

Elementary Education Project

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Field Survey: October 1998

1 Project Summary and Japan's ODA Loan

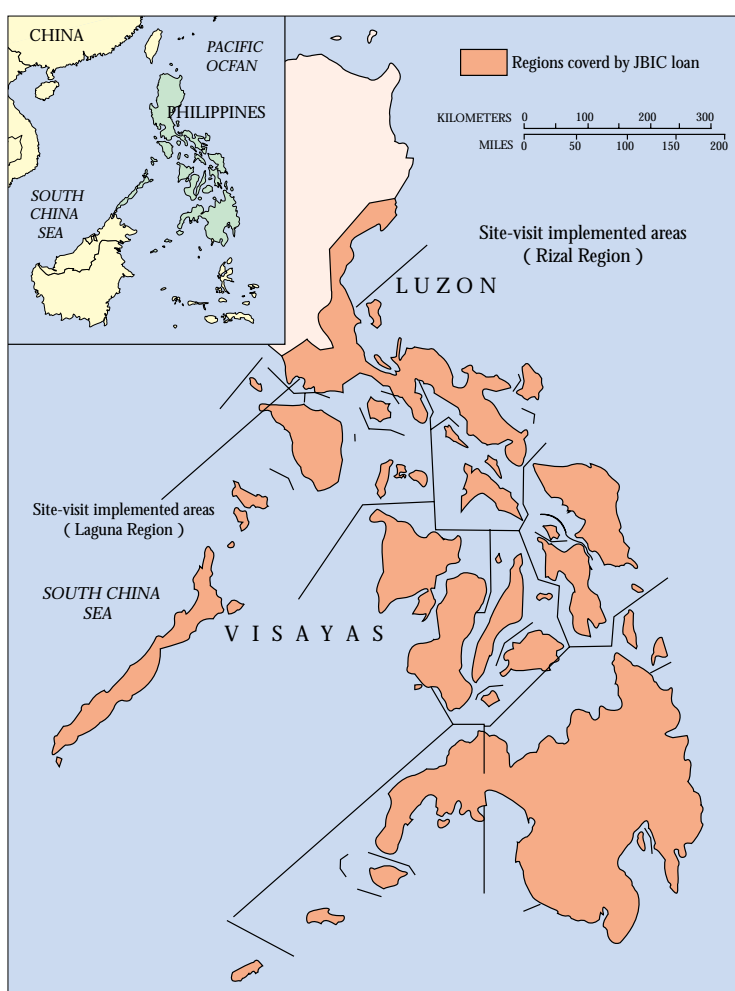
This project aimed to provide a basic infrastructure for elementary education and raise the efficiency of education-related persons and administration as the development of human resources through elementary education has been raised as a priority in the Medium-Term Development Plan (1987-1992) of the Republic of the Philippines drafted in 1986. Concretely, this project aimed to (1) increase the supply of classroom facilities and educational equipment and materials, (2) raise the quality of teachers and education managers (through training), (3) expand basic education (raise the school enrollment ratio and the literacy rate), and (4) strengthen the planning and maintenance scheme. This project was co-financed with World Bank.

The ODA Loan covered the entire foreign currency portion and a part of the local currency portion for the construction of classrooms in 9 regions in the central and southern parts (Regions IV to XII)¹ out of 14 regions in the Philippines.

2 Analysis and Evaluation

(1) Project Scope

There were changes in quantities for each category with regard to the construction of classrooms and the provision of educational equipment and materials (hardware). This was mainly due to the fact that the project flexibly responded to changes in the policies of the Philippine government (the expansion of classrooms, including the establishment of new schools, was prioritized), and can be considered to have been appropriate. On the other hand, with regard to enhancement of the training of



Borrower	Republic of the Philippines
Executing Agency	Department of Education, Culture and Sports (DECS)
Loan Amount	¥20,020 million
Loan Disbursed Amount	¥20,020 million
Date of Exchange of Notes	March 1991
Date of Loan Agreement	July 1991
Loan Conditions	
Interest Rate	2.7 %
Repayment Period (Grace Period)	30 years (10 years)
Procurement	General Untied
Final Disbursement Date	June 1996

¹ Currently, the Philippines are divided into 15 regions (12 regions, 2 autonomous regions, and 1 metropolitan area). However, at the time of appraisal of this project, the Philippines had only 14 regions (11 regions, 2 autonomous regions, and 1 metropolitan area.)

education-related persons and the planning and maintenance scheme (software strengthening), some categories saw sharp reductions and some items were discontinued by the budgetary reasons due to an increase in actual project costs. In a similar sort of project in the future, it will be necessary, first of all, for the governments of recipient countries to be aware of the importance of enhancing "soft" aspects in addition to the "hard" aspects. Besides, the donors should fully consider the budget limitations of the government of recipient country and provide balanced aid that includes also "soft" aspects.

(2) Implementation Schedule

Although completion of the project was planned for October 1994, actual completion was in June 1996, with an 18-month delay. The main reason for this delay was that the Philippine government budget allocations did not go smoothly because of the considerable increase in the portion of costs borne by the Philippine government as the result of the increase in total project cost.

(3) Project Cost

The total project cost was approximately double the initially expected amount on a peso base. This cost overrun was mainly due to external causes, including (1) the fact that the expansion of classrooms, which is more costly than the renovation of existing ones, was increased 1.9 times compared to the initially planned number and (2) the rising price of construction materials due to the construction boom in the Philippines at the time.

Comparison of Original Plan and Actual

Item	Plan	Actual
1. Project Scope		
i) Construction of classrooms, provision of educational equipment and materials		
a) Expansion, reconstruction and renovation of classrooms (rooms)	72,842	82,100 (64,290)
b) Expansion, reconstruction and renovation of multi-purpose workrooms (rooms)	12,363	5,462 (4,615)
c) Construction of toilets (toilet stools)	2,856	4,288 (3,958)
d) Production and supply of desks (1,000 desks)	1,500	2,520
e) Printing and distribution of textbooks and guidebooks for teachers (1,000 copies)	44,146	84,000
ii) Training of teachers and education managers (persons)	474,000	104,888
iii) Expansion of basic education		
a) Implementation of pilot projects (schools)	24	95
b) Literacy training (persons)	No detailed program	294,971
iv) Strengthening of planning and maintenance scheme	Structuring of elementary education assessment and integrated data system etc.	Partly implemented
2. Implementation Schedule		
(Start of bidding preparation to Completion of loan)	April 1989 to October 1994 (66 months)	April 1989 to June 1996 (86 months)
3. Project Cost		
Total project cost	9,368 million peso	19,079 million peso
ODA loan portion	2,964 million peso	4,044 million peso
Exchange rate	1 peso = ¥6.7548 (Rate at the time of appraisal)	1 peso = ¥4.5455 (Weighted average of IFS annual average rate between 1989 and 1996)

(4) Project Implementation Scheme

The executing agency for this project is the Department of Education, Culture, and Sports (DECS). Part of the project (classroom construction plan) was outsourced to the Department of Public Works and Highways (DPWH). Because other budget categories were considerably exceeded, the Project Implementing Coordination Unit (PICU) to be attached to this project within the DECS was not formed, which led to a shortage of manpower for coordination with the DPWH and other related organizations and for administrative and accounting work, which was one of the factors that caused delays in the

implementation schedule. In the future, for projects of this nature that comprise a large number of small-scale components spanning a large area, it will be necessary to consider including consultant support for implementation supervision, taking into consideration the manpower status of the executing agency, based on the fact that overall implementation supervision is complex and not easy.

(5) Operations and Maintenance

The maintenance responsibility for facilities and equipment has been transferred to each school following construction, and the budget for such maintenance is mainly provided by each local administration. Based on the results of selected site inspections as evaluation samples this time as well as a report from the executing agency, the current maintenance status can be said to be largely satisfactory.

(6) Project Effects and Impacts

The following effects have been created as the result of implementation of this project.

(i) Improvement of the Status of Insufficient Number of Classrooms

38,940 new classrooms have been provided through this project (only part covered by JBIC loan). On the other hand, the shortage of classrooms has not been resolved completely, due to the rising number of pupils. If this project had not been implemented, however, there would have been a shortage of 46,160 classrooms, compared to a shortage of 7,220 classrooms at the end of this project, showing that this project importantly contributed to reducing the gap between demand and supply of classrooms.

(ii) Remediation of Difference in Number of Classrooms among Regions

In Region XII (southern part of Mindanao Island), where the shortage of classrooms is particularly pronounced, this project provided 9,950 classrooms, thereby eliminating the shortage. The project also provided 1,388 new schools in areas with a low population density that heretofore did not have schools.

(Refer to following table.)

Table 1 Status of Number of Classrooms in the Philippines ~ Comparison Before and After Project Implementation

Region	Number of Pupils			Sufficient Number of Classrooms		Number of expanded classrooms through this project
	Before project implementation	After project implementation	Increase	If project had not been implemented	After project implementation	
NCR ^{Note2}	1,078,184	1,336,231	+258,047	-9,626	-5,825	3,801
CAR	190,171	238,273	+48,102	126	2,086	1,960
Region I	571,492	630,349	+58,857	-5,065	-4,473	592
II	385,029	455,346	+70,317	-1,210	-163	1,047
III	997,255	1,163,204	+165,949	-7,303	-4,043	3,260
IV	1,366,575	1,703,670	+337,095	-15,167	-7,379	7,788
V	737,325	836,973	+99,648	-1,679	-142	1,537
VI	927,836	1,030,264	+102,428	160	955	795
VII	717,350	882,642	+165,292	-5,011	-129	4,882
VIII	536,403	593,534	+57,131	2,023	2,901	878
IX	555,042	608,237	+53,195	-4,776	-806	3,970
X (includingXIII)	601,564	838,326	+236,762	-5,978	-1,957	4,021
XI	752,053	841,472	+89,419	-5,839	-720	5,119
XII (includingARMM)	556,292	808,951	+252,659	-9,893	57	9,950
Total	9,972,571	11,967,472	+1,994,901	-69,238	-19,638	49,600
ODA loan portion	6,750,440	8,144,069	+1,393,629	-46,160	-7,220	38,940

Source:World Bank Report and DECS

Note:1 Sufficient number of classrooms consists of the difference between the actual number of classrooms and the required number of classrooms (existing number of classrooms - required number of classrooms),and a negative number signifies a shortage. The required number of classrooms is obtained from the number of pupils, dividing this number by 36 (36 pupils per classroom). The figure of 36 pupils per classroom is obtained by multiplying the limit of 40 pupils per classroom by 0.9. This calculation method conforms with the calculation method described in a World Bank report.

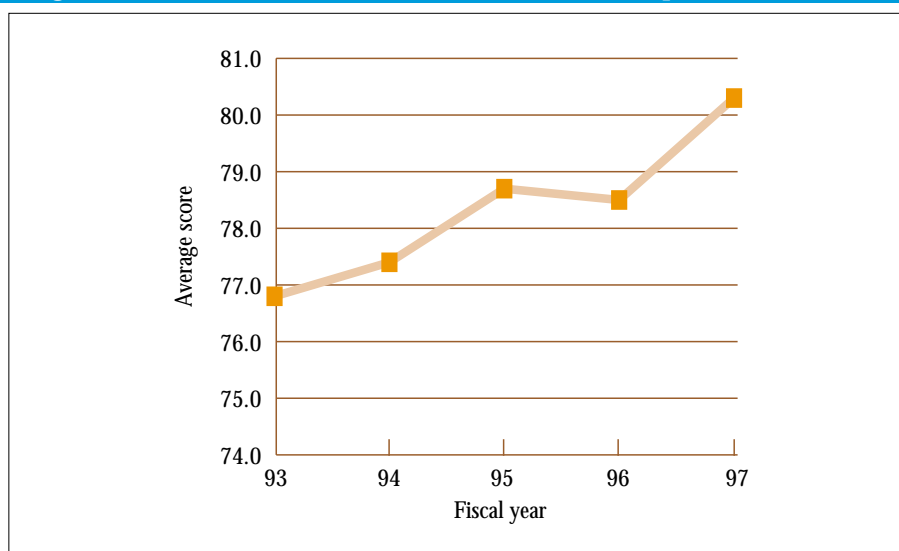
2 In the NCR area, most schools use a two - shift system, so a limit of pupils per classroom of 80 pupils (40 pupils x 2) was used in caluculations.

(iii) Improvement of Quality of Education

The trend in average score for the nationwide standard scholastic aptitude test for pupils in the Philippines rose from approximately 77 points in 1993 to 80 or more points. (See following figure.) Although there are various causes for this rise in average score, one that can be readily mentioned is the implementation of training for teachers and education managers through this project. Moreover, almost at the same time as this project, the salaries of teachers were raised, which certainly contributed to raising the attractiveness of the teaching profession. (In 1989, the average teacher's salary was 3,102 peso, but

this increased to 8,605 peso in 1997. Even factoring in inflation, this represents an increase in real terms of approximately 30%.)

Figure 1 Average Scores in Nationwide Standard Scholastic Aptitude Test



(iv) Decline in Dropout Rate

A considerable decline in the dropout rate has been observed in pilot project implementation schools through this project. (See table below.)

Table 2 Change in Dropout Rate at Pilot Project Implementation Schools

Pilot Project Contents	Dropout Rate (%)	
	Before Implementation	After Implementation
Implementation of school lunches (elementary school children only)	5.1	0.7
Implementation of education of school lunches and nutrition (elementary school children and parents)	5.8	1.0
Use of various educational materials matching scholastic aptitude level	7.7	4.2
Participation of parents in wokshops using above materials	5.6	1.9

On the other hand, the DECS has reported that the dropout rate is rising for the Philippines overall. According to the DECS, a large percentage of dropouts is caused by economic reasons in the family of the pupils, and measures such as the implementation of school lunches that take into consideration low-income families implemented in the pilot project are considered to importantly contribute to reducing the dropout rate.

3 Lessons Learned

(1)Regarding the development of the education sector, it is important, first of all, for the governments of recipient countries to realize the importance of improving and strengthening "soft" aspects, and to improve and strengthen both "soft" and "hard" aspects in a balanced manner. The ODA loans for the education sector requires that JBIC fully takes into consideration the budget limitations of the governments of the target recipient countries, and that they include "soft" aspects within the scope of their loans as needed, or that it cooperates with the Japan International Cooperation Agency (JICA) or other donors so that "soft" aspects get implemented alongside the "hard" aspects without delays.

(2)For projects of this nature that comprise a large number of small-scale components spanning a large area, it will be necessary to consider including consultant support for implementation supervision, taking into consideration the capacity of human resources in the executing agency, based on the fact that overall implementation supervision is complex and not easy.

In the Third Elementary Education Project which is the subsequent project following this project, improvement based on the above two points are being suitably implemented.



Laguna District
Santa Rosa Elementary School



Laguna District
Classroom of Santa Rosa Elementary School
(The number of school children per one class is over 80)



Rizal District
Classroom of Angono Elementary School