3, prepared in December 2004 and January 2007, are on the PTF website. In November 2006 PTF approved a grant of \$22,555 for TBC 4 to be disbursed in three tranches. A completion report on TBC 4, prepared by Government Watch of the Ateneo School of Government was submitted in September 2007. A separate spreadsheet with budget and expenditures was also submitted.

The purpose of this report is to assess whether the purposes of the grant were achieved and to draw out lessons, both for the TBC program and for the future work of PTF. The report is based on a review of available reports and on meetings with

In this report the following questions will be addressed:

1. Has the project achieved its objectives?
2. How do TBC4 cost compare to achievements?
3. What lessons can be learned from the project? Can the project be replicated elsewhere?
4. What are the cumulative achievements of TBC 1 through 4. Are the achievements sustainable? Has TBC now been institutionalized?
5. What follow-up actions are needed?

1. Achievement of Project Objectives

The project document does not contain a clear statement of objectives and no logical framework linking objectives, inputs and outputs. This makes it difficult to determine whether the project has achieved its objectives.

¹ In this assessment report referred to as TBC 1, 2, 3 and 4.

The executive summary of the completion report states as the project's purpose: "To promote transparency and prevent corruption in textbook procurement and delivery by sustaining civil society participation and facilitating the institutionalization of the Textbook Count project." Its target indicators were "[a] continued partnership between DepED and the civil society organizations, [b] CSO access to information about textbook procurement and deliveries, and [c] activated community-based initiatives for Textbook Count."

It may be deduced that TBC4 had three broad objectives:

1. the monitoring by CSOs of the bidding, production and delivery of text books to elementary schools;
2. the piloting of community-based initiatives at the district level; and
3. the institutionalization of the monitoring process to ensure that its gains are preserved on a long-term basis.

Objective 1: Monitoring of all Phases of Textbook Production and Delivery

TBC4 had adopted as a process indicator the monitoring of the production and delivery of 12 million textbooks and teacher manuals to 40,000 elementary schools around the country. The textbooks represented a total value of P542 million (\$12.9 million).

The monitoring process can be divided into three phases:

- (i) Procurement – no volunteers participated in the procurement meetings but all procurement related documents were provided to G-Watch. These were reviewed and no anomalies found. However, the project was seriously affected by a delay of around four months due to legal challenges mounted by losing bidders.
- (ii) Printing - DepED staff members carried out around 70 surprise inspections. In 18 of these (against a target of 20) CSO volunteers participated. The defects found in locally produced textbooks were minimal, suggesting that the surprise visits to local printing plants during the previous TBC round had been effective. However a serious defect was found in the books printed abroad. This led to the decision to include visits to overseas printers in TBC5 (currently ongoing).
- (iii) Distribution – the books were initially scheduled to be delivered by the printers to DepED district offices during August-September 2006. As a result of the above-mentioned procurement delays the deliveries only took place during January-February 2007. This also delayed the onward delivery from the district offices to the elementary schools. The latter took place during the period March – May 2007². These delays put a lot of strain on those responsible for mobilizing volunteers. It also resulted in Coca Cola not being

² The Philippine school year starts in May each calendar year. In some cases it was decided to keep the books at the district headquarters during the summer holidays.

able to offer its services as had been done during previous rounds³ When the deliveries to the schools took place they did not always take place as scheduled and sometimes well outside working hours. This made it difficult to mobilize volunteers in a timely fashion. In the end, 70 per cent of book deliveries were monitored by volunteers who completed 4,700 Inspection and Acceptance Reports.

A large number of volunteers, estimated at 4700, were again mobilized to carry out the monitoring activities. In this round, 39 CSOs participated, up from 33 during TBC3. G-Watch and DepED provided training to the volunteers involved in printing plant inspection. The volunteers engaged in delivery monitoring did not require further training as the knowledge and experience acquired in previous rounds still existed.

Objective 2: Piloting Community-Based Initiatives

TBC4 piloted an interesting initiative called Textbook Walk in 12 districts (out of a total number of 2,359 districts), and in 7 schools in each in those districts. The initiative had three aims: (i) to address the problems encountered in earlier rounds of moving the textbooks from the district offices of DepED to the elementary schools⁴; (ii) to test whether the monitoring effort can be decentralized to the local level and handled entirely by local community groups; and (iii) to try and make education a central priority at the local level.

