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The impact of trifocalization on Philippine education outcomes and the coordination issue

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The Impact of Trifocalization on Philippine Education Outcomes and the Coordination Issue

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Abstract

Thirty-two years ago, the First Congressional Commission on Education (EDCOM I) established a trifocalized Philippine Educational and Training System (PETS) to ramp up achievement of the country's educational and training goals. EDCOM I sought to raise the system's performance by transforming the PETS from a centralized Department of Education, Culture and Sports (DECS) into a system with three separate national education agencies, vested with the responsibility and authority to lead on education and training matters. These agencies are the Department for Basic Education (DepEd), the Commission on Higher Education (CHED), and Technical Education and Skills Development Authority (TESDA).

Despite well-intentioned reform efforts called for by EDCOM I, the PETS is not performing as well as education and development leaders had hoped for. This state of affairs has led some influential leaders and advisers of EDCOM II to call for a reversal or modification of the current trifocalized PETS.

This study seeks to address the above-mentioned concerns and to analyze the proposal to reverse or modify trifocalization. Towards this end, the analysis aims to determine the impact of trifocalization on desired education and skills development outcomes in the Philippines using a combination of quantitative and qualitative methods.

This study finds that trifocalization has had no statistically significant impact on education outcomes at conventional confidence levels. The empirical results are consistent with findings drawn from the key informant interviews.

Further along, the study discusses why a trifocalized PETS might not work as expected. Given its findings, the report lays some reform ideas that EDCOM II might want to consider and focus on to enable and incentivize the trifocalized system to work better, especially as regards coordination and other issues that key informants interviewed regard as fundamental. Thus, one of these recommendations is the establishment of an independent agency invested with oversight responsibilities and powers to hold DepEd, CHED, and TESDA and other related agencies accountable for their performance in the PETS.

Keywords: Education, Philippines, Basic Education, Governance and Finance, PETS, Higher Education, TVET

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1. Introduction

Background

A distinguishing feature of the First Congressional Commission on Education (EDCOM I) reforms is the trifocalization of the Philippine education and training system (PETS). The trifocalization reform means the transformation of the PETS from the Department of Education, Culture and Sports (DECS) to three national agencies vested with the responsibility and authority to lead on education and training matters. As called for by EDCOM I, those agencies are the Department for Basic Education (DepEd), the Commission on Higher Education (CHED), and Technical Education and Skills Development Authority (TESDA).

The rationale for the trifocalization reform is to allow these three agencies to focus on their respective areas of responsibilities, to empower each of them with the authority and resources to carry out their assigned responsibilities, to be held accountable for their achievements. The claims behind the need for a trifocalized system was that the unitary DECS was so huge and complex that its leadership was unable to pay enough attention and provide effective solutions to prevailing issues besetting different facets of the country's education and skill formation challenges. It was thought that in a trifocalized PETS, the Secretary of Basic Education could focus on basic education to achieve faster attainment of good basic education for all, while allowing the CHED and TESDA to pursue the national goals of higher education and skills development more effectively.

Thirty-two years after EDCOM I, the trifocalized system appears to be in crisis. This is evidenced by recent data on the education system performance (see EDCOM I 2023), as shown by indicators of learning poverty and student learning outcomes, and the inability of young Filipinos to find decent jobs. At this point, many influential education leaders have argued that the EDCOM I reform has been a failure. Some of them have called for a return to the unitary education system under DepEd.

There are many reasons for the failure of the current education system. One suggestion is the lack of effective coordination across levels of education, skills formation, and other aspects of human development. Another reason is that many critical issues have not been addressed such as learning continuity, seamless curriculum across levels, incentives, and performance accountability, to name a few. Some of these issues have fallen through the cracks due to the lack of clarity as to which agency is responsible and how to hold it accountable for the country's poor educational performance. Learning and skills formation cut across the boundaries of the three education and training agencies. Shifting responsibility and failure to consider spillovers to and from other parts of the system have resulted in suboptimal efforts to solve these issues across the three agencies.

The failure to concomitantly establish more effective performance, accountability, and incentive systems and address key fundamental issues in education inhibits the realization of the benefits of trifocalization. Thus, this study aims to determine whether changing from unitary to trifocalized systems has positively or negatively impact desired education and skills development outcomes and to discuss whether it would be beneficial to return to a unitary system, as advocated by some educational leaders.

General Approach and Methodology

Broadly, the study employs both quantitative and qualitative methods to investigate the above-mentioned research issues. Specifically, the study uses mixed methods to answer the following questions:

- What has been the impact of trifocalization on educational outcomes and related indicators?
- Is it necessary or prudent to de-trifocalize the PETS to achieve better coordination and higher levels of education and skills development?
- How can improvements in both coordination and education outcomes be achieved without de-trifocalization?

The mixed method approach involves the triangulation of findings from various sources: quantitative impact analysis, qualitative methods (interviews with key experts and educational leaders), review of literature, case studies, and contextual analysis.

A. Quantitative Methods

To address the research questions, this study utilizes two analytical techniques: (i) impact analysis on learning outcomes and completion rates using Synthetic Difference-in-Difference (SDiD) and (ii) multivariate regression to test for the impact of trifocalization on government expenditure per student.

Impact Analysis

To analyze the impact of trifocalization on completion rates and learning outcomes, the study uses a difference in difference method, with a synthetic control group (Abadie, 2021; Arkhangelsky et al. 2021). With the resulting SDiD method, we can reliably isolate the impact of trifocalization on the Philippines by comparing completion rates and learning outcomes with that of non-trifocalized countries from the pool of potential controls.

Definition of Terms and Selection Criteria

To elaborate on the difference-in-difference method, we first define our key terms:

Treatment - Refers to the policy whose impact we wish to analyze. The policy under analysis will be the shift from a unitary to a trifocalized education system.

Treatment group (J) – Countries that adopted policies towards the trifocalization of their education systems are to be included in the treatment group. At this stage, only the Philippines will be included as it trifocalized in 1994 (by virtue of RA 7796).

Pool of potential controls (C) - Countries that did not undergo the treatment or did not trifocalize will be used as potential comparators.

The selection criteria for our potential comparator countries in the control group follow that of Gardini (2021) who chose countries based on similarities across Gross Domestic Product (GDP) growth rates, economic development trends, and historical experience as colonized countries.

The countries included in the pool of potential controls are as follows:

Argentina	Haiti	Indonesia
Bolivia	Honduras	Laos
Brazil	Mexico	Malaysia
Chile	Nicaragua	Myanmar
Colombia	Panama	Singapore
Costa Rica	Paraguay	Thailand
Cuba	Peru	Vietnam
Dominican Republic	Uruguay	China
Ecuador	Venezuela	Japan
El Salvador	Brunei Darussalam	South Korea
Guatemala	Cambodia	

and the treatment group consists of the Philippines as defined previously.

Objective of the SDiD Analysis

The objective of the traditional difference-in-difference method is to capture the impact of a policy on some variable. Since, by deduction, the effect of the treatment on the control group must be zero – as the control group did not undergo the treatment – then the difference in the post-treatment variable of interest between the treated group and the control group must be the impact size of the treatment.

To illustrate, we first assume the outcome of interest, Y , is modeled by the following equations:

$$Y_{ct} = Y \text{ for country } c \text{ at year } t \text{ that did not undergo trifocalization}$$

$$Y_{jt} = Y \text{ for country } j \text{ at year } t \text{ that underwent trifocalization}$$

where c refers to countries within the potential control group, j refers to countries within the treatment group, and t refers to the year of the observation.

We define the expected value of the outcome variable of interest for an observation in the non-treated group as the sum of a time invariant, country-specific effect, α , and a country invariant, time-specific effect, γ :

$$E(Y_{ct}|c, t) = \alpha_c + \gamma_t$$

and the same expected value for an observation in the treated group as:

$$E(Y_{jt}|j, t) = \alpha_j + \gamma_t + \beta$$

which includes some constant effect on the outcome variable, β , as a result of undergoing the treatment. The value of β is expected to be zero for the control group as we assume said group did not undergo the treatment.

We then compare the expected pre- and post- treatment values of the outcome variable for both groups.

$$\begin{aligned} E(Y_{ct}|c, pre - treatment) - E(Y_{ct}|c, post - treatment) \\ = \alpha_c - \alpha_c + \gamma_{pre-treatment} - \gamma_{post-treatment} \end{aligned}$$

$$\begin{aligned} E(Y_{jt}|j, pre - treatment) - E(Y_{jt}|j, post - treatment) \\ = \alpha_j - \alpha_j + \gamma_{pre-treatment} - \gamma_{post-treatment} + \beta \end{aligned}$$

By taking the difference of these expected values between the treatment and control groups, we derive the expected measure of the treatment impact, β .

$$\begin{aligned} \Delta_{DID} = [E(Y_{jt}|j, pre - treatment) - E(Y_{jt}|j, post - treatment)] \\ - [E(Y_{ct}|c, pre - treatment) - E(Y_{ct}|c, post - treatment)] = \beta \end{aligned}$$

A key assumption that we make to guarantee the validity of our DiD estimate is the parallel trends assumption, which states that pre-treatment trends between the treated and control groups are similar. Deviating from this assumption leads to biased post-treatment estimations and much care goes into preserving this assumption. The synthetic control portion of the methodology assists in this by way of generating a “synthetic” control group that better matches the pre-treatment trends of the treatment group. Unlike traditional DiD that only creates the control group based only on external factors, synthetic control methods apply weights for each control unit to increase or decrease its contribution in the control group. Control group observations that match the pre-treatment trends of the treatment group are given higher relevance – or weights – and observations that deviate from the treatment group trend are given lower relevance. Weights are determined based on the desired contribution of a particular country as well as the year under observation. In doing so, we can generate a better matching pre-treatment group, to maintain the parallel trends assumption.

To generate our weights, we start with the predefined dataset with N observations (countries or units) over T years. T is further subdivided into two time periods, T = pre being the years within the pre-treatment period and T = post being the years within the post-treatment period.

Y_{jt} denotes the outcome variable for a member of the treated group at year t and Y_{ct} denotes the outcome variable for a specific member of the control group at year t .

We obtain the unit weights from the values of w_c that minimize the sum of squared differences between $y_{j,pre}$, the time averaged pre-treatment value of the outcome variable for the treatment unit, and the w_c weighted sum of $Y_{c,pre}$, the pre-treatment, year t value of the outcome variable of control unit c . Said optimization problem takes the form shown below and is subject to the following constraint:

$$\min_w \left[\sum_{t=1}^T \left(y_{j,pre} - \sum_{c=1}^C w_c Y_{c,pre} \right)^2 \right]$$

$$\sum w_c = 1 \text{ and } w_c \geq 0 \quad \forall c$$

The time weights are the values of v_t that minimize the sum of squared differences between $y_{c,post}$, the mean post-treatment value of the outcome variable for a control unit, and the v_t weighted sum of $Y_{c,pre}$, the pre-treatment, year T value of the outcome variable of a control unit, plus a constant v_0 . Said optimization problem takes the form below and is subject to the following constraint:

$$\min_v \left[\sum_{t=1}^T \left(y_{c,post} - \left(\sum_{t=1}^{T=pre} v_t Y_{c,pre} + v_0 \right) \right)^2 \right]$$

$$\sum v_t = 1 \text{ and } v_t \geq 0 \quad \forall t$$

The resulting solutions to these optimization problems provide us with unit and time weights that are assigned to each unit and pre-treatment time observation to generate a synthetic control group that better matches the pre-treatment trends of the treatment group, preserving the parallel trends assumption. In doing so, our synthetic control group also reflects what would have happened to the treated unit if it did not undergo the treatment, improving our estimation of the treatment impact. See the Annex for the generated weights.

We then test whether β is statistically different from zero, in other words our null hypothesis being $H_0: \beta = 0$ and our alternate hypothesis being $H_a: \beta \neq 0$. This will be done through permutation significance testing using the 95% confidence interval as outlined by Good (2005). Should the generated confidence interval contain the value of 0 within its upper and lower bounds, this would indicate that the estimated impact is not statistically different from 0, and we will fail to reject the null hypothesis. A plot of the mean estimate for β and the mean of its upper and lower bounds can assist in visualizing the change in this impact estimate across the study period.

Multivariate Regression Analysis

For this analysis, we attempt to estimate the impact of the treatment on government expenditure per student. Using GAA data obtained from the Department of Budget and Management (DBM) and annual student enrollment data from the Philippine Statistics Authority (PSA), we generate a composite variable representing the DepEd expenditure per primary and secondary education student. The log form of said variable will be used as the dependent variable on the left-hand side of the model. On the right-hand side, we include a dummy variable (trifoc) indicating 0 for years before the implementation of the trifocalization policy and 1 for years after its implementation, as well as a suite of control variables (annual log of GDP Per Capita, total annual population size, and annual CPI-based inflation). Given the highly collinear relationship between the control variables, we opted to implement Principal Component Factorization (PCF) to generate an index for the control variables. Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy and other standard checks were used to determine the validity of the PCF methodology. We then regress the dependent variable on our treatment variable and index to generate an impact estimate of the treatment variable. As a robustness check, we have also included the treatment variable in the factor analysis to determine the partial significance and contribution of the treatment on expenditure per student.

Data Sources

For the analysis on learning outcomes, the main dependent variable is sourced from the Educational Quality data by Lee and Lee (2024). This dataset was derived from a simple average of Math and Science Trends in International Mathematics and Science Study (TIMSS) and Programme for International Student Assessment (PISA) test scores, transformed for comparability, between 1970 and 2015 for several countries. Interpolation and machine learning techniques were used to fill in missing data such as when countries did not participate in learning evaluation tests. This dataset contains three key variables for test score data, the raw data, the interpolated data, and Machine Learning (ML) interpolated data. As the ML interpolated data has the most observations, we opt to use this variable for the analysis. Data availability allowed the inclusion of Gross National Income Per Capita as a covariate in this analysis.

For the analysis on completion rates, the main dependent variable – percentage of complete schooling attained in the population – is obtained from the Barro-Lee dataset (Barro & Lee 2024). Said dataset contains quinquennial observations between 1950 and 2010 with variables reporting the educational attainment (across seven categories) of over-15 and over-25 years individuals. Missing values are filled in using forward and backward extrapolation (Barro & Lee 2013). Other data included in this dataset is aggregated from several other sources (census data, UNESCO, and Eurostat databases).

Finally, data involving budget appropriations and student populations were obtained from the Department of Budget and Management (DBM) and the Philippine Statistics Authority (PSA). Said data spans from 1986 to 2024. The control variables used for this analysis were obtained from the World Bank database.

Limitations

Additional diagnostics must be done for estimates used in this study to determine their robustness. In the interest of maximizing the number of pre-treatment observations and maintaining the pre-treatment parallel trends assumption for the completion rates analysis, no covariates have been included in the SDID analysis at this point due to data limitations.

In addition, the quantitative impact analysis of trifocalization does not include other pertinent agencies like the Department of Social Welfare and Development (DSWD), the Department of Health (DOH), the Department of Labor and Employment (DOLE), Civil Service Commission, Commission on Audit, and other institutions whose activities impinge on education and skill development outcomes.

B. Qualitative Methods

Qualitative methods in education policy research help capture perspectives and phenomena that are useful in making informed decisions and evidence-based strategies. To complement the findings from the previous section on the quantitative results, key informant interviews (KIIs) were used to provide insights on the several factors that contributed to the quantitative results of the impact of trifocalization. Furthermore, KIIs were helpful in drawing up substantial suggestions in terms of policy alternatives and mechanisms for improving the institutional arrangements that could bring about better performance of the PETS.

