

PARTNERSHIP FOR TRANSPARENCY FUND

Philippines - Textbook Count 3 Project Completion Assessment

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)¹. Three annual rounds have been completed covering the academic years 2003/2004 through 2005/2006². TBC 2 and 3 have received financial support from PTF, and further financial support for TBC 4 is being considered. A completion assessment of TBC 2, prepared in December 2004, is on the PTF website. In 2005 PTF approved a grant of \$29,472 for TBC 3 to be disbursed in two tranches in May and July 2005. A very informative final report on implementing TBC 3, prepared by Government Watch of the Ateneo School of Government was submitted in September 2006. The final report also contains detailed financial statements.

The purpose of this note 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 note is based on a review of available reports and on meetings with senior officials from the Department of Education (Director Socorro Pilor of the Instructional Materials Secretariat and Procurement Service Director Aida Carpentero), project director Redempto Parafina, consultant Simon Gregorio (who wrote the institutionalization study), Rechie Tugawin, one of the volunteers participating in the inspection teams, and Nixon Canlapan of the Boy Scouts of the Philippines.

Assessment of Project Achievements

The project document does not contain a clear statement of objectives. From the Rationale it may be deduced that TBC 3 had two broad objectives:

¹ This was, as far as the bidding phase is concerned, mandated by the 2003 Government Procurement Reform Act.

² In this note referred to as TBC 1, 2 and 3.

1. to monitor the bidding, production, delivery to high schools and districts, and onward distribution to elementary schools of text books; and
2. to obtain the long-term commitment of various players so as to institutionalize the project and ensure its gains are preserved on a long-term basis.

The project document does not contain a clear statement of impact indicators and the following discussion therefore focuses mainly on process indicators. A short section will later discuss project impact.

Objective 1: enhanced monitoring

The following table summarizes the responsibilities of the monitors³:

Monitoring Activities by CSOs	
Stage of Procurement Process	CSO Activity
1. Bidding	<ul style="list-style-type: none"> • Observe and ensure the transparency of the pre-bid conference • Be signatories in the abstract of bid during bid opening • Observe and ensure the transparency of the bidding proper • Observe in the conduct of content evaluation
2. Production	<ul style="list-style-type: none"> • Inspect the quantity and quality of textbooks, and ensure that they are according to contract specifications • May recommend the rejection of books that do not pass quality standards
3. Delivery	<ul style="list-style-type: none"> • Help in the counting and inspection of books, making sure that the right quantity and quality were delivered on time • Record notable incidents and observations in the Inspection and Acceptance Report (IAR), which will be submitted to DepEd • Sign the IAR’s Third Party Monitor section. With this signature,

³ *Textbook Count and Civil Society Participation: Effecting System Reforms in the Department of Education*, Grace Leung, A case study written for the Government Watch, Ateneo School of Government, Makati, 2005

	the division need not inspect the deliveries to the district and the high schools.
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TBC 3 had adopted as (process) targets that it would track the delivery of instructional materials worth P163 million to around 4,400 high schools and 1,500 districts. Volunteers would also monitor the prior bidding and production processes. Training and other support would be given to the volunteers. The matrix in Appendix 1⁴ provides data on these various activities, including a comparison with previous rounds.

TBC 3 provided for the monitoring of three sets of *procurement* activities. Only one of these, for math text books, was successful. One consequence of bid failure was that no text books for high schools were produced and distributed during this round. G-Watch organized volunteers to observe various stages of procurement (pre-bid conference, bid opening, pre-award deliberations and awarding of contract). From interviews conducted it appears that the participation of volunteers in these activities is now well accepted (see also footnote 1). As volunteers became more familiar with procurement processes, and government procurement officers more used to their presence, the initial friction that reportedly occurred here and there has disappeared.

No quantitative targets were set for the monitoring of *production*. CSOs joined the DepED Quality Inspection Team in 19 out of 25 inspections. An astonishing 25 per cent of the books printed were found to be defective in some respect or another. From interviews it appears that the presence of volunteers has enhanced the effectiveness of the inspections and that the quality of printing is improving as a result.

Appendix 1 also summarizes the achievements of TBC 3 for book *distribution* and compares the monitoring level with earlier years. The following is noted:

- *Volume distributed.* The decreasing quantity of procurement, from 37 million and 14 million under TBC 1 and 2, to 1.2 million under TBC 3, is due the newly introduced textbook policy and failures of bidding. The TBC 1 procurement was very large because of the availability of World Bank funds. This proved difficult to manage and led to the introduction of a textbook policy wherein each year's procurement would only involve one subject but cover all students in all grade levels. While TBC 2 procurement did not yet follow the new policy, TBC 3 focused on math textbooks for priority poor provinces. Bidding failures were the result of stricter content evaluation that led to the disqualification of many bidders.