Under Textbook Walk a festive occasion was planned around process of moving the books from the district DepED offices to the elementary schools. Local community groups were involved in a process that appealed strongly to the Filipino sense of fiesta.

Textbook Walk was judged to have been successful and it is to be expanded to a much larger number of districts during TBC5.

Objective 3: Institutionalizing Textbook Count

In the report on institutionalization prepared under TBC3 four dimensions of institutionalization were distinguished: development of a legal framework, embedding the monitoring process in civil service practices, reliable finances and cultural adaptation. Taking each in turn:

Legal Framework - The most significant development in institutionalizing TBC has been the issuance of DepED Order 59/2007 entitled “Institutionalizing NGO and Private Sector Participation in the Department’s Procurement Process.”

Civil Service Practices – There appears to be general acceptance within the DepED bureaucracy of the cooperation program with civil society. DepED Order 59/2007 in fact pushes this cooperation well beyond textbooks into areas such as school building and

³ Although a Memorandum of Agreement had been signed with Coca Cola.

⁴ In this annual round, no textbooks were to be delivered to high schools which receive books directly from the suppliers

supplies. An important test will be to see how well the department complies with the new order.

Reliable Financing – In the TBC3 assessment report it had been stated that ‘A (..) vulnerability is that G Watch remains dependent on donor funds to finance its work’. Unfortunately no progress was made in this area during TBC4.

Cultural Adaptation – Textbook Walk was a successful attempt to use cultural characteristics of the Philippines to advance the cause of the timely delivery of textbooks to the schools.

2. TBC4 cost and Benefits

A project such as Textbook Count generates many types of benefits, not all of which can be quantified. In the assessment of TBC3 the approach taken was to focus on the *ex ante* situation, prior to the launch of TBC in 2003, when about 40 per cent of the textbooks to be delivered by the printers to high schools and DepED district offices were unaccounted for. In addition, an estimated 21 per cent of the textbooks that do reach the district offices were not delivered to the elementary schools⁵. Any reduction in these percentages can be taken as a direct benefit of the project and can be quantified by calculating the total value of the additional books that can now be accounted for⁶.

The same methodology will be applied to TBC4. In the *ex ante* situation, 40 per cent of textbooks worth P542 million would not have reached the district DepED offices. The TBC4 monitoring process covered 70 per cent of the deliveries at district offices and elementary schools and verified that all books valued at P379 million were delivered. If it is assumed that in the remaining 30 per cent of the (not monitored) deliveries the *ex ante* situation still prevailed (i.e. continued unaccounted books at the pre-TBC levels - a very conservative estimate), and that in the segment between district offices and the schools the 21 per cent losses still continue (again very conservative, given the experience of Textbook Walk) then the monetary value of the additional books now accounted for works out at P151 million⁷.

As TBC was not involved in the procurement phase the slightly lower cost of books cannot be attributed to TBC.

In summary, the total savings of TBC 4 with these conservative estimates come to P151 million or \$3.6 million, far outweighing the cost of the project (PTF grant of \$22,555 and counterpart contribution, mostly in kind, of \$ 43,180).

3. Lessons Learned and Replicability

The key lessons from the project are:

⁵ The 21 per cent was derived from a survey of remote schools and the figure is likely to be lower for the country as a whole.

⁶ Since the unaccounted for textbooks usually are being bought by the students, reducing or eliminating this illegal distribution channel represents a direct financial benefit for the parents.

⁷ P542 million x .70 x .40

- The great importance of evolving a cooperative relationship with the public sector counterpart; there is now complete acceptance by DepED of the value that CSOs bring to the monitoring process;
- The importance of the right regulatory framework. It was the Government Procurement Reform Act of 2003 that legitimized the role of CSOs in what had hitherto been the exclusive preserve of public officials. During TBC 4 this was followed by the issuance of DepED Order 59/2007 entitled “Institutionalizing NGO and Private Sector Participation in the Department’s Procurement Process.”
- The value of sustained support is being demonstrated by the way each succeeding annual round builds on the experience gained during previous rounds.
- The importance to remain vigilant against abuse as was demonstrated during the procurement phase of TBC4.