Key Informant Interviews

Selection and Sample Size

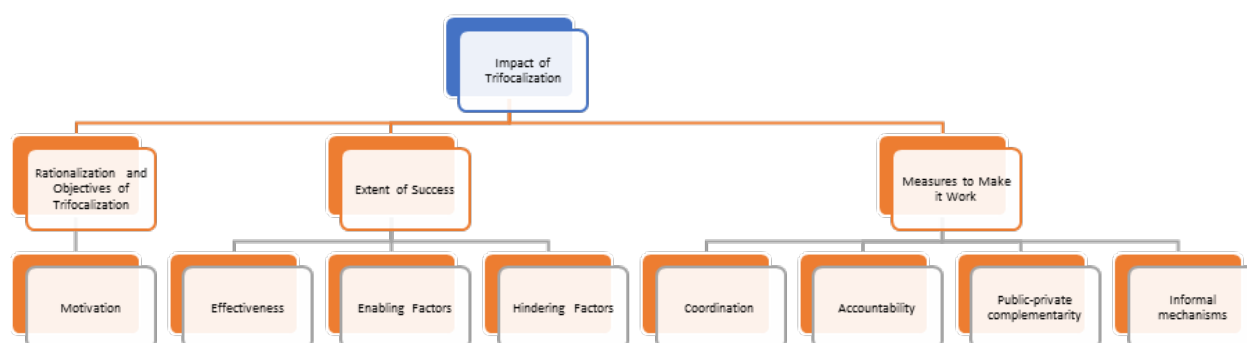
The selection of KII respondents was purposive and drew from a pool of experts that participated in EDCOM I, the secretaries, and/or designated representatives from DepEd, CHED, and TESDA, and technical experts. For this study, ten key informants were interviewed. Interviews were conducted online and face-to-face from 28 November 2023 to 13 May 2024. The table below summarizes their demographic profile per sector:

Table 1. Overview of KII Respondents by Sector

Sector	Sex	
	F	M
Basic Education	-	3
Higher Education	3	1
TVET	2	1
TOTAL	5	5

Semi-structured key informant interview (KII) guides, accompanying information sheets, and consent forms were developed and used for this study. Desk research and processing of all qualitative data (documents, articles, texts) were imported and thematically coded in MaxQDA and/or Excel and Word for consolidation and thematic analysis, while the Consolidated criteria for reporting qualitative research (COREQ) checklist was used to help report important aspects of the study. A coding tree was used to derive the themes, which is illustrated in Figure 1.

Figure 1. Coding Tree Analysis



Source: Authors' thematic analysis

Case Studies

Purpose

The objective of the case studies is to provide EDCOM II more food for thought on ways to improve coordination. The motivation is to broaden the range of alternative solutions to think about, highlight challenges encountered, and find lessons, if there are any, that the Philippines can learn from its regional peers. To this end, the report lays out a bird's eye view of selected features of Thailand's and Indonesia's efforts to coordinate education and related interventions by other sectors.

Rationale

Aside from sharing cultural and regional similarities with the Philippines, both Thailand and Indonesia have established formal coordination bodies to manage education governance issues. Moreover, they are performing better than the Philippines in terms of education performance. Thailand's learning poverty rate was 23.5% in 2021, slightly improving to 23.4% in 2022, significantly lower than the East Asia & Pacific average. Indonesia's learning poverty rate increased from 35.4% in 2019 to 52.4% in 2022 but remains significantly lower than the Philippines' 90.9%. Furthermore, both Thailand and Indonesia consistently ranked higher than the Philippines in PISA assessments for 2018 and 2022, indicating better educational outcomes.

C. Hypotheses of the Study

Following the logic of the trifocalization reform, it is expected that it would have a positive impact on education performance as measured by learning outcomes and educational attainment. Such reform is expected to produce benefits from specialization (division of labor) as well as efficiencies from managing a smaller more tractable organization.

If the enabling environment and the appropriate incentives and accountability mechanisms are not in place to animate the system, it cannot be expected to produce significantly better outcomes.¹ It should not, therefore, be surprising if trifocalization appears uncorrelated with

¹ That the country's trifocalized system has failed to address such issues over the last thirty-years is well documented and highlighted in EDCOM II's [First Year Report](#) and PIDS [Policy Note on Governance and Finance Policies](#).

education outcomes. On that point, the null hypothesis is that trifocalization makes no difference ($H_0 = 0$) in education system performance as measured by select educational attainment and learning outcomes with the alternate hypothesis implying observable and measurable (non-zero) effects on the chosen education performance indicators ($H_a \neq 0$). These are due to binding constraints such as the following:

- Weak performance accountability, structure of incentives and implementation capacity inhibiting realization of expected benefits of reform
- Greater coordination failures among three interrelated parts of human resource development

D. Scope and Objectives of the Study

The study has the following objectives:

1. To determine whether changing from unitary to trifocalized systems has positively or negatively impacted desired education and skills development outcomes; and
2. To discuss whether it would be beneficial to return to a unitary system or some modified version thereof, given the estimated impact against the attendant risks and costs (e.g., Compensation for staff displacements, distractions and delays that could adversely affect timely implementation of more fundamental reforms).

This report is organized as follows. **Section 2** contextualizes the study to give a deeper appreciation of its relevance and the background to weigh the soundness of the suggestion to return to a unitary national education system. In this regard, **Section 3** first discusses findings from the quantitative analysis of trifocalization and its effects on selected outcome indicators. To complement the quantitative analysis, **Section 4** then lays out the findings of the qualitative analysis, using key informant interviews. Further, **Sections 5 and 6** discuss the summary and conclusions of those findings, drawing from the results of both the quantitative and qualitative analyses. **Section 7** concludes by sharing the authors' caveats and reflections and suggesting policy alternatives and recommendations for further research.

2. The National and International Context of the Trifocalization Reform

Why the Need for Trifocalization?

Understanding the rationale and impact of the trifocalization of the educational system in the Philippine context requires understanding the organizational structure prior to EDCOM I. According to EDCOM I (1993), the factors which affect the governance of the Philippine educational system depends on the following: (i) the scale, size, and capacity of the system to serve the population and to meet investment/financing requirements; (ii) environmental factors (including politics, economy, culture, technology); (iii) the efficiency of its operations anchored on its own perception of missions, goals, programs, and projects; and (iv) private sector participation in education. Equally important is managerial competence and effective leadership, vital for the administrative machinery to adapt to changes in the external environment.

Prior to 1994, DECS had the sole responsibility for the management and supervision of all public and private education institutions, including policy formulation, planning, budgeting, program implementation, and coordination of formal and non-formal education in the Philippines (Manasan, Cuenca, and Villanueva-Ruiz 2008). It had duplicate functions with other government agencies and attached cultural and sports agencies. For example, the DECS offered short-term Technical and Vocational Education and Training (TVET) alongside other TVET courses provided by the National and Manpower Youth Council (NMYC) and other government agencies.

With this, EDCOM I recommended the reorganization of the educational system, leading to the trifocalization of three distinct bodies, each with a specific subsector to manage. Delineating the functions among agencies was one way of rationalizing the use of limited resources for each subsector (EDCOM I 1993). It also mirrored the regional trend at that time, in which several countries had considered trifocalization or dividing up aspects of education (Hernando-Malipot 2021).

In the final report of EDCOM I, it recommended trifocalization as an effective means of maximizing limited government resources for education. The push for trifocalization was also politically fueled by the movement towards decentralization and autonomy after the Marcos administration, both vertical (national to local governments) and horizontal (across different agencies in the national government).

In essence, trifocalization also hoped to horizontally decentralize the power of DECS and to distribute it to local government units. However, even with the passage of the Local Government Code of 1991 and Republic Act (RA) No. 9155 - The Basic Governance Act of 2001 - governance and financing remains highly centralized with DepEd.

According to literature, trifocalization has been successful in delineating respective jurisdictions among DepEd, CHED, and TESDA to some extent. It has led to a greater focus and depth in planning and implementation of educational programs per subsector (WB 2004; Torregoza 2023). With a trifocal system in place, the role of DepEd to lay down a good foundation for the educational system was seen to be crucial. Performance in and after high school – measured by the productivity of high school dropouts and graduates – is a function of a good elementary education (EDCOM I 1993).

Three decades later, this becomes even more crucial with the implementation of RA No. 10533 or the K-to-12 program. The law mandates DepEd, CHED and TESDA, to formulate the appropriate strategies and mechanisms for the smooth transition from basic education to higher education and/or TVET (Cabalfin, Mallari, & Orbeta 2018). On one hand, advocates for extending basic education to SHS (Brillantes et. al. 2019) reported that the DepEd bureaucracy was well-prepared to implement the SHS program, specifically opening the venue for public and private partnership. On the other hand, CHED developed the K-to-12 transition program to address persistent underinvestment in the country's higher education spending and to mitigate the adverse effects of the transition on higher education institutions and personnel. However, the program has faced challenges in CHED's absorptive capacity and capabilities to lead and implement (Brillantes, Brillantes, & Jovellanos 2018). With regards to TVET, TESDA's training system overlaps with the technical-vocational livelihood (TVL) track offered in SHS, with DepEd suddenly becoming a major provider of TVET (ADB 2021). The need for joint delivery of TVET training resulted in collaboration and coordination between

DepEd and TESDA in the SHS TVL program (ibid). However, other mandates such as the ladderized education program bridging TVET and higher education programs have not produced sufficient data to evaluate the program (PIDS 2019).

While the impact of EDCOM I had been most felt in terms of the current institutional arrangement, these are macro-level reforms that may not necessarily lead to the ultimate desired outcome of producing high-quality graduates (Gatchalian as cited by CIDS 2021). Furthermore, the combination of multiple roles in one agency (i.e., financier, provider, and regulator) often leads to conflict of interest, self-dealing, and lack of objectivity (Paqueo, Orbeta, & Aranas 2023). For example, TESDA manages the whole TVET system as a regulator, but it also operates TVIs as a provider, giving undue advantage to TESDA TVIs compared to their private counterparts (Orbeta & Esguerra 2016).

In a study on why reforms have not transformed education on the ground, Bautista, Bernardo, and Ocampo (2009) discussed the myriads of factors that have constrained DepEd from scaling up and sustaining reforms. These include projectized nature of reform, undeveloped mechanisms to institutionalize projects into policy and programs, bureaucratic concerns, leadership and policy continuity, and barriers stemming from “reform-oriented” institutional counterculture (ibid).

A Proposed Coordination Body

EDCOM I had proposed the creation of the National Council for Education (NCE), which would serve as an entity that would ensure systems integration, program unity, and coordination at the highest level. EDCOM I had also assumed that the proposed educational system would operate with “three administrative and programming institutions of coequal status” with adequate educational linkages and systems coordination and integration at the national level (EDCOM I 1991).

However, the establishment of an oversight and coordination body did not immediately materialize. The 1998 Philippine Education Sector Study (PESS) and the Presidential Commission on Education Reform (PCER) had flagged overlaps, gaps, and inconsistencies in policies and implementation across the DepEd, CHED, and TESDA. Specifically, the tripartite form of sector management made it difficult to formulate cross-cutting policy and to establish rational allocation of resources across subsectors (Mansanan, Cuenca, & Villanueva-Ruiz 2008). Taking up the recommendation of PCER, the Estrada administration formally established the National Coordinating Council on Education (NCCE) in 2000. The NCCE was ideally designed to harmonize cross-cutting education issues, to formulate sectoral policies and priorities, and to decide the rational allocation of resources across the education system (WB 2004). Unfortunately, NCCE remains inoperative due to issues on leadership and lack of funding (WB 2004; Manasan, Cuenca, & Villanueva-Ruiz 2008).

Considering the K-to-12 systems and the need for trans-subsector coordination with the adoption of the Philippines Qualifications Framework (PQF), effective sector governance requires reviving efforts to create an overarching mechanism and coordinating body through legislative reform (ADB 2021).

Learning from International Experience

Following the Trend?

During the EDCOM I deliberations, several countries pursuing other governance models or priorities were also mentioned. This included Taiwan, which had a separate Ministry of Education for higher education in the early 1990s, and Australia, Germany, South Korea, and Japan which facilitated close coordination between technical-vocational institutions and industries (EDCOM I 1991).

While it was notable that EDCOM I also followed the trend of trifocalization at the time, it is notable that a sizeable number of countries that attempted a trifocal or binary system eventually reverted to a unitary system of education (Hernando-Malipot, 2021). Countries that divided their educational systems were Singapore, Malaysia, Indonesia, and Thailand, but it is noted that seven out of ten South-East Asian countries have unified structures in the present. Existing literature is unable to identify these seven countries but further discussion on the developments of select countries in the region are tackled later in this section.

Trifocal, Bifocal, or Unitary?

According to the literature, the determination of unitary, binary, and trifocal educational systems is not clear-cut except for studies on higher education. For example, a unitary system is defined as higher education offered in one type of institution, consisting of university/university-like institutions (Campbell & Rozsnyai 2002), in comparison to binary systems that deliver higher education through universities and technical/vocational institutions. A similar definition can be applied to Europe with slight differences, wherein binary or dual systems can include HEIs outside the university sector, including universities of applied sciences (ETER 2019).

There are numerous factors that influence the structure and composition of any higher education system, including government regulations and legislation, the private sector, globalization and digital technology, national and local market needs, and the relationship between public and private service providers (Guri-Rosenblit, Sebkova, & Teichler 2007). Nevertheless, even the discussion of the typology and definition at the level of higher education is also confounded by various characteristics and historical development, making comparisons between and among systems and countries difficult (ETER 2019).

These complexities have led other neighboring countries to adopt diverse governance structures:

- [Australia](#) transformed its higher education from a binary system to a unitary system, with the aim to promote equity among universities, technical colleges, and institutes of technology (Meek 1991).
- [Indonesia](#)'s education governance was initially a trifocal system, which transitioned to bifocal following reforms to streamline management and enhance coordination. Before, the Ministry of Education and Culture (MOEC) handled public schools; the Ministry of Religion (MORA) oversees Islamic schools; and the Ministry of Research, Technology, and Higher Education (MORTHE) for higher education.

However, in 2019, MOEC and MORTHE were merged to create a more unified structure within MOEC handling both primary and higher education.

- [Vietnam](#) initially had a unitary system of governance, uniting the Ministry of Education and the Ministry of Higher Education and Secondary Technical Education in 1990. However, in 1998, the governance of Technical and Vocational Education and Training (TVET) was separated and placed under the Ministry of Labor, Invalids, and Social Affairs (MOLISA). This restructuring created a bifocal system where the Ministry of Education and Training (MOET) is responsible for general and higher education, while MOLISA handles vocational training.
- [Malaysia](#) bifocalized its education governance in 2004 by retaining the Ministry of Education (MOE) and creating the Ministry of Higher Education (MOHE). This separation aimed to provide focused attention on different educational levels. However, in 2013, the two ministries were remerged to harmonize strategic plans and enhance the strategic management of the education system, thus returning to a unitary structure. This remerging was part of the Malaysia Education Blueprint 2013-2025, which aims to elevate the education system by addressing issues of quality, access, and equity from preschool through post-secondary education.
- [Thailand](#)'s education system was centralized under the Ministry of Education (MOE) following the National Education Act of 1999. The MOE oversees the entire educational structure to ensure national consistency and standards. Within the MOE, there are five key implementing offices: the Office of the Permanent Secretary (administrative unit of MOE); the Office of the Basic Education Commission (OBEC) (primary and secondary education); the Office of the Vocational Education Commission (OVEC) (vocational and technical education); the Office of the Higher Education Commission (OHEC) (higher education); and the Office of the Private Education Commission (OPEC) (regulates private educational institutions).

For countries with different governance structures, the issue of coordination becomes a function of how they are prioritized and strategically placed. Specific forms of coordination needed within an educational system are defined by institutionalized, binding regulations, and patterns of interaction among and between different actors at various levels (Windzio, Sackmann, & Martens 2005).