⁴ Both appendices were prepared by Redempto Parafina

- *Delivery.* As indicated earlier, text books were only delivered to elementary schools (via the district offices of the Department of Education). This explains the lower number of delivery points. 65% of the deliveries were monitored by around 6,000 volunteers. One innovative aspect of the program (that started with TBC 2) is the use of Coca Cola in the movement of textbooks from district offices to elementary schools.
- *Monitoring.* The table shows that the total number of volunteers has declined by 25% as a result of the lower volume of textbooks distributed.

Finally, as part of the enhanced monitoring program G Watch coordinated an extensive *training* program for the monitors in all three stages: bidding, production (handled by IMCS) and distribution.

Objective 2: institutionalizing textbook account

Under TBC 3 an excellent effort was made to think through the issues involved in making the project's gains more durable. In the following, four dimensions of sustainability are discussed: the legal framework, creating a locus of responsibility, ensuring predictable finance, and changing attitudes. A report on institutionalization prepared under TBC 3 provides a good basis for further advances in this area.

Taking each of the four dimensions in turn, the project's principal contribution to creating a *legal framework* is a draft for a Departmental Order that turns the practices developed in the past three years into standard operating procedures. The draft order also makes an admirable effort to broaden the scope of monitoring beyond that provided in the 2003 Procurement Law, e.g. by going beyond procurement to include contract implementation. The draft also goes beyond the scope of the TBC program by covering other Department of Education areas of procurement, such as school building and furniture. From the interviews conducted, it would seem that there are reasonable prospects that the draft order will be signed and become effective in the near future.

The institutionalization report contains several suggestions for creating a *locus of responsibility* for the role hitherto played by G Watch. After considering and rejecting several alternatives it concludes that for now G Watch remains vital for the continuation of the program.

This leads the institutionalization report to discuss ways to ensure more *predictable financing* for the TBC program. Various alternatives are touched on and it would be important that more work is done on the pros and cons of each alternative. It might also be useful to see whether other service departments have developed financing mechanisms that may be used for the TBC program so as to remove the uncertainty that currently affects all participants.

Finally, for any innovation to take hold, it is essential that the people involved accept changed practices characterized by more transparency and clear accountability. There are encouraging signs that a *change of mindset* is taking place with all sides reporting that public officials have not only accepted the presence of volunteers, but see the value of this external validation of their work. The institutionalization report makes the useful suggestion of creating a professional association of procurement officers to raise standards and stimulate an esprit de corps.

Impact

The project document does not contain clear impact indicators. The ultimate impact of a project such as this would be on the quality of education but this impact of the project cannot be isolated from other factors affecting education quality. At the next level would be the project's impact on the availability of text books. It would seem that there are four aspects to this:

- Delivery of the text books (i.e. reducing the 'leakage' historically experienced in terms of books printed but not delivered)
- Reasonable prices for the text books
- Acceptable quality of printing and binding
- Timely delivery

Observed deficiencies prior to the Textbook Count Program in each of these aspects can be the result of inefficiency, corruption or both. While there is evidence on progress made in all four areas, no systematic data have been gathered during the first three rounds to permit firm conclusions⁵. A summary of the evidence follows:

- In TBC 3 all books produced were delivered as compared to an estimated 'leakage' of 40 per cent in 2001. If during TBC 3 there had been a leakage of 40 per cent it would have resulted in a loss to the government of P22 million (\$450,000) due to corruption. This may be fairly attributed to the project;

⁵ According to Leung (footnote 3) prices have come down and the procurement cycle shortened.

- Prices of text books have come down sharply since 2002 (Appendix 1 second row). Since different books are purchased each year one would have to look more closely into comparability of price data. It is difficult to determine whether lower prices are the result of a more efficient procurement process or elimination of corruption; both probably play a role.
- There is only anecdotal information on the quality of printing. Several sources stated that as a result of the more rigorous inspections, and the initial high percentage of rejects, the quality of printing has improved. In any event, fewer books of poor quality will have been delivered.
- No data have been gathered on the timeliness of delivery, although the synchronized and well-publicized delivery system introduced from TBC 1 represents a major improvement.

It is clear that the financial gains from the project greatly exceed the project cost. It is recommended that in future these data are systematically gathered to demonstrate impact and justify the continued financing of the TBC program.

Concluding Observations

The matrix at Appendix 2 shows the cumulative effect of the changes introduced during the three years of the TBC program. They provide an impressive picture of a sustained effort that has resulted in a well-established program. It is a program that has demonstrated that it is possible to develop models of cooperation between the public sector and CSOs that are harmonious and produce tangible results.

A major lesson from the program is 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. From this initial impetus, confined to procurement, a program has evolved that also involves CSOs in other aspects of textbook provision.

The main risks to the TBC program are the absence for now of an alternative to G Watch, which has made and continues to make a crucial contribution by coordinating the role of CSOs in the program. A related vulnerability is that G Watch remains dependent on donor funds to finance its work. While the overall cost involved are not large (estimated by the institutionalization report at P2 million, or \$40,000) in relation to the overall cost of textbooks to the country, a good financing mechanism remains to be found. This must be a priority for the future.

The program design has proven to be entirely appropriate to the prevailing circumstances. It would be important, however, to define objectives more precisely, and to specify both impact and process indicators. This would not only provide useful feedback for managing the program but also help make the case in seeking financing for the program.

The funding provided by PTF has played an indispensable role in enabling G Watch to coordinate the CSOs and the thousands of volunteers that are responsible for the success of this program. PTF should assist the program in finding a firmer financing basis that will make it independent of donor support.

Geert van der Linden
Manila, 26 January 2007

APPENDIX 1

	Pre-TBC (2001-2002)	TBC1 (2003)	TBC2 (2004)	TBC3 (2005)	TBC4 (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	---	No recorded data	21/21	19/25	Ongoing
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%*	Ongoing
Transported by Coca-Cola/CSO	---	---	1.3% (from 15 sample districts visited by G-Watch)	77%**	Ongoing
Number of Volunteers	---	No data	8,000	6,000	Ongoing

*Does not include post-delivery monitoring/checking. We advised post-delivery monitoring because of delays in the deliveries, which affected volunteers' schedules.

**Based on Coca Cola Report submitted last May 2006. Last launching event (5 Jan 2007), HOWEVER, the Coca Cola President Bottlers Philippines, Inc. President reported almost 100% accomplishment in the distribution. That means that they have covered all 445 districts out of approx 40,000 districts nationwide.

Appendix 2

<p>Salient Recommendations</p>	<ol style="list-style-type: none"> 1. Improve management information system on textbook deliveries and textbook-student ratio 2. Improve coordination between central office and district offices 3. Provide wider opening for civil society participation 	<ol style="list-style-type: none"> 1. Provide CSO with more thorough training on quality inspection 2. Inform or orient IMCS-DepED on the role of CSO monitors 3. Hold meetings or conduct workshops to discuss delivery guidelines 4. Review content and design of Memo 162 5. Use other media to promote Textbook Count 6. Redesign delivery schedule 7. Suppliers/ Forwarders, recipients and CSO monitors should plan how coordination in the field will be carried out 8. Orient DepEd personnel, suppliers and forwarders on the role of the CSO monitors 	<ol style="list-style-type: none"> 1. Ensure district offices' access to one-peso per textbook budget for textbook distribution to elementary schools. 2. Include in the Textbook Count the monitoring of the onward distribution of textbooks from the districts to elementary schools 3. Sustain CSO involvement in the Textbook Count 	<ol style="list-style-type: none"> 1. DepED should require suppliers to include in their technical proposals the names of their forwarders and their capacity to undertake the forwarding tasks 2. Reexamine specifications and their cost implications to further improve quality 3. Mobilize more volunteers for the holding of "Textbook Delivery Days" to transport books from districts to elementary schools. 4. Provide incentives for volunteers and property custodians 	<p>Ongoing</p>
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		<ul style="list-style-type: none"> 9. Strengthen CSO Network 10. Orient all DepEd personnel on uniform policies for accepting and rejecting books 			
Salient Responses and Actions	<ul style="list-style-type: none"> 1. DepED synchronized all deliveries by zone and division 2. DepED requested the help of CSOs to monitor deliveries in all delivery points and launched Textbook Count 3. Textbook allocation and delivery schedule were published in newspapers 	<ul style="list-style-type: none"> 1. One-day training on textbook quality inspection was given to CSOs 2. One-day orientation-workshop on stakeholders' undertakings was conducted for Division officials, CSOs and suppliers 3. Radio and news paper ads 4. Delivery schedules were adjusted according to the geographical peculiarity of areas 5. 10 more CSOs were recruited to join consortium, including Boy Scouts and Girl Scouts 	<ul style="list-style-type: none"> 1. Coca Cola was tapped to help in the distribution of textbooks to schools in far-flung villages 2. Review of availability of textbook distribution fund was conducted 3. Number of CSOs grew to 33 	<ul style="list-style-type: none"> 1. Provision to ensure forwarders' capacity included in the Bid Document 2. Mechanism for Textbook Walk is now being formulated 3. DepED received and is preparing for Secretary's signing the proposed memo on institutionalization of CSO participation in agency's procurement monitoring. 	