An important question for PTF is whether this successful program can be replicated elsewhere. The main features of textbook production and distribution must be broadly similar everywhere and there is adequate evidence that the problems that had beset this area of public service in the Philippines also exist elsewhere. It would therefore be very useful for PTF to explore whether the TBC experience can be introduced in other countries.

4. Cumulative Achievements and Institutionalization

PTF has now supported Textbook Count for three years and it will be useful to assess the cumulative impact of the work carried out over this period. This will also provide a basis to assess whether Textbook Count can stand on its own feet, i.e. without PTF and without G-Watch. The attachment provides an overview of the accomplishments from TBC1 through TBC4.

Four annual rounds have resulted in a well-established and well-accepted program of government – civil society cooperation. The experience gained over the years shows in many ways: the comfortable way in which all parties involved deal with each other, the reduced need for training of field staff and the development of ‘horizontal linkages’ between different organizations (at district level and below) so that not all matters need to be referred back to the top of the organizations in Manila.

Certain achievements suggest that what has been achieved will not be easily reversed: the DepED order cementing the role of CSOs in the procurement and distribution of text books, the lower level of the cost of books over the past few years, the minimal number of defective books found during surprise inspections, and the virtual elimination of the original problem that 40% of the books do not reach the schools.

TBC4 has introduced some further improvements to the system and has made a start with decentralizing responsibility to the lower levels. The evaluation workshops conducted at the end of TBC4 suggested further improvements in tweaking the system.

Looking ahead there are two key questions: can the TBC program now finance itself? Can the program operate without G-Watch? The current round (TBC5) will produce the answers to these questions. It has proceeded without PTF financing and G-Watch has taken a hands-off approach to the program, ready to provide advice but leaving the lead to DepED and the CSO Consortium.

5. Follow-up

Within the Philippines it is important to closely monitor the implementation of TBC5 to ensure that no backsliding occurs. G-Watch is well up to this task. The many practical recommendations emanating from the two evaluation workshops will help to continuously improve the monitoring program.

For PTF a challenge will be to see whether the success of its support to the Textbook Count Program can be replicated elsewhere, drawing on the expertise and experience built up over the last four years.

	Pre-TC (2001-2002)	TC1 (2003)	TC2 (2004)	TC3 (2005)	TC4 (2006)
Quantity Procured	No info	37M	14M	1.2M	12M
Average unit cost	P90.00	P37.00	P47.00	P46.00	P42.00
Bidding Stage	---	-Pre-Bid Conference -Bid Opening -All documents, e.g, Notice of Award and Notice to Proceed were forwarded to G-Watch)	-Pre-Bid Conference -Bid Opening -Post-qualification -Content Evaluation -All documents, e.g, Notice of Award and Notice to Proceed were forwarded to G-Watch)	-Pre-Bid Conference -Bid Opening -Post-qualification -Content Evaluation -All documents, e.g, Notice of Award and Notice to Proceed were forwarded to G-Watch)	-Content Evaluation -No observer in pre-bid and bid opening, but all documents were forwarded to G-Watch
Production Stage -Inspections w/ CSO -Qty inspected by Team -% of total quantity -Found defective & rectified	---	No recorded data No consolidated data No consolidated data 100,000 ++	21/21 No consolidated data No consolidated data 100,000 ++	19/25 165,023 copies 13.03% 61,992	18/72 1,260,560 10.54 953,234
Delivery Stage					
No. of Delivery Points	---	3532 HS 2081 Districts	5498 HS 2158 Districts	445 Districts 8,401 ES (20% of national total)	2,346 Districts 39,558 ES
Monitored by CSO	1.3% (32 sample districts visited by G-Watch)	40%	85%	65%*	70%+
Transported by Coca-Cola/CSO	---	---	1.3% (from 15 sample districts visited by G-Watch)	77%**	-did not participate due to changes in schedules, but with active MOA with DepED
Number of Volunteers	---	No data	8,000	6,000	Delivery: 4700 (min) Distribution: 6,000 (min)