The importance of coordination is well recognized in the literature. Specifically, the connection between accountability and coordination is well articulated in a well-known paper of Okhuysen and Bechky (2009). Okhuysen and Bechky (2009, p. 472) defined coordination as “the process of interaction that integrates a collective set of interdependent tasks”. As such, they figured that “coordination is a central purpose of organizations to achieve collective goals. Referencing the suggestion of Mintzberg (1989, p. 101), they then wrote that “coordination mechanisms are ‘the most basic elements of structure’ in organizations and include both formal and emergent elements”.

In their view, “coordination mechanisms (such as routines, meetings, plans, and schedules) impact the work of organizations by creating three integrative conditions for coordinated activity (p. 463)”. Those mechanisms - which also include rules, norms, and terms of reference - are tools for coordination.

Okhuysen and Bechky (2009), however, add that establishing coordination mechanisms does not necessarily lead to a process of interaction that integrates a collective set of interdependent tasks. For coordination mechanisms to lead to said integration and then to achievement of a collective goal, it is critical that they bring about greater *accountability, predictability and common understanding*. The authors refer to these factors as integrative conditions.

They identified and labeled those conditions as “integrative” based on their review of pertinent literature. They observe that it is through those integrative conditions that coordination mechanisms facilitate and enable organizations and groups of individuals to achieve their collective goals.

Later, we make sense of these integrative conditions in how Thailand and Indonesia structurally addressed coordination among their education agencies (detailed in **Annex A**), while salient features of their governance structures will be discussed more in detail in **Section 4**.

3. Quantitative Analysis

SDiD Results

Descriptives

Shown in Table 2 below are the descriptive statistics for primary, secondary, and tertiary completion rates. These completion rates are further disaggregated by sex and grouped into global, potential control, and Philippine subgroups.

We can observe that global mean completion rates for primary education (17.5%) are greater than that of secondary (9.7%) and tertiary education (3.23%) for both males and females, for their respective age brackets. We can also observe that males have a higher average completion rate than females across all education tiers (18.49%, 10.28%, and 3.95% for males compared to 16.66%, 9.2%, and 2.65% for females, for primary, secondary, and tertiary education respectively).

Table 2. Descriptive Statistics of Education Completion, 1950-2010

Variable		Mean	Std. dev	Min	Max
Global percentage of schooling attained in population					
Primary		17.50	9.61	1.04	45.29
	Male	18.49	9.73	1.67	48.19
	Female	16.66	9.99	0.12	43.55
Secondary		9.70	8.42	0.09	42.36
	Male	10.28	8.52	0.10	41.42
	Female	9.20	8.62	0.03	43.23
Tertiary		3.23	3.78	0.02	26.30
	Male	3.95	4.17	0.02	27.70
	Female	2.65	3.65	0	24.97

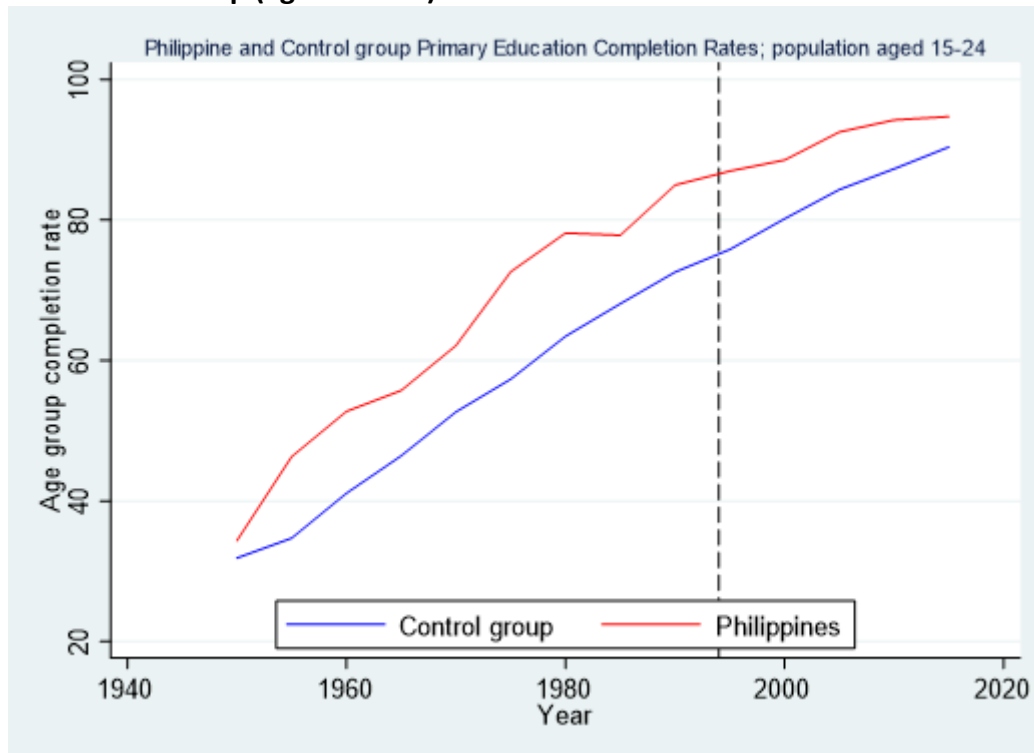
Potential control group percentage of schooling attained in population					
Primary		17.51	9.76	1.04	45.29
	Male	18.55	9.88	1.67	48.19
	Female	16.62	10.12	0.12	43.55
Secondary		9.63	8.50	0.09	42.36
	Male	10.18	8.61	0.10	41.42
	Female	9.15	8.71	0.03	43.23
Tertiary		3.13	3.79	0.02	26.30
	Male	3.87	4.21	0.02	27.70
	Female	2.53	3.62	0	24.97
Philippine percentage of schooling attained in population					
Primary		17.47	4.0	7.44	21.97
	Male	17.04	3.14	8.63	21.15
	Female	17.90	4.74	6.57	22.77
Secondary		11.79	5.04	4.11	20.14
	Male	12.97	4.47	5.46	19.80
	Female	10.76	5.54	3.00	20.46
Tertiary		6.04	2.03	1.40	8.46
	Male	5.97	1.68	1.97	8.50
	Female	6.16	2.41	0.97	8.50

Sources: Barro & Lee (2013)

Compared to the global average, we see that the Philippines observes higher completion rates in secondary and tertiary education for males, females, and the respective age bracket. Unlike the global trend, females in the Philippines report a higher completion rate in primary and tertiary education compared to males.

When visualizing the historical trends for mean completion rates for primary, secondary, and tertiary education (Figures 2 - 4), we observe a more detailed view of the data. The Philippines reports an upward trend of year-on-year completion rates for primary and secondary education throughout the study period. The Philippines also maintains a higher completion rate than that of potential control countries for primary and secondary education. Only for Philippine tertiary education can we observe a downward trend for completion rates that eventually becomes lower than that of potential control countries.

Figure 2. Historical Trend of Mean Primary Education Completion Rates for the Philippines and Control Group (ages 15 – 24)



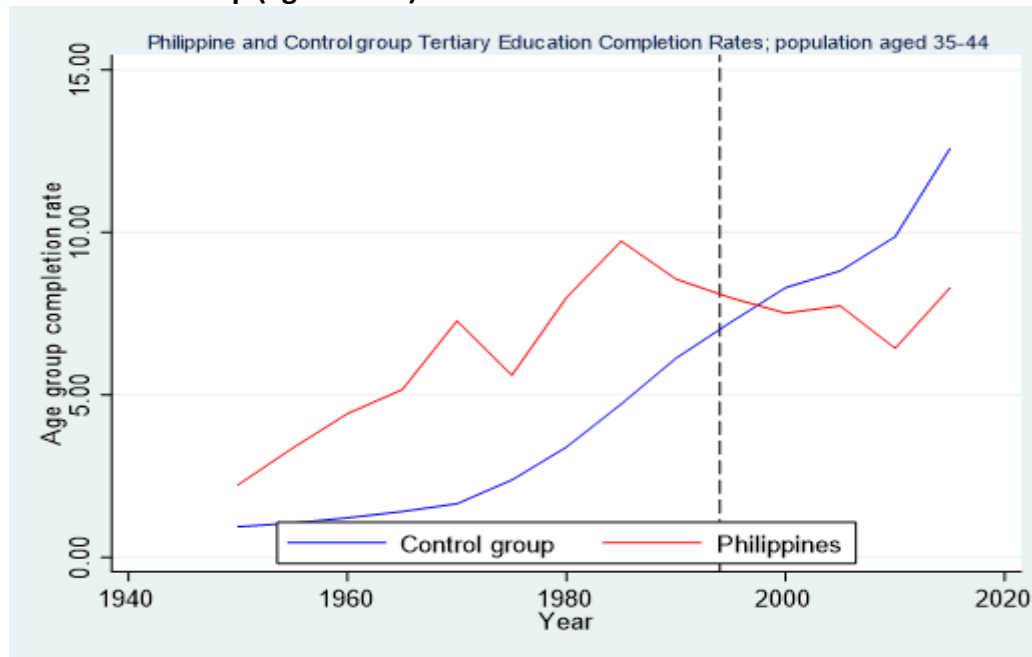
Sources: Barro & Lee (2013)

Figure 3. Historical Trend of Mean Secondary Education Completion Rates for the Philippines and Control Group (ages 15 – 24)



Sources: Barro & Lee (2013)

Figure 4. Historical Trend of Mean Tertiary Education Completion Rates for the Philippines and Control Group (ages 35-44)



Sources: Barro & Lee (2013)

Estimated Impact of Trifocalization on Completion Rates

The results of the completion rate SDiD impact estimation is shown in Table 3. The measure of the impact is given by the mean impact estimate throughout the study period. We observe that the mean estimated impact of the treatment on primary, secondary, and tertiary completion rates are within their minima and maxima. Said bounds also include zero. Such results indicate that the estimated impacts are not significant at the 95% level. With these results, we fail to reject the null hypothesis and infer that trifocalization had no significant, non-zero effect on education completion rates.

Table 3. Completion Rate Impact Analysis Results

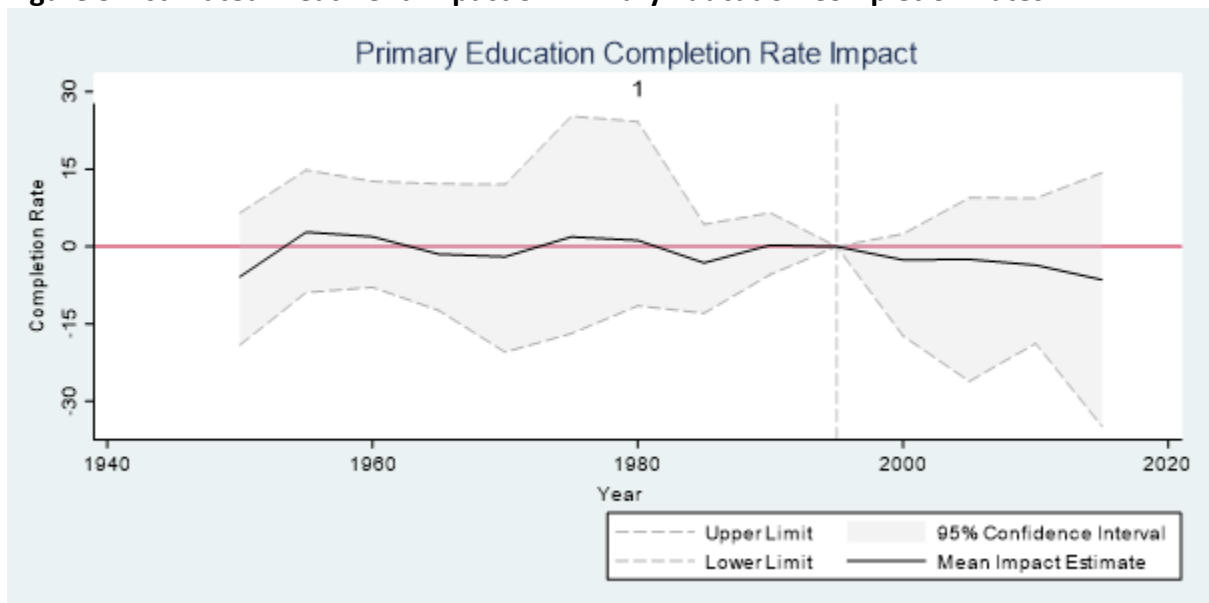
Variable		Mean (Percentage points)	Std. dev	Effect size (Cohen's D)	Min	Max
Impact estimate for primary school completion rates attained in population						
	Male and Female	-3.78	1.85	-2.03	-34.88	14.32
	Male	-3.52	6.78		-73.21	38.57
	Female	-4.97	3.99		-53.02	25.9
Impact estimate for secondary school completion rates attained in population						
	Male and Female	1.33	5.72	0.23	-25.95	17.01
	Male	-7.01	4.05		-44.36	29.79

	Female	-6.27	1.28		-60.74	20.16
Impact estimate for tertiary school completion rates attained in population						
	Male and Female	-4.26	2.99	-1.42	-19.52	3.68
	Male	-6.55	2.61		-24.24	5.58
	Female	-8.40	5.02		-25.11	2.20

* 10% significance, ** 5% significance, *** 1% significance

A visual representation of the mean estimated impact and its trend over the study period can be seen in Figures 5 to 7 where the impact estimate and its confidence interval are plotted for each year in the study period. We visually observe that the confidence interval includes the zero value for each year in each figure and as such, the impact estimate for each post-treatment year is also not significant at the 95% level.² With these results, we fail to reject the null hypothesis that the treatment had a significant, non-zero effect on the outcome variables for each post-treatment year.

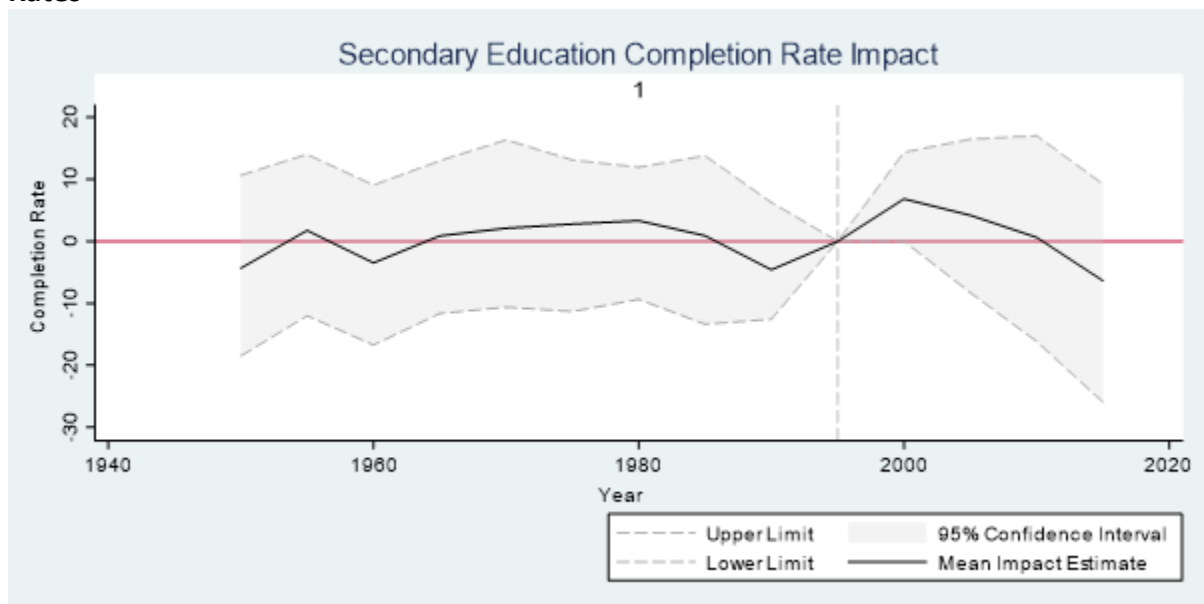
Figure 5. Estimated Treatment Impact on Primary Education Completion Rates



Sources: Barro & Lee (2013)

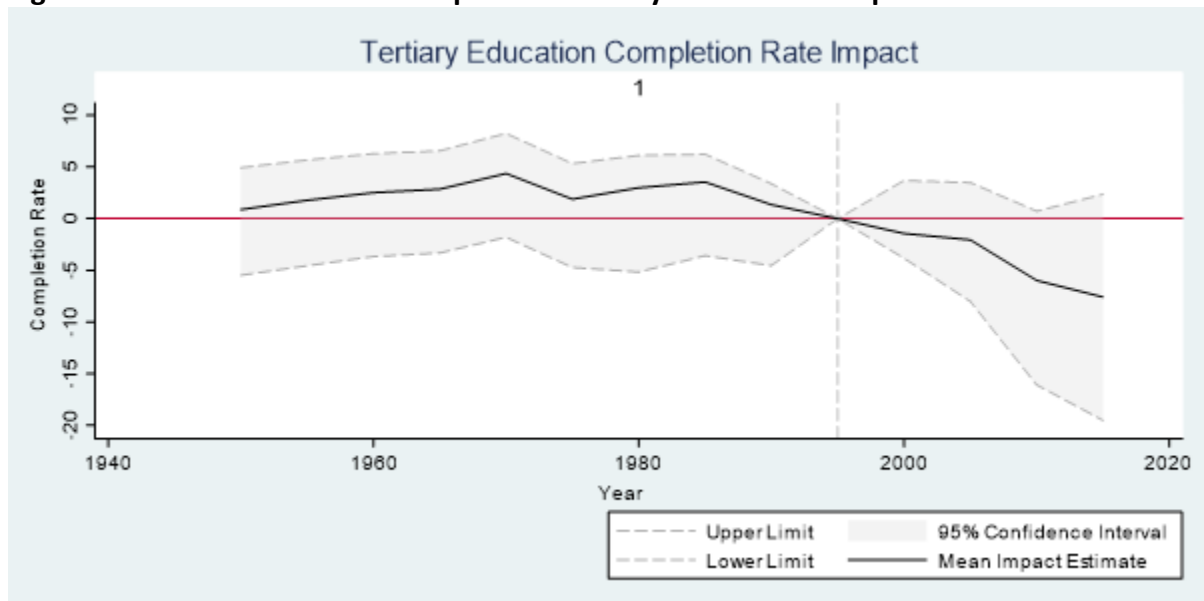
² Graph interpretation: The y axis depicts the percentage point change in completion rates between the treated and control groups. The grey area indicates the 95% confidence interval from permutation testing – the upper and lower bounds of the permuted treatment impacts. The inclusion of the zero value within the confidence interval leads to a non-significant statistic at the given confidence level.

Figure 6. Estimated Treatment Impact on Secondary Education Completion Rates



Sources: Barro & Lee (2013)

Figure 7. Estimated Treatment Impact on Tertiary Education Completion Rates



Sources: Barro & Lee (2013)

Even if there is no statistical significance, the magnitude and effect sizes is worth noting, as well as gender specific effects:

- Compared to the control group, the Philippines experienced a post-treatment decrease in mean completion rates for primary education (-3.78) and tertiary education (-4.26), in percentage points. Secondary education mean completion rates for the Philippines are estimated to be 1.33 percentage points higher than the control group, post-treatment.

- Females experienced greater reductions in mean primary completion rates versus males (-4.97 percentage points compared to -3.52 percentage points, for males and females, respectively.)
- This trend is reversed in secondary education, where the male completion rate is estimated to be 7.01 percentage points lower compared to the control group while female completion rate is estimated to be 6.27 percentage points lower than the control group.

Estimated Impact on Learning Outcomes

The results of the SDiD analysis on learning outcomes will be discussed in this section. We first present the descriptive statistics of the test scores dataset from Lee and Lee (2024) in Table 4. Based on the descriptive statistics of the dataset, we see that the global average of the combined score for Math and Reading scores is at 456. Comparing the mean scores between the treated and untreated groups, we see that the untreated countries report a higher mean test score of 450 compared to the treated country's mean test score of 372.

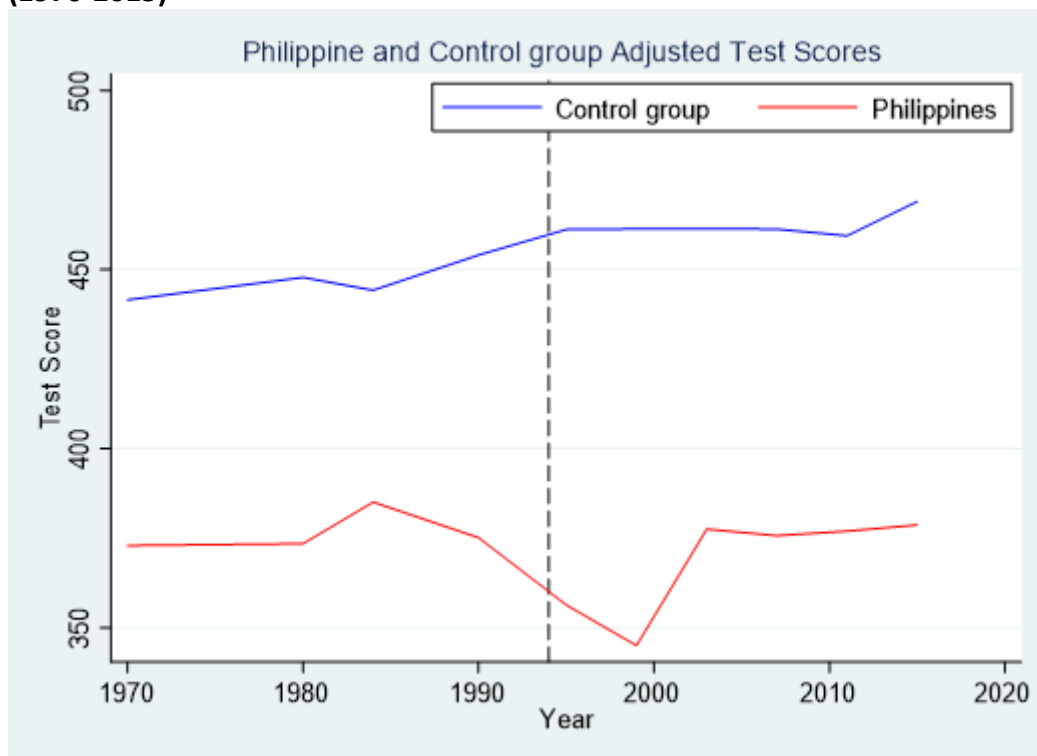
Table 4. Learning Outcomes Descriptive Statistics

Test Scores		Mean	Std. dev.	Min	Max
Raw		468	73	345	609
	Philippines	369	21	345	385
	Potential controls	473	72	348	609
Baseline		446	70	345	609
	Philippines	373	13	345	385
	Potential controls	450	70	348	609
ML Estimates		456	68	345	609
	Philippines	372	12	345	385
	Potential controls	450	67	348	609

Source: Lee and Lee (2024)

By plotting the annual test scores for the Philippines and Potential Controls, we glean more information regarding the historical trend of said data. We observe that there is an extended period of test score decrease in the years before and after the treatment implementation before test scores level off to their starting levels. Throughout the study period, Philippine test scores are well below that of those in the potential control group.

Figure 8. Historical Trend of Adjusted Test Scores for the Philippines and Control Group (1970-2015)



Source: Lee and Lee (2024)

Table 5. Test Scores Impact Estimate Results

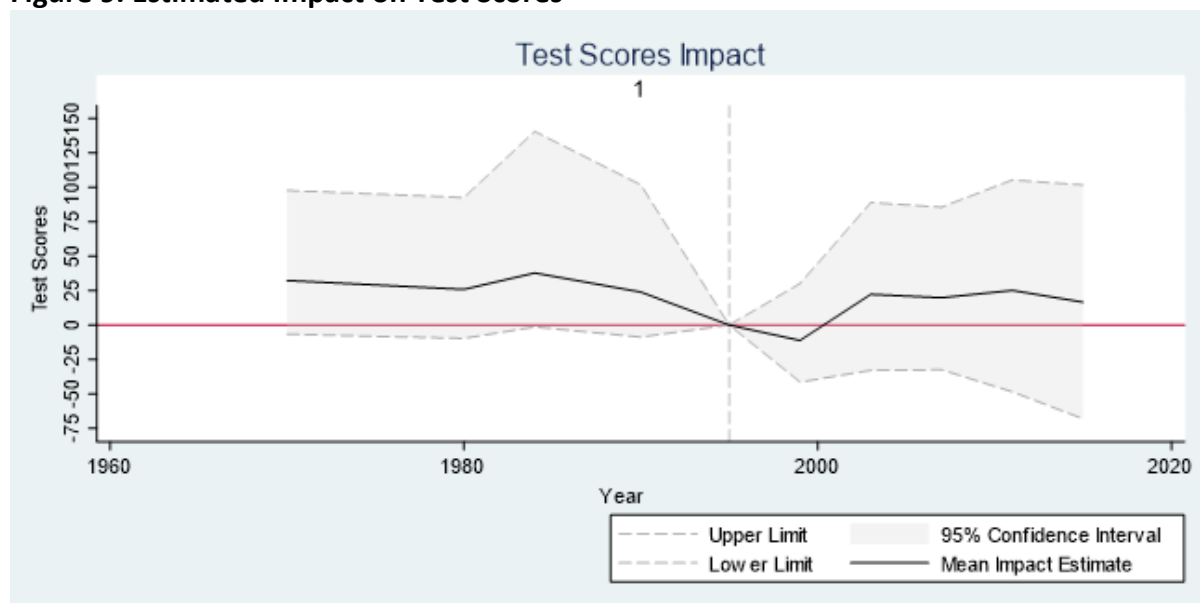
ML Estimated Test Scores	Mean	Std. dev	Effect size (Cohen's D)	Min	Max
Test Scores Impact	14.56	14.69	0.99	-68.01	105.21

Source: Self-generated by authors

A 95% confidence interval was generated from permutation testing. As can be seen in Table 5 and Figure 10, a zero-impact estimate lies within the confidence interval, the estimated impact on test scores is not significant at said confidence level. Unit and time weights for the test scores impact estimate is available in **Annex B**.

Despite this lack of significance, we note a positive mean impact on test scores after treatment. The magnitude of the impact is an estimated 14.56-unit point test score increase. Other studies have reported a minimum effect size of 2 to 4, implying that any notable impact of trifocalization in the Philippines is relatively insignificant compared to other similar education policies.

Figure 9. Estimated Impact on Test Scores



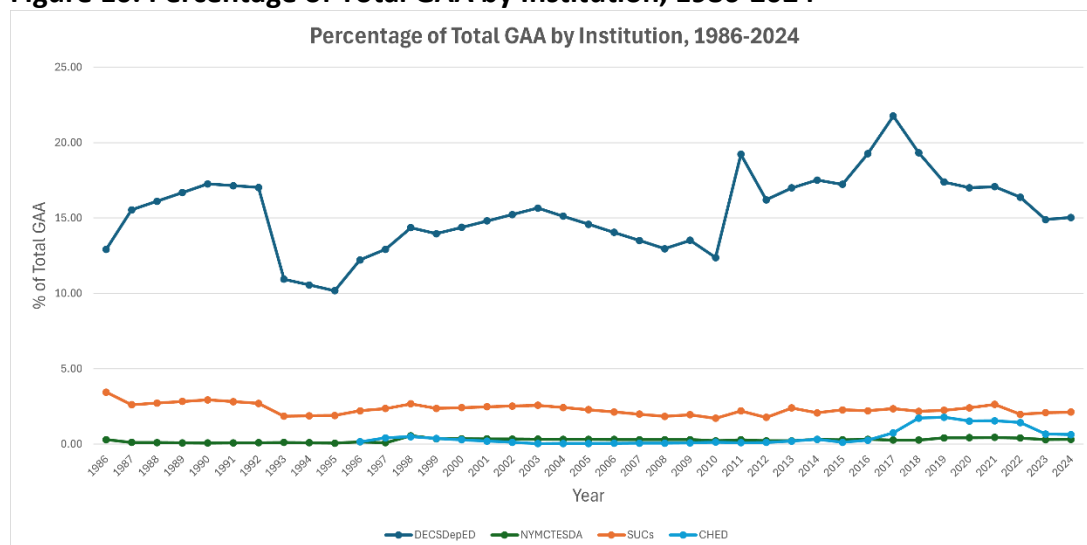
Source: Lee and Lee (2024)

Resource Allocation Across Education Subsectors

The share of the budget for other subsectors would be expected to improve after trifocalization. However, as seen in Figure 10, the relative share for higher education and TVET remain the same (except for a slight increase in CHED's budget considering free tuition for SUCs) compared to the budget for basic education. In the proposed 2024 National Expenditure Program, DepEd's³ budget comprises about 82% of the total allocation for the education sector, while 3.4% is allotted for CHED and 11.4% for State Universities and Colleges (SUCs) (PIA 2023). Only 1.6% is allotted for TESDA.

³ Interestingly, the authors observed that additional budget was allocated for DepEd for cultural and sports agency after trifocalization in the late 1990s sought to separate these functions from basic education. For example, DepEd is allotted budget for the National Council for Children's Television (2005 & 2007 - onwards), the National Museum (2008 – onwards), and the National Academy of Sports (2022 – onwards).

Figure 10. Percentage of Total GAA by Institution, 1986-2024⁴



Source: Department of Budget and Management

Table 6 compares the percentage of total GAA by institution and subsector, which reflects the same trends and findings above, although there is a significant increase for basic education post-trifocalization and a slight increase for TVET within the same period. The drop in the average for CHED and SUCs combined (as both represent the higher education sector) post-trifocalization may be attributed to lesser observations compared to the pre-trifocalization period.

Table 6. Comparison of % of Total GAA by Institution Before and After Trifocalization

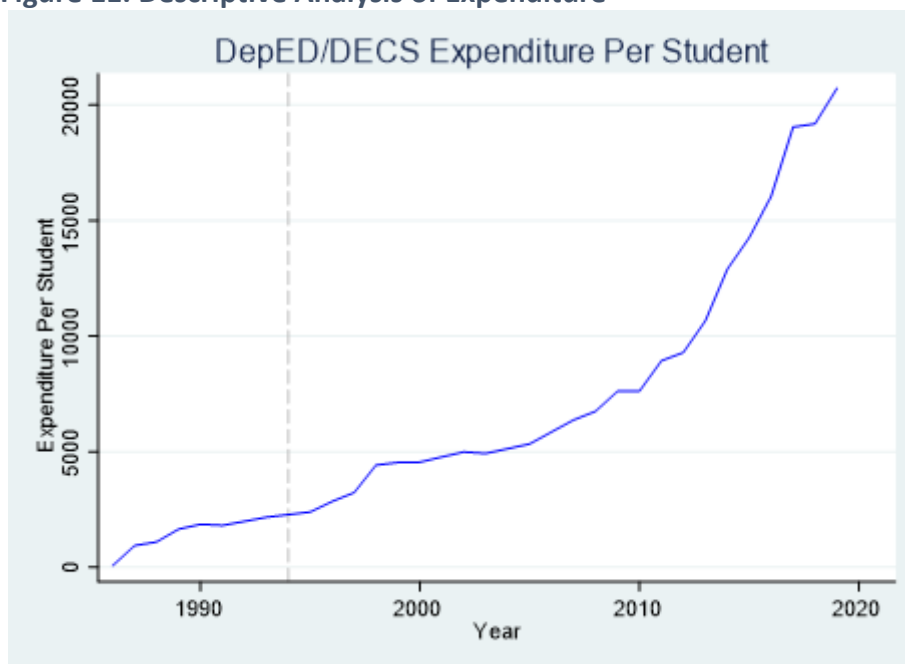
Institution	Average % of Total GAA	
	Pre-Trifocalization (1986-1993)	Post-Trifocalization (1994-present)
DECS/DepEd	14.74	15.80
CHED + SUCs	2.71	1.39
NYMC/TESDA	0.14	0.30

Source: Department of Budget and Management

Analysis of expenditure per student shows an increasing trend of the expenditure of DepEd/DECS per elementary student between 1986 and 2019. A simple t-test analysis also finds a significant (at the 1% level) increase in DECS/DepEd's average expenditure per elementary student after the treatment year (see Figure 11).

⁴ Data from publicly available reports of the Department of Budget and Management (DBM). Missing data from years 1988, 1989, 1991, 1994, 2000 – 2002, and 2004 – 2007 were interpolated using Stata.

Figure 11. Descriptive Analysis of Expenditure



Source: Department of Budget and Management

The pre-treatment expenditure per elementary student averaged PhP 1,445.83 per student while the post-treatment amount averaged PhP 8,257.29 per student (refer to Table 7).

Table 7. Results of Expenditure per Student Results

Institution	Average Expenditure Per Student (std. err)			T-test P-value $H_0: Diff = 0$		
	Pre- Trifocalization (1986 – 1994)	Post- Trifocalization (1995 – Present)	Difference (Post - Pre)	$H_a: Diff < 0$	$H_a: Diff \neq 0$	$H_a: Diff > 0$
DECS/DepEd	1445.83 (698.80)	8257.29 (5473.64)	6811.45	1.000	0.000	0.000

Source: Self-generated

As discussed previously, we conduct multivariate regression analysis on the impact of trifocalization on government expenditure per student. By conducting PCF on the control variables mentioned, we obtain a set of eigenvalues for each control variable associated with each factor. What is of more interest is the result of the post-estimation check for the KMO measures of sampling adequacy, all of which are above 0.5, indicating that PCF is appropriate for our dataset. Given the eigenvalues from the previous step, we limit the factors generated to one factor. Shown in Table 8 and 9 are the PCF diagnostic statistics and regression results, respectively. We observe that the coefficient of the treatment variable is significant at the 10% level with a value of 0.7381, indicating a 73 percent increase in Expenditure per student if Trifocalization was implemented during that observation (year). When we include the treatment variable in the PCF, we observe that the coefficient for the index is 0.935, significant at the 1% level. Though we can't directly measure the effect of the treatment against

expenditure per student, we can infer that given the large factor loading value of the treatment on the PCF index (0.8588) that the treatment has a large contribution to the significant index coefficient. Combined, the results of this analysis and the t-test analysis of expenditure per student suggest that there is a considerably significant increase in government expenditure per student following Trifocalization.

Table 8. PCF Diagnostic Statistics

PCF Diagnostics (Treatment excluded)					
No. of observations: 37		Retained Factors: 1		Parameters: 3	
Factor	Eigenvalue				
Factor 1	2.366				
Factor 2	0.579				
Factor 3	0.054				
Factor Loadings				Factor Loadings (rotated, Kaiser normalized)	
Variable	Factor 1	Uniqueness	KMO	Factor 1	Uniqueness
Total Population	0.9647	0.0694	0.5499	0.9647	0.0694
Log of GDP Per Capita	0.9466	0.1040	0.5574	0.9466	0.1040
Inflation, CPI	-0.7349	0.4598	0.8089	-0.7349	0.4598
Overall KMO			0.5882		
PCF Diagnostics (Treatment included)					
No. of observations: 38		Retained Factors: 1		Parameters: 4	
Factor	Eigenvalue				
Factor 1	3.018				
Factor 2	0.6078				
Factor 3	0.3412				
Factor 4	0.0318				
Factor Loadings				Factor Loadings (rotated, Kaiser normalized)	
Variable	Factor 1	Uniqueness	KMO	Factor 1	Uniqueness
Treatment	0.8588	0.2625	0.8321	0.8588	0.2625
Total Population	0.9482	0.1010	0.6291	0.9482	0.1010
Log of GDP Per Capita	0.9146	0.1635	0.6378	0.9146	0.1635
Inflation, CPI	-0.7389	0.4540	0.8689	-0.7389	0.4540
Overall KMO			0.7039		

Table 9. Regression Results

Regression Coefficients (treatment excluded in pcf)			Regression Coefficients (treatment included in pcf)		
Variable	Coefficient (std. err)	P-Value	Variable	Coefficient (std. err)	P-Value
Treatment	0.7381 (0.376)	0.059*	pc1	0.935 (0.113)	0.000***
pc1	0.6723 (0.178)	0.001***			

*10% significance, ** 5% significance, *** 1% significance.

Our analyses have shown that while there has been evidence of a significant increase in government expenditure per student, this has also been accompanied by not-significant impacts on Primary, Secondary, and Tertiary Completion rates, and primary education learning outcomes. Based on this, we can infer that simply increasing per-student expenditure is not the most effective way to improve either learning outcomes or completion rates. Clearly the solution lies elsewhere.

Though without the relevant data, quantitative analysis is limited in what it can confidently suggest. We can infer, however, that reverting to a unitary education management system is not a promising solution, *cet. par.* This is because there is no guarantee that a transition will impart any meaningful benefits to our education system. What we can be certain of is that such a strategy will involve considerable financial, human effort, and temporal costs at the minimum.

4. Qualitative Analysis

Results of Key Informant Interviews

The Rationalization and Objectives of Trifocalization

Among respondents that took part in or witnessed trifocalization, there is some agreement that trifocalization was proposed during EDCOM I because of the lack of attention to each sector specifically in basic education. Under a unitary system, the DECS' large bureaucracy resulted in a lack of efficiency and practicality in governing basic and higher education. According to a member of the Sectoral Targets and Functional Linkages of EDCOM I who later joined CHED, there was a need to create separate governing bodies to let DECS focus on basic education as the constitutional right for all Filipinos. Thus, the panel had proposed the creation of CHED based on the higher education governance model of the Commonwealth countries (namely, UK) and Israel. These countries had separate governance bodies for higher education at the time.

It was also observed that other countries were also dividing education into subsectors in terms of governance. Malaysia and Thailand had decided to change their unitary system while Vietnam espoused a different system of managing higher education at that time. However, as highlighted the governing structure of countries have also changed since then: some remained

bifocal (Australia, Vietnam) while others re-merged and became unitary again (Indonesia, Malaysia, Thailand) in terms of the number of agencies handling education subsectors.

Extent of Success: Has it Achieved its Original Intent and Objectives?

A few respondents noted that trifocalization has been successful in its objective of providing sectoral attention, specifically in basic education and higher education. Moreover, it achieved what EDCOM I perceived to be most important at that time, which was to fulfill the constitutional priority of basic education.

For respondents who came from TESDA, the structure allowed TVET to develop to some degree. According to experts, trifocalization was a good move since the technical-vocational education sector would not have worked with only the DECS Bureau of Technical and Vocational Education (BTVA). Moreover, TESDA – as the sole TVET entity and agency - was a good brand-making strategy to promote TVET and competency standards in the ASEAN. Respondents from TESDA explained that TVET was once regarded as a low-class or second-class type of education. After trifocalization, TESDA was able to improve the policy enhancement, development, and reputation of TVET.

How Effective was Trifocalization?

Responses on whether the trifocal system has been effective in the past 32 years have been mixed. As early as the 1990s, there have been renewed calls for a unitary system to address layers of bureaucracy because of the separation of governance bodies according to several respondents.

One key metric of success is if the educational system has translated to jobs, income, and betterment of life. Unfortunately, interviews with experts have confirmed that trifocalization did not contribute to impressive learning outcomes despite greater sub-sectoral focus. Rather, respondents pointed out weaknesses in implementation that were already been brought up three decades ago. This includes siloed implementation, corruption, bureaucracy, discontinuity of reforms due to politics, personality-oriented leadership and priorities, the lack of a harmonized database for planning and curriculum, and the lack of focus on curriculum and learning paradigms (including non-formal education). Unique to trifocalization was its impact on coordination functions: agencies had various levels of authority, with the DepEd Secretary having primacy, and this affected the implementation and functionality of coordination. In comparison with the experience of Thailand and Indonesia that established formal coordinating bodies, the Philippines still grapples with fundamental issues regardless of the structure and informal coordinating systems in place.

Resource allocation reflects the hierarchical structure, and prioritization, of subsectors. Trifocalization has succeeded in giving most of the education budget to basic education through DepEd as discussed in the previous section. The meagre budget for TESDA reflects the negative cultural connotations attached to TVET, which EDCOM I sought to address, and the lack of support and resources for education required by industries. Externally, the preference for college degrees among employers and industries was cited as a hindering factor for TVET. Internally, technical experts of CHED and TESDA are not connected in terms of standards and expected learning outcomes for SHS graduates taking TVL and STEM strands. Overall,

TESDA cannot provide a higher level of technical education because of the lack of resources and finances. This is reflected in the trends of the share of the budget per agency as reported earlier.

In addition, the implementation of RA No. 10931 or the Universal Access to Quality Tertiary Education Act also cut into the budget for basic education, subsequently affecting teachers' salaries and enrollment in private schools.

Measures to Make it Work: Coordination

As discussed in the review of literature, EDCOM I recommended the establishment of a formal coordination body for the three agencies. Interviews confirmed that rotating chairmanship did not work with the NCCE due to the hierarchical nature of appointments and leadership. Another coordinating body mentioned during interviews was the Teacher Education Council, but this was only concerned with teacher education.

Even without a formal and legal mechanism for coordination across the three agencies, personality-oriented leadership of the three agencies and politics can serve as a facilitating factor – rather than a hindering one – if they are cooperative and supportive of one another. Respondents highlighted that it was the leadership of DepEd, CHED, and TESDA that facilitated the coordination and alignment for cross-agency programs/issues such as the K to 12 program and the PQF, as corroborated by the ADB study. Basic education would serve as preparation of students for either technical skills or higher education, while DepEd and TESDA worked to harmonize TVET and DepEd towards strengthening the TVL track in SHS. Simply put, coordination is a function of the three agencies doing their main work.

However, respondents agree politics and hierarchical culture within and across education agencies will continue to hinder genuine reforms and continuity, resonating with the findings of Bautista, Bernardo, and Ocampo (2009) almost 15 years ago. The practice of “legacy hiring” based on nepotism/cronyism within the agencies, unlike merit-based hiring practices in agencies like National Economic and Development Authority (NEDA). Political interests and the projectivized nature of reform and policy makes institutions weaker in terms of implementation. Extensive political interest is - and will be - a function regardless of whatever coordinating mechanism is in place.

Experts consulted identified the following areas as priorities for coordination across the education system:

- 1) Language and literacy, specifically in changing English as the medium of instruction
- 2) Public-private complementarity espoused in the Constitution
- 3) Learning quality and curriculum towards child-friendly and learner-centered learning
- 4) Learning materials given delay and corruption in procurement
- 5) Faculty/school head training in management
- 6) Lifelong learning as a standard framework

Measures to Make it Work: Accountability Mechanisms

Aside from a coordinating body, EDCOM I had envisioned a multisectoral Biennial Education Congress to serve as the periodic and transparent monitoring assessment of the educational system as a whole. It was intended to replace EDCOM and PCER as the bases of policy,

planning, and programming, but this did not materialize. Furthermore, there has been no long-range education plan for the country and the regions (EDCOM I, 1991).

According to experts, if mandates, norms, standards, and accountability are set, then leaders of education agencies are compelled to perform in terms of outcomes. Two respondents pointed out devolution of education to the local government units can be a form of accountability, while one noted that devolution and an area-based demand-driven approach is ideal for TVET. In addition, one respondent suggested that a resource development plan will hold all agencies accountable based on shared standards in assessment, human development, and resource utilization.

One of the key challenges underlying this is harmonizing the agencies' philosophy and language of leaders/staff in terms of education, specifically in lifelong learning that cuts across both formal and non-formal education systems and the Philippine Credit Transfer system considering the PQF.

Key Recommendations from KIIs: To Stay or To Return to Unitary?

Only one respondent viewed a unitary system as a better option for coordination and management. The majority's sentiment, however, thinks that adoption of such an option would lead to a massive department with a wide span of management. That could mean: (i) a return to the problem of excessive horizontal centralization of Philippine education and skills formation system and (ii) marginalization of the challenges facing under-represented subsectors. Further, many key informants interviewed believe there are other more fundamental issues that require priority attention than returning to a unitary organizational structure. Examples of those issues include, among others, the need to improve the implementation of reform measures, strengthen the accountability and incentive mechanisms for better results, and hire highly qualified and technical professionals with relevant competencies to effectively lead well-coordinated education and skills development agencies. Incidentally, a key informant argued that any education and training system regardless of whether its unitary, binary, or trifocalized can be made to work for as long as it has the key ingredients of accountability, performance incentives, competent leadership and staff, adequate funding, etc.

Responses on how a functional coordinating mechanism would look like have been mixed, with some suggesting for a superior, presidential authority to lead while others pointed out that having it under the Office of the President would make it beholden to political interests and priorities. However, several respondents noted that it would be beneficial to anchor it already on K to 12 and/or the PQF as the platforms to drive collaboration.

Table 10 summarizes the responses of all key informant interviews on the impact of trifocalization, their position on the governance structure, and the priority issues that agencies need to coordinate on:

Table 10. Overview of KII Responses

KEY INFORMANT	Stand on Institutional Reform		Justification
	Unitary System	Trifocal System	
1		✓	Reverting will result again in over-centralization and weaker subsectoral leadership
2		✓	Because of the huge challenges facing each agency, since unification will not guarantee efficient focus on each subsector
3	✓	✓	Any system will work depending on the enforcement and implementation towards coordination and accountability
4		✓	Going back to unitary will not be conducive at this point
5		✓	Re-consolidation under one secretary will be prone to political interests
6	✓		A unified structure may work if highly educated and technically competent people lead it.
7	✓		A unitary system would need to have key people in leadership with technical and relevant competencies.
8		✓	It is difficult to go back to a single, unitary system because the current structure has been elaborated.
9		✓	Maintain the current system, since politics will always be in implementation regardless of the structure
10		✓	Instead of structural reform, strengthen coordination via the PQF National Coordinating Council

Annex C provides more details on the insight per KII respondent.

Findings from International and Local Experience: Case Studies on Thailand and Indonesia

Salient Features

Learning from other countries, EDCOM II can develop the details stipulating the appropriate roles and responsibilities of the proposed coordinating based on key features of formal coordinating bodies in Thailand and Indonesia. These will address both coordination and stability/continuity issues in the system.

A salient feature in both countries' coordinating bodies act as the administrative unit and focus more on the strategic priorities that require inter-departmental cooperation. Both bodies ensure compliance of the educational offices with the national standards and facilitate communication.

Establishing a coordinating body for the Philippines is an interesting measure to address inter-temporal coordination problems and the issue of policy sustainability arising from frequent changes in political leadership and top management of the education and related human development subsectors.

But, as reflected of Indonesia and Thailand, there are also issues and considerations for the coordinating body. If the appointed body turns out to be incompetent, it would be difficult to opportunely replace them to minimize further damage. The Philippines ought to consider the coordinating body fixed tenure of 12 years, for example, to preserve institutional memory and give ample time for policy reforms and innovations to take root and yield expected returns. Doing this will also address other issues experienced by Thailand and Indonesia, such as the ambiguity of interpretation of roles, varying levels of commitment by key individuals, and the absence of clear enforcement structure.

Learnings from Thailand and Indonesia to Address the Coordination Issue

There is much to learn from Thailand and Indonesia's experiences. Thailand's model, with its Office of the Permanent Secretary (OPS), shows how alignment and coherence in educational policies can be improved. According to Kunicova and Myers (2018), centralizing certain strategic functions can enhance policy coherence and facilitate communication between government entities. Thailand's OPS serves as an autonomous coordinating authority operating at the same level as other educational offices, providing executive guidance and ensuring compliance with national standards. In the Philippines, a similar autonomous central authority could be established at the same level as DepEd, CHED, and TESDA to oversee these agencies, enforce regular reporting, and facilitate inter-agency evaluations.

Another is Indonesia's model. Unlike Thailand's model, the coordinating body is positioned under the Office of the President, which could provide greater oversight and autonomy. Positioning the coordinating authority at a higher government level can empower it to navigate inter-agency dynamics more effectively and push through strategic reforms (Kunicova & Myers, 2018). If this model is to be pursued, the Philippines could have a single coordinating agency with a human development focus that would oversee policy harmonization and joint accountability of DepEd, CHED, and TESDA. This agency can focus solely on these education institutions to ensure effective cross-agency policy implementation and to address education issues more comprehensively.

In addressing the coordinating issues and concerns from Thailand's and Indonesia's model, an analog of the Permanent Secretary is recommended for the Philippines. This role should be dedicated solely to coordinating the three main education agencies, while operating independently. At the same level, it can facilitate communications and coordination across and between agencies.

The position should be long-term, spanning at least two presidencies, to provide continuity and stability. It should be filled by a career service professional, who is subject to strict laws on retention and service, to ensure that the role is occupied by qualified individuals. Additionally, regular evaluations and assessments should be conducted to maintain accountability and performance standards.

Rather than creating an overly centralized authority, the focus should be on a structured and professional coordination system that leverages the strengths of each key implementing office but with aligned operations. Overall, the Philippines can develop a more coherent and effective education system and ensure reforms are implemented efficiently and sustainably.

Learning from other countries, EDCOM II can develop the details stipulating the appropriate roles and responsibilities of the proposed office vis-à-vis the line ministries/departments based on salient features in Table 7. These will address both coordination and stability/continuity issues in the PETS.

Coordinating Bodies in Thailand and Indonesia	
Key Features in Formal Coordinating Bodies	
Thailand Office of the Permanent Secretary (OPS)	Indonesia Coordinating Ministry for Human Development and Cultural Affairs (Kemenko PMK)
Responsibility: Reports to the MOE	Responsibility: Reports to the Office of the President
Nature of Leadership: By appointment of the Cabinet	Nature of Leadership: By appointment of the President
Tenure of Leadership: Standard duration of civil service appointments	Tenure of Leadership: Aligned with the presidential term (typically 5 years)
Qualifications of Leadership (from current Thai PS): <ul style="list-style-type: none"> 1) Professional and administrative experience in governmental education departments 2) Advanced academic degrees in relevant fields 3) International awards and recognitions to education and public service 	Qualifications of Leadership: Data unavailable
Functions: <ul style="list-style-type: none"> 1) Provides executive guidance and acts as the administrative unit of the MOE 2) Ensures compliance of the MOE with national standards and directives through regular assessments and feedback loops 3) Facilitates public communication and dialogue between the government and citizens 	Functions: <ul style="list-style-type: none"> 1) Executes ministerial policies related to human development and culture, including education, as an administrative unit 2) Serves as the coordinating body between MORA and MOEC to synchronize educational policies
Issues and Concerns: <ul style="list-style-type: none"> 1) Rapid implementation of restructuring 2) Ambiguity in interpreting education reforms 3) Frequent changes and varying levels of commitment by key individuals 4) Insufficient competencies of appointed individuals 	Issues and Concerns: <ul style="list-style-type: none"> 1) Lack of government preparation in the implementation of the education reform 2) Absence of a clear enforcement structure 3) Inadequate communication and coordination at the central level due to the lack of a dedicated coordination minister exclusively for education

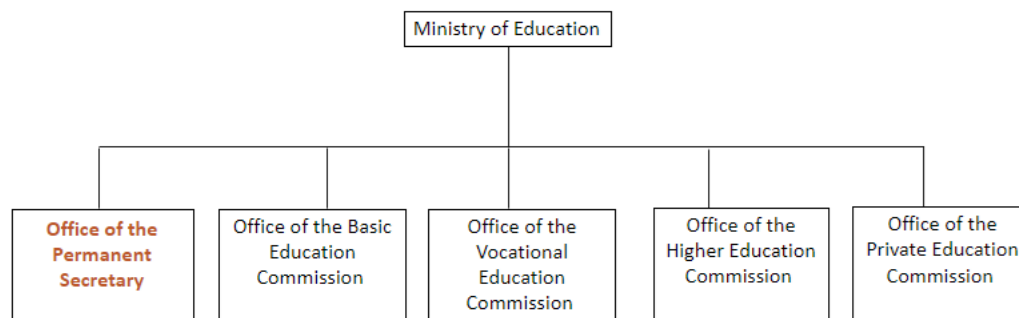
Governance Structures

Thailand operates a unitary education governance system under the Ministry of Education (MOE). The MOE oversees the entire educational structure to ensure national consistency and standards. Within the MOE, there are five key implementing offices: the Office of the Permanent Secretary (administrative unit of MOE); the Office of the Basic Education Commission (OBEC) (primary and secondary education); the Office of the Vocational Education Commission (OVEC) (vocational and technical education); the Office of the Higher

Education Commission (OHEC) (higher education); and the Office of the Private Education Commission (OPEC) (regulates private educational institutions).

The Office of the Permanent Secretary (OPS) is a key administrative unit within the MOE. They are the second-highest education official, autonomous central coordinating authority operate at the same level as the other offices. It provides executive guidance, ensures compliance with national standards, and acts as the public face of the MOE, facilitating communication between the government and citizens.

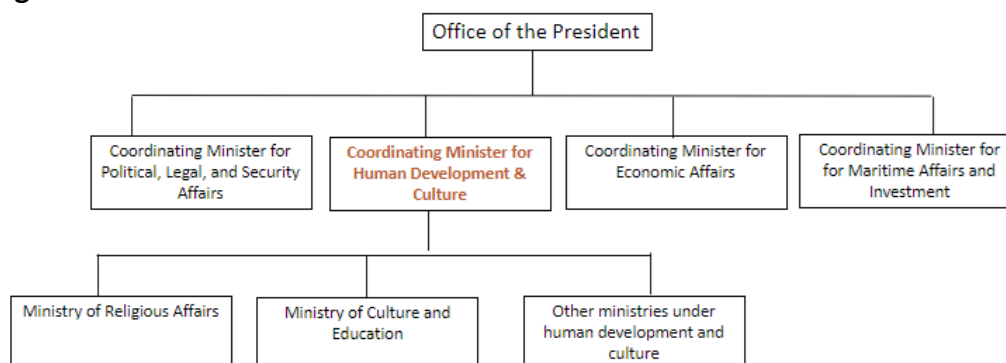
Figure 12. Thailand's Education Governance Structure in Coordination



The coordinating body of Indonesia, the Coordinating Minister for Human Development & Culture, is positioned under the Office of the President along with other coordinating ministries. Unlike Thailand, which focuses exclusively on education, Indonesia's coordinating body for human development and culture encompasses a broader range of sectors, such as health and social affairs. This coordinating ministry also acts as the administrative and HR unit of sectors under them. Difference with Thailand's OPS, Indonesia have single coordinating agency with a human development focus that would oversee policy harmonization and joint accountability.

Since Indonesia is a bifocal governance system, the Ministry of Religious Affairs (which handles the Islamic education) and MOEC (primary and higher ed), both agencies are under the Coordinating Minister for Human Development & Culture.

Figure 13. Indonesia's Education Governance Structure in Coordination



Based on these findings, both Thailand and Indonesia offer lessons in strategic coordination and governance of education systems. Moving forward, it's crucial to weigh these insights and consider how they can inform our approach to improving the Philippine education system's performance and coordination.

5. Synthesis

The findings from the quantitative and qualitative analyses indicate that de-trifocalization is not necessary for PETS reforms to be effective. This question, however, remains to be addressed: How can the Philippines ramp up children's educational attainment and learning outcomes without de-trifocalizing the PETS and still be able to improve the coordination of interdependent tasks carried out by relevant agencies, groups and individuals?

A plausible response to the question is to focus EDOM II reforms around capability building and strengthening the performance accountability of the agencies. Effectively addressing the accountability issue, we believe, is a *sine qua non* for getting the Philippines out of its education crisis onto a more desirable human resource development trajectory. Persistent failure of the country to hold responsible authorities accountable for the actual delivery of their deliverables is a fundamental issue that the Philippines must resolve to reach higher levels of performance.

Our maintained hypothesis in that regard is that, appropriately designed and implemented, reforms to strengthen performance accountability could induce better coordination of interdependent tasks separately assigned to different entities. **The reasoning behind the hypothesis is that coordination would be less challenging if all those entities and their employees are effectively held to account for their success and failure in fulfilling their deliverables according to expectations and well-crafted integrated inter-agency human development sector plan.**

For this approach to work well, however, it is necessary for the agencies and their employees to have an authoritative, clear and sensible integrated sector development plan and strategy in the first place to guide them and against which their performance will be measured. Further, it is critically important that performance accountability is defined and seen as a core principle that: (i) recognizes with meaningful rewards high marks for consistently meeting their deliverables and (ii) disincentivizes persistent failures to live up to their responsibilities.

Given the above-referenced definition and the many examples of coordinating mechanisms provided by Okhuysen and Bechky (2009), it is clear that the PETS has a lot of them in place already. Incidentally, there have been several attempts at establishing or improving coordination mechanisms. Some failed, while others were discontinued as discussed earlier.

The point is that, given the law of diminishing returns and the failed attempts to set up functional coordinating mechanisms, it is reasonable to think that the expected marginal benefits from instituting additional coordination mechanisms is unlikely to be high -- even if one recognizes the centrality of coordination mechanisms in organizations. What really matters for policy is the value at the margin of additional efforts to establish a new body or additional mechanisms that are intended solely to improve coordination.

Elaborating further, the benefit from additional coordination mechanisms would especially be low, if adopted with little evidence about their impact. This skepticism is consistent with the view of the key informants that lack of coordination is not a fundamental cause of the miseducation of Filipino children and that improving coordination will not change much the trajectory of the outputs and outcomes of the PETS. In the informants' view, therefore, EDCOM II reforms should focus first on fundamental issues.

One of those issues is lack of performance accountability. Without effective accountability reforms, strengthening of coordination mechanisms will be highly limited. This hypothesis helps to explain why trifocalization - which was supposed to have weakened coordination of various education, training, and other related human development efforts - has had negative but uniformly small and statistically insignificant effects on educational outputs and outcomes

The other side of the above hypothesis is that if government prioritizes and undertakes performance accountability reforms that effectively induce agencies and their employees to produce their deliverables according to plan, the need for more and better coordination efforts would be much less. Putting it simply, coordination problems would be less serious if: (i) relevant agencies and their employees have a mutual understanding of their collective goals, (ii) their terms of reference are clear, and (iii) their performance accountability is so strong that everybody does their assigned jobs and deliver their outputs as expected.

Further along, the theory of Okhuysen and Bechky (2009) highlights the idea that it is possible to bring about better interaction that integrates interdependent tasks by directly improving performance accountability. The hypothesis is that a more robust culture of performance accountability would motivate agencies to enforce (and their employees to comply with) the established process of interaction, resulting in better integration of interdependent tasks.

6. Summary and Conclusions

Quantitative analysis of the effects of trifocalization reform indicates that it has had no statistically significant impact on education outcomes at conventional confidence levels, specifically on educational completion and student learning achievement. This result suggests that the putative benefits from greater focus, specialization, and manageability of the PETS are too small to be statistically significant. The above result is consistent with the views of key informants interviewed for the study. All of them thought that the impact of trifocalization would be minor at best.

It is noteworthy that, contrary to the expectations of the EDCOM I reformers, the estimated effects of trifocalization appear to be negative. One explanation for this result is the failure of the various efforts to establish functional and effective coordination mechanisms to counter possible increased coordination challenges expected to arise from the trifocalization reform.

That the impact is negative but not significant is consistent with key informants' view that lack of coordination of interdependent education and skill development activities to achieve national education objectives is not a fundamental cause of the miseducation of Filipino children. Or, as some of the informants put it, lack of formal, sustained, and effective coordination is a minor part of the story. Along a similar line of thought they believe that there are more potent underlying forces that inhibit the potential benefits of trifocalization from being realized.

While trifocalization does not significantly impact education outcomes, it appears to have contributed to the increase in national government education expenditure per student. This finding implies that the cost-effectiveness of the PETS has probably been adversely impacted by trifocalization.

Considering those findings, it is tempting to think that the country should return to the old unitary education system or a binary one, consisting of basic education and a combination of higher education and TVET, as some influential leaders have advocated. For good reasons, it would be more prudent to exercise caution when thinking of undoing trifocalization. As most key informants also suggest, working with and improving the current trifocalized system is most probably a better option.

A rationale for the above view is that there are non-negligible adjustment costs of transitioning back to the old unitary or a new binary system that must be considered. Those costs include potentially expensive compensation packages for job separation and re-assignment of staff. More importantly, there would be work disruptions, distractions, and delays that would arise from another re-configuration of the education and training system. These factors could significantly impede the timely implementation of other more fundamental education and skills development reforms.

In light of the above-mentioned quantitative analysis findings, a better alternative policy option would be for the government to adopt measures that would raise the efficiency with which government funds allocated to education are used.

Incidentally, the above findings should *not* be interpreted to mean that no measures could be conjured up that would strengthen coordination efforts and result in significant improvements in education and training outcomes. Other pertinent agencies working and coordinating in development and education-related activities have not yet been included in the analysis.

7. Recommendations and Ways Forward

So, what is a more practical, less risky, and more effective alternative approach to solving the miseducation challenge and establishing better coordination mechanisms without de-trifocalization? The answer to that question depends on where one sits. From the governance and finance perspective, data indicate that the following combination of finance and governance factors has throttled Philippine progress towards high and sustainable levels of human resource development.

- Limited government budget allocation for education and skills development;
- Failure to spend the allocated funds; and
- Wasteful, costly, and ineffective use of money spent.

But beneath the above-mentioned issues, there lie performance accountability failures. It would make sense, therefore, to recommend that EDCOM II focuses on strengthening performance accountability along with capability building. In pursuing this recommendation, we also suggest keeping the following ideas in mind:

- Focusing on strengthening performance accountability would be a reasonable starting point for building a platform for energizing involved agencies and employees to do their assigned tasks and meet their deliverables, thereby also strengthening coordination to achieve collective goals.
- A strong performance accountability system requires regular measuring, assessing, evaluating impact, and reporting performance to inform stakeholders. (A credible

independent institution supported by suitable data bank and outstanding expertise to develop and lead the system will be needed as well).

- Effective mechanisms also need to be developed in tandem, linking performance assessment results to recognition of and reward for consistent delivery of deliverables as well as disincentives for repeated failures to satisfactorily meet assigned tasks.

This strategy, it must be said, is foundational for successful development and implementation of other reforms that require strong institutional incentives for responsible authorities and the implementors to produce their deliverables according to expected standards.

An additional fact to keep in mind in pursuing transformational reforms is that many strategic issues will take time to study, navigate and resolve, including information, institutional and resource gaps as well as lack of political consensus or will. Therefore, successful pursuit for transformational reform will need a short-term/long-term strategy that must evolve as more and better information and ideas become available from research and experience.

Such a strategy will have to sensibly combine sustainable long-term measures with interim solutions that are immediately actionable. The latter are intended to enable a faster start at building a good foundation for more accountable and coordinated PETS. The specific long-term objective, to recall, is to establish a credible oversight of the PETS, stronger performance accountability and incentive mechanisms, better inter-temporal coordination, more credible and timely performance assessment, and other issues discussed above.

The report now elaborates on how to strengthen performance accountability and skills development. The strategy presented draws from the various strands of thought discussed above. In light of recent Presidential announcements, the strategy should be seen as part of a long-term reform of the PETS. Serendipitously, the version of the strategy laid out here can be adapted and made to work (at least some aspects of it) in ways that would complement the Cabinet Cluster initiative announced recently by the President. On this point, it is notable that the mentioned initiative is regarded by their proponents as an interim move to immediately get DepEd, CHED and TESDA their act together and produce their deliverables.

The President's initiative is for now limited in its objectives. It is not intended to solve the key issues highlighted in this report. On that score, supporters of the Cabinet Cluster idea recognize the need to develop a long-term plan on how to address fundamental governance issues like lack of performance accountability, oversight, and inter-temporal coordination.

Figure 14 presents a succinct view of the theory of change or a logical framework that lays out the causal pathways through which an intervention to strengthen performance accountability could lead to improvements in target outputs/outcomes, given certain assumptions. The diagram is presented to give readers a coherent view of our proposed interventions and facilitate understanding of how various ideas hang together. After presenting Figure 14, the discussion will move on to lay out a pseudo legislative proposal, articulating its rationale and specifying some provisions that would support development of stronger performance accountability over the long haul.

The first box of Figure 14 highlights a strategic option for bringing about such strengthening: the establishment of an independent agency that is invested with oversight responsibilities and powers to hold DepEd, CHED and TESDA as well as other related agencies accountable for

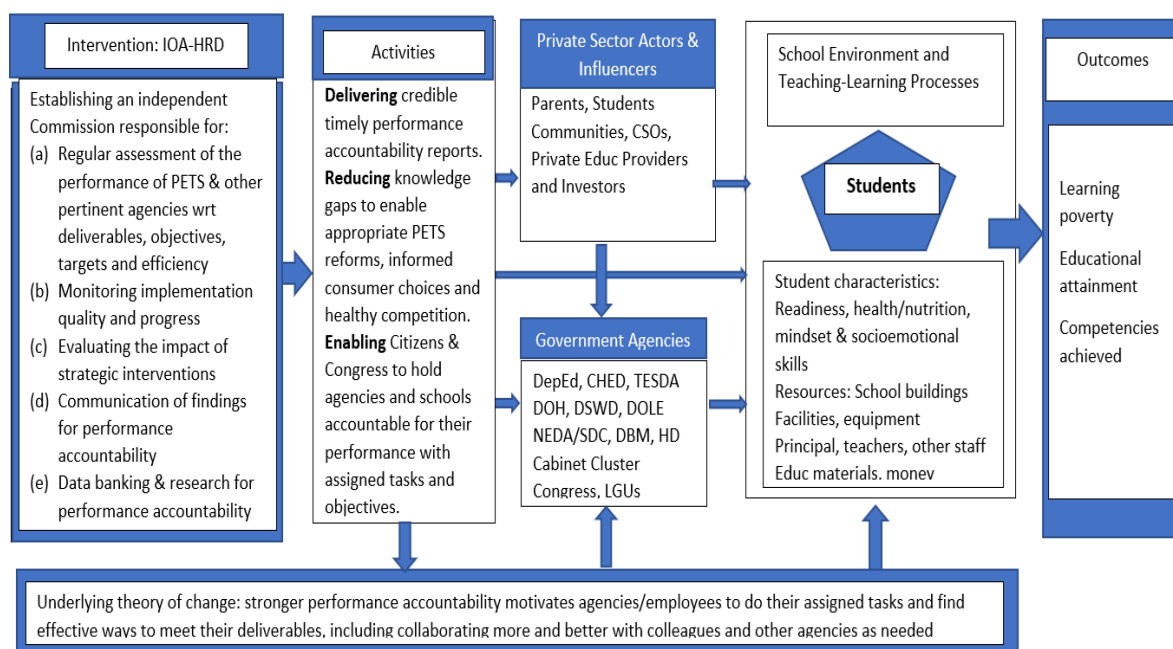
their performance. For now, the Independent Oversight Agency for Human Resource Development (IOA-HRD) is tentatively used to facilitate discussion.

The proposed body should have the capacity and protection needed to carry out oversight responsibilities and make its own judgments. Those responsibilities would include summative performance assessment, evaluation, accountability and others (see Box 1 of Figure 14).

In carrying out those responsibilities, it is critical that performance assessment is based on evidence and that conclusions are fair, balanced and minimally tainted by vested interest. Independence should be a *sine qua non* to ensure that the agency has not only the ability but also the authority and credibility to get implementing agencies to deliver their deliverables. The value of protecting and respecting the independence of the Bangko Sentral ng Pilipinas and the Central or Reserve Banks of other countries is well documented. Studying the experience of these and other independent institutions like COA could yield useful information for crafting an independent oversight agency.

Underlying those arrows (causal pathways) in Figure 14 from “Intervention” to “Outcomes” are important assumptions that are laid out on the second page of the diagram. Ensuring that those assumptions are met is important for crafting a realistic strategy that leads to desired outcomes.

Figure 14. A View on How Establishing an Independent Oversight Agency for Human Resource Development (IOA-HRD) Could Impact the Philippine Education and Training System (PETS)⁵



⁵ Caveat: This diagram needs to be updated as the decentralization and public-private complementarity development frameworks become clearer.

Assumptions of the Theory of Change are the following:

1. Increased performance accountability carries with it adverse or rewarding consequences for delivery or non-delivery of assigned tasks and objectives
2. Parents/students, voters and civil society are responsive to the IOA-HRD's reports, creating political incentives for performance improvements
3. Students/parents are able to make more informed decisions on the choice of schools in regard quality, relevance and effectiveness
4. Coordination mechanisms are more effective, if they lead to improvements in so-called integrating conditions identified as accountability, predictability and common understanding (See Okhuysen and Bechky 2009).
5. The performance assessment is linked to the HD objectives, targets and deliverables laid out in official documents of the PDP, NEDA/SDC, and GAA budget.
6. IOA-HRD would complement the Cabinet Cluster for education, which we recommend should also include HD-related agencies like DOH, DSWD, DOST, etc., particularly in addressing the inter-temporal coordination issue.

The first assumption is that increased performance accountability carries with it in some form or other adverse or rewarding consequences for delivery or non-delivery of assigned tasks needed to achieve agencies' objectives. Another assumption, which draws from the above discussion of Okhuysen and Bechky (2009), is that coordination mechanisms are more effective, if they lead to improvements in integrating conditions identified as accountability, predictability, and common understanding. Yet another assumption is that parents/students, voters and civil society are responsive to performance accountability reports. Ensuring that those and other assumptions are realistic should also be kept in mind in adopting a strategy that focuses on strengthening performance accountability. The point here is that validation of those and the other assumptions is necessary to ensure that appropriate counter measures would be taken to realize the benefits of proposed strategy.

Considering the above discussion, the study recommends that the government explore the value of a legislative bill that would develop and establish an independent body that is vested with responsibilities and powers discussed above and laid out in diagram.

Table 11. Ideas For a Legislative Bill Establishing an Independent Oversight Agency-HRD

<p>1. Policy statements and rationale for proposing the bill.</p> <p>Whereas the First Year EDCOM II report has concluded that the Philippine Education and Training System (PETS) has been miseducating the Filipino youth; Whereas there is urgent need to get the country out of its education crisis onto a more rapid trajectory towards achieving national education and skills development objectives to thrive in a world increasingly driven by rapid advances in knowledge and technology; Whereas many causes of the country's failure to do better in education and skills development can be traced to this combination of factors: (i) limited government budget allocation for education and development of competencies; (ii) failure to spend allocated funds; and (iii) wasteful, costly, and ineffective use of money spent; Whereas one of the drivers underlying the above-mentioned causes is weak performance accountability;</p>

Whereas the consequences of weak performance accountability are being amplified by the country's failure to disincentivize persistent non-delivery of deliverables, on one hand, and lack of rewarding recognition for consistently achieving highly satisfactory fulfilment of assigned tasks, on the other hand;

Whereas an independent oversight agency is necessary to get fair, objective, and timely assessments of the performance of educational institutions and their staff without being unduly compromised by vested interests.

Whereas those assessments and public access to their findings and the data used are needed for making appropriate policy/strategy reforms and informing the choices of students, families, and voters;

Whereas an adequately integrated inter-agency sectorial development plan and strategy is not available to guide the agencies and their staff in coordinating their interdependent activities to facilitate collective goals; and

Whereas addressing the above challenges taken as a whole is expected to improve both performance accountability, coordination, and oversight concomitantly.

2. This bill, therefore, proposes to strengthen oversight of the PETS, boost performance accountability, make delivery of deliverables more rewarding, and provide citizens timely and better information about the performance of the PETS to enable them to effectively participate in its governance and to ensure that their children get the quality and value of education they deserve.

3. To that effect, the bill further proposes the establishment of an independent agency that is mandated and empowered to address the above-mentioned concerns. The agency is tentatively named **Independent Oversight Agency for Human Resources Development (IOA-HRD)**.

4. In furtherance thereof of the above-mentioned goals, the specific objectives of the IOA-HRD would include *inter alia*:

- (i) Reinforcement of oversight and performance accountability of DepEd, CHED, TESDA and other pertinent agencies (named below) on meeting their deliverables and objectives
- (ii) Intensification of the motivation and drive of above-mentioned agencies and their employees to achieve their deliverables and objectives
- (iii) Making current coordination mechanisms more effective and developing new ones as needed

5. The IOA-HRD would have the following functions:

- (i) Oversee, measure, assess and report to Congress, the President, and the public the performance of DepEd, CHED, TESDA and other pertinent agencies.
- (ii) Make regular assessment of performance of agencies mentioned above, including measurements of the quantity and quality of outputs, outcomes, as well as the cost-effectiveness of achieving them.
- (iii) Establish criteria, indicators, and appropriate data banks to support credible and independent assessment of the performance of concerned agencies relative to commitments made to and approved by NEDA's Social Development Council and aligned clearly to short-term and long-term objectives laid out in the PDP and other official strategy documents.

<p>(iv)</p> <p>(v)</p>	<p>Develop meaningful rewards for above-mentioned agencies and the staff that consistently meet the deliverables and appropriate disincentives for repeated failures to deliver on their commitments and responsibilities.</p> <p>Additionally, institute an analogous program for schools and their teachers.</p>
	<p>6. Provisions ensuring that IOA-HRD has the authority, means, capabilities, data, and protection to make independent, evidence-based, and credible assessments, monitoring, and evaluation of the impact and cost-effectiveness of policies and programs.</p> <p>7. The IOA-HRD would have a Board, members of which must meet qualification requirements to be appointed. They will have tenure (i.e. 12 years staggered).</p> <p>8. Other provisions: the specifics of the above and other provisions regarding budget, staffing, databases, reporting and accountability would be informed by the positive and negative experiences of well known “independent” institutions like the Bangko Sentral Ng Pilipinas, Commission of Audits, Human Rights Commission, Office of the Ombudsman, Commission on Elections, Civil Service Commissions – as well as by the experience of other countries. (See Table 10 below)</p> <p>9. The IOA-HRD should keep an arm-length relationship with implementing agencies whose performance is being assessed; on this point, it should have no authority to engage in implementation activities.</p>

In concluding the report, it is fitting to ask the question: what is next? It would be interesting to do additional analysis of how trifocalization or its reversal would impact education and training outputs and outcomes. It has been suggested, in fact, in one of the presentations of a draft report of this study that the study should look beyond education completion and learning outcomes to get a more complete picture. It was suggested that the study should examine the impact on education access.

We examined the possibility of broadening the performance indicators used to see if it is possible to do an analysis of the impact of trifocalization or its reversal on access indicators. It turned out unfortunately that suitable data is not readily available. However, education completion rates tend to be correlated with ease of access to schools. So, it should not be a surprise if the use of a more direct indicator of education access would confirm that trifocalization has no significant effect on education access.

Another good idea that surfaced during presentations of preliminary versions of this study is the need to do a thorough study of the adequacy of the country’s development and strategic plans prepared by NEDA and approved by the government. As previously pointed out, a plan is a coordination tool, but its usefulness depends on the quality of the plan in regard integration of related sectoral agencies. The Philippine Development Plans are useful for coordinating the efforts of DepEd, CHED, and TESDA as well as other agencies like DSWD, DOLE, DOST and DOH. The latter agencies are responsible for some outputs and outcomes that impinge on children’s schooling, student learning achievement and formation of competencies that are valued by society and the markets.

A conjecture expressed by a former Secretary of Economic Planning is that current sectorial plans may not be sufficiently integrated. Hence, he called for a thorough assessment of those plans and strategies to see how, if needed, the quality of the sectorial development plan and strategy for education and skills development can be made more effective as a tool for strengthening oversight and coordination. Such an assessment, however, requires a separate study.

In regard to the formation of a Cabinet Cluster covering DepEd, CHED and TESDA, this initiative is intended, as mentioned above, to be an interim arrangement that can be quickly established and used to immediately improve inter-agency coordination. The details, however, about the mechanics of how it will operate and how it will be technically supported are still work in progress.

Interestingly, the proponents of the Cabinet Cluster idea recognize the need for establishing an independent oversight body and a long-term fix for the inter-temporal coordination issue highlighted by the report. On this point, three questions need to be thought through. First, what exactly should be the mandate, roles, functions, and powers of such a body? Second, how should this body be established and institutionalized as an independent agency? And third, what would be the interface between this body and the Cabinet Cluster?

The above questions are issues that this study has started to work on, but clearly need more research. Among those issues, to reiterate, relate to figuring out the need and methods for improving sectorial integration of the various efforts of separate agencies in the country's development plans and strategies for education, skills formation, and other pertinent agencies. Holding the above-mentioned agencies accountable for their performance needs clear and authoritative guidance as to the deliverables of an individual agency and how its deliverables are tied to the target outputs and outcomes of the other agencies.

Creating a new independent agency dedicated to educational oversight appears to be a straightforward solution to improving the governance of the PETS. There are, however, practical issues that necessitate systematic consideration of alternative solutions. Those issues relate to the complexity of establishing a new entity, its cost and effectiveness relative to alternatives, and the potential for political resistance.

One of the alternatives that may offer a more cost-effective and pragmatic approach is integrating IOA-HRD within the existing structure of the Commission on Audit (COA). This alternative is broadly laid out in **Annex D**, including some of its advantages and challenges that need to be addressed.

The report is unable to dig deeper into the above-mentioned issues, given the limited remit of our study as well as time and resource constraints. Nevertheless, the report recommends that the issue of whether the IOA-HRD should be a new Commission or a new office lodged in appropriate existing institution whose independence is protected by law like the Commission on Audit (COA) should be pursued further in another separate study. On this score, it would also be useful to examine other institutions invested with a significant degree of independence such as those listed in Table 10 below for lessons on ways to ensure independence, operational efficacy, and credibility. **Annexes D and E** provide some relevant information on the key features of select independent agencies that could be helpful in crafting recommended study (see also Table 12).

Table 12. Common Features of Selected Independent Agencies in the Philippines

Agencies	Independence					Transparency	Accountability
	Legal	Institutional	Functional and Operational	Financial and Organizational	Personal	(Reporting to the President, Congress, and the Public)	(Publishing of regular/annual reports)
BSP	✓	✓	✓	✓	✓	✓	✓
COA	✓	✓	✓	GAA	✓	✓	✓
CHR	✓	✓	✓	GAA	✓	✓	✓
Office of the Ombudsman	✓	✓	✓	GAA	✓	✓	✓
COMELEC	✓	✓	✓	GAA	✓	✓	✓
CSC	✓	✓	✓	GAA	✓	✓	✓

Finally, the report ends with the following lesson learned from the experience of the BSP and other “independent agencies” about the benefit of institutional independence when combined with transparency and accountability. These principles have proven effective in managing complex national mandates while remaining insulated from external pressures.

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ANNEX A

Thailand's Office of the Permanent Secretary in Education

In 1999, the Thai government instituted the National Education Act, a restructuring of a flailing education system. The Act stipulated necessary measures to increase overall efficiency in education administration and management. In accordance with the 1999 National Education Act and the 2002 Bureaucratic Reform Bill, the major streamlining in this regard involved merging three agencies — the Ministry of Education, the Ministry of University Affairs, and the Office of the National Education Commission — into a single entity: the Ministry of Education (MOE).

Post-reform, Thailand began to see improvements in access to education and the quality of learning. By 2005, it claimed a literacy rate of over 90% (HGSE 2003). Its education life expectancy at that time reached an all-time high of 13.57 years (OBG 2016), higher than some of its neighboring countries. In 2021, Thailand had one of the lowest learning poverty rates in ASEAN at 23.5%, which was 11.1% lower than the average in East Asia & Pacific (WB & UNESCO 2021). This rate slightly improved to 23.4% in 2022 (WB & UNESCO 2022). Thailand also ranked higher than the Philippines across subjects for PISA 2018 and 2022 (OECD 2019 & OECD 2023).

Playing a leading role in this effort is the Office of the Permanent Secretary (OPS), Thailand's second-highest education official (HGSE 2003). The OPS provides executive guidance and acts as the administrative unit within the MOE (OEC 2004). It manages the internal coordination and cooperation of the five key implementing offices under the MOE. The OPS ensures the MOE complies with national standards and directives and evaluates the MOE's performance through regular assessments and feedback loops. The OPS serves as the public face of the MOE and facilitates public communication as a mechanism for dialogue between the government and the Thai people (OECD & UNESCO 2016).

However, Thailand's education system is still a work in progress. A major critique of the restructuring is the rapid implementation of the amalgamation of agencies, required by the Act to be completed within three years. Consequently, many agencies had to be abolished, and personnel were reduced by 33.57% to streamline and rightsize operations under the MOE. Previous ministers have suggested that a phased implementation would have been more effective (Phaktanakul 2015). They are also grappling with issues such as i) ambiguity in interpreting education reforms and varying levels of commitments by key individuals, and ii) frequent changes in and insufficient competencies of appointed ministers.

Education under Indonesia's Coordinating Ministry of Human Development and Cultural Affairs

Indonesia's education system is distinctive due to the integration of Islamic education managed by the Ministry of Religious Affairs (MORA). This bifocal governance structure, involving both the Ministry of Education and Culture (MOEC) and MORA, has led to the i) division of responsibilities which resulted in gaps and overlaps in policy implementation and ii) differing priorities and standards between secular and religious education created inconsistent educational outcomes (Mappiasse 2014).

To address these issues, President Joko Widodo implemented President's Decree Number 121/P of 2014 concerning the establishment of ministries and the appointment of the working cabinet for the 2014-2019 period. The working cabinet then formed the Coordinating Ministry for Human Development and Cultural Affairs (Kemenko PMK) to organize coordination, synchronization, and control of ministry affairs in the implementation of government policies related to human and cultural development (Kemenko PMK n.d.).

Under the Office of the President, Kemenko PMK is responsible for executing ministerial policies related to human development and culture, including education. Kemenko PMK coordinates the implementation of duties among various ministries, acting as the liaison between MORA and MOEC to synchronize educational policies. It also manages state property and assets under its jurisdiction.

Despite the establishment of Kemenko PMK, challenges remain. The ministry has yet to fully transition into an effective coordinating unit for education ministries (OECD & ADB 2015). The reform's implementation is hindered by the government's lack of preparation and the absence of a clear enforcement structure (WB 2019). Effective policy implementation depends on good coordination, a clear structure, and professional human resources, which are currently lacking.

In terms of educational outcomes, the learning poverty of Indonesia is 35.4% in 2019 (WB & UNESCO 2019). Although it increased to 52.4% by 2022 (WB & UNESCO 2022), it is still significantly lower than the Philippines' 90.9% of the same year. Consistently, Indonesia ranked higher than the Philippines across all PISA for both 2018 and 2022.

ANNEX B

Table 1. Unit Weights (Completion Rates SDID)

Country	Primary education weights	Secondary education weights	Tertiary education weights
Argentina	0.038894	0.104105	0.092110
Brunei Darussalam	0.031692	0	0
Cambodia	0.034485	0	0.061760
Chile	0	0.027728	0.042713
China	0.048504	0.162116	0.129926
Colombia	0.046888	0.055250	0.009701
Costa Rica	0.036238	0.007822	0
Cuba	0.041949	0	0.052609
Ecuador	0.056342	0	0
El Salvador	0.065440	0.002027	0.007172
Guatemala	0.038332	0.010158	0
Guyana	0.038127	0	0.012197
Haiti	0.029964	0.051673	0.001421
Honduras	0.023290	0.033700	0.027139
Indonesia	0.027095	0.026890	0.056214
Japan	0.009803	0.008380	0.019785
Malaysia	0.023028	0.019248	0.005365
Mexico	0.040135	0.028981	0.003930
Myanmar	0.018422	0	0.013105
Nicaragua	0.045685	0	0
Panama	0.037702	0.017772	0.027023
Paraguay	0.019291	0.023991	0
Peru	0.031940	0.061234	0.163979
Philippines	0.054651	0.015689	0.032373
Singapore	0.038002	0.020392	0.042419
Thailand	0.031162	0.078067	0.033506
Uruguay	0.038255	0.089937	0.099367
Dominican Rep.	0.015582	0.007608	0.053923
Viet Nam	0.039386	0.147222	0.012253

Table 2. Time Weights (Completion Rates SDiD)

Year	Primary education weights	Secondary education weights	Tertiary education weights
1950	0	0	0
1955	0.180868	0	0
1960	0.001419	0	0
1965	0	0	0
1970	0	0.343528	0
1975	0	0	0
1980	0	0	0
1985	0	0	0
1990	0.817711	0.656471	1
1995	0	0	0
2000	0	0	0
2005	0	0	0
2010	0	0	0
2015	0	0	0

Table 3. Unit Weights (Test Scores Impact Estimate)

Country	Unit weight
Argentina	0.038894
Brunei Darussalam	0.031692
Cambodia	0.034485
Chile	0
China	0.048504
Colombia	0.046888
Costa Rica	0.036238
Cuba	0.041949
Ecuador	0.056342
El Salvador	0.065440
Guatemala	0.038332
Guyana	0.038127
Haiti	0.029964
Honduras	0.023290
Indonesia	0.027095
Japan	0.009803
Malaysia	0.023028
Mexico	0.040135
Myanmar	0.018422
Nicaragua	0.045685
Panama	0.037702
Paraguay	0.019291
Peru	0.031940
Philippines	0.054651
Singapore	0.038002
Thailand	0.031162
Uruguay	0.038255

Dominican Rep.	0.015582
Viet Nam	0.039386

Table 4. Time Weights (Test Scores Impact Estimate)

Year	Time weights
1950	0
1955	0.180868
1960	0.001419
1965	0
1970	0
1975	0
1980	0
1985	0
1990	0.817711
1995	0
2000	0
2005	0
2010	0
2015	0

ANNEX C

Table 1. KII Detailed Responses

Key Informant	Impact of Trifocalization on education outcomes	Position on Structure (Unitary, Trifocal, Modification)	Top Coordination Issues
KI # 1	Separate governance systems have given more support to higher education, but there has been no coordination	Maintain the trifocal system, reverting will result again in over-centralization and weaker subsectoral leadership	Address fundamental issues first: 1) Lack of access and poor learning quality 2) Curriculum 3) Lack of learning materials and books
KI # 2	Since trifocalization, most of the focus has been on those who are within the system of formal education. There are measures that were not implemented (e.g., database, ladderization, public-private complementarity) that have not facilitated better coordination across agencies. Governance is and still	Maintain the trifocal system because of the huge challenges facing each agency, since unification will not guarantee efficient focus on each subsector	1) Public-private complementarity 2) Database for the three education sectors for planning and curriculum design 3) Ladderization

Key Informant	Impact of Trifocalization on education outcomes	Position on Structure (Unitary, Trifocal, Modification)	Top Coordination Issues
	political and personality based.		
KI # 3	Since trifocalization, the three heads of agencies are not of equal rank so this has an impact on governance.	Any system will work depending on the enforcement and implementation towards coordination and accountability	Coordination is a function of agencies doing the most work, which will address priority issues: 1) Language of instruction 2) Public-private complementarity 3) Literacy
KI # 4	To some extent, trifocalization has provided focus on basic education as constitutional right. It was able to address real, big problems at the time. DepEd remained a large bureaucracy but has not focused much on quality education.	Maintain trifocal structure since going back to unitary is not conducive	1) Teacher education in curriculum and continuing education
KI # 5	Trifocalization was good structurally as it helped CHED and TESDA grow a bit but had nothing to do with the learning. The growth of the sectors is mainly due to global competitiveness.	Maintain the trifocal structure as consolidating under one secretary will be prone to politics	1) K to 12 and PQF as coordination mechanisms 2) Public-private complementarity
KI # 6	Trifocalization helped focus on specific subsectors, particularly higher education	A unified structure may work if highly educated and technically competent people lead it. Regardless of structure, limited resources for certain subsectors also limit its growth.	1) Teacher education and faculty training 2) Curriculum from basic to tertiary education for continuity and reinforcement 3) Training for school heads
KII # 7	Trifocalization has helped enable subsectors to focus, especially in higher education. However, there are other factors that drive the success of the system.	Although there is no clear stand, a unitary system would need to have key people in leadership with technical and relevant competencies.	1) Data management 2) Resource development plan 3) Lifelong learning beyond formal, higher, and TVET education
KI # 8	Overall gain of trifocalization was focus on TVET, since DECS and	Maintain the trifocal system. It is difficult to go back to a single, unitary	1) Seamless integration of TVET and higher education

Key Informant	Impact of Trifocalization on education outcomes	Position on Structure (Unitary, Trifocal, Modification)	Top Coordination Issues
	BTVE would have not done it alone	system because the structure has been elaborated.	2) Workforce readiness from basic ed to TVET 3) The educational philosophy across agencies, particularly lifelong learning
KI # 9	Trifocalization helped in the focus on separate mandates and subsectors. TESDA made its own branding and standards.	Maintain the trifocal system, since politics will always be in implementation regardless of the structure	1) One framework for all, particularly lifelong learning 2) Harmonized database management system
KI # 10	Trifocalization enhanced policy management of the TVET sector	Maintain the trifocal system, but strengthen PQF National Coordinating Council	1) Credit Transfer System 2) Harmonization of basic education and TVET

ANNEX D

In case there is potential integration of the IOA-HRD with COA, there comes with significant challenges and limitations that need to be addressed to ensure the agency's effectiveness and independence:

1. Existing Legal Framework and Mandate

COA's constitutional mandate enables it to audit Philippine government entities, including conducting performance audits. While this integration could provide a formal legal basis for IOA-HRD within COA to perform audits on educational institutions such as DepEd, CHED, and TESDA, it necessitates a legislative mandate that clearly defines IOA-HRD's role as a performance assessment agency specifically for the education sector. This legislative framework must explicitly grant IOA-HRD the authority to focus on the effectiveness of educational policies and programs, going beyond the traditional financial and compliance audits typically conducted by COA.

Malaysia's experience with PEMANDU illustrates the importance of a clear mandate and strategic positioning. By placing PEMANDU within the Prime Minister's Department, Malaysia effectively drove cross-ministry initiatives, ensuring that performance management had the political backing and authority to spearhead the National Transformation Plan (Kunicova & Myers, 2018). PEMANDU's success was attributed to its well-defined mandate, political support, and its ability to act as a coordinating body by holding various ministries accountable for their performance. Similarly, IOA-HRD would require a distinct mandate that emphasizes its role in improving educational outcomes and policy reforms. This mandate should protect the agency's independence from political pressures while also providing it with the authority needed to drive meaningful change within the education sector.

2. Potential Cost-Efficiency

Housing IOA-HRD within COA could potentially offer cost-efficiency by leveraging COA's existing administrative structures, thereby avoiding the need to establish a completely new agency from scratch. This integration could reduce initial establishment costs and make use of COA's nationwide network of auditors and established infrastructure. However, even with shared resources, there would still be expenses related to expanding capacity, upgrading systems, and training staff to accommodate IOA-HRD's broader mandate.

COA's current dedication of full-time staff to performance auditing is limited, as many auditors are primarily tasked with financial and compliance audits. Expanding the focus to include comprehensive educational performance assessments would require additional resources and specialized training. A USAID study highlighted inconsistencies in the implementation and interpretation of audit rules and regulations, often due to changes in resident auditors and a lack of understanding of agency operations (Muñoz, 2013). Therefore, for IOA-HRD to effectively function within COA, there would be a need for dedicated teams with expertise in educational performance evaluation.

While COA's established mechanisms for reporting audit findings to the President, Congress, and the public could be adapted for IOA-HRD's performance reports, adjustments would be necessary to ensure that educational performance audits receive the prominence they deserve. Currently, COA's reporting mechanisms are primarily focused on financial and compliance audits, with a smaller percentage dedicated to performance audits. To ensure that the IOA-HRD's assessments lead to meaningful improvements in education policy and outcomes, COA's reporting processes would need to incorporate a more rigorous and targeted approach tailored to the education sector.

3. Established Performance Audit Capability & Reporting Mechanisms

COA, through its Government-Wide and Sectoral Performance Audit (GWSPA) framework, has established a mechanism for conducting targeted performance audits. This framework provides an existing foundation that IOA-HRD could potentially build upon. However, performance audits within COA are recent and have been limited in scope. Only around 10% (Ombudsman, n.d.) of COA's audits have been performance audits, with the primary focus being on financial and compliance audits. Moreover, these performance audits have often concentrated on economic, and efficiency matters rather than effectiveness issues, leading to a gap in evaluating the actual impact and outcomes of government programs.

Embedding IOA-HRD within COA would require a commitment to expanding and refining the scope of performance audits to include in-depth assessments of educational outcomes. The case study of Armenia offers a successful example of having a specialized performance audit for education (Kunicova & Myers, 2018). Armenia embedded a new Regulatory Impact Assessment (RIA) unit under the National Center for Legislative Reform (NCLR). This structure allowed Armenia to conduct detailed performance evaluations that directly informed policy adjustments and improvements in the education sector.

On the other hand, India's experience with the Performance Management and Evaluation System (PMES) serves as a cautionary tale. Housed within the Cabinet Secretariat, PMES faced significant political pressure, which led to its discontinuation (Kunicova & Myers, 2018). One of the system's key shortcomings was its reliance on a composite score to evaluate performance, which oversimplified complex issues and failed to provide a nuanced assessment of different ministries' effectiveness.

Currently, COA's performance audits, including those under GWSPA, are not conducted as continuous assessments but are performed on a request basis. This reactive approach limits the potential for ongoing, regular evaluation of educational agencies. For IOA-HRD to function effectively within COA, there would need to be a strategic shift towards continuous performance assessment, enabling the agency to identify and address issues within the educational system in real time.

4. Potential Biases and Conflicts of Interest

One of the key challenges of integrating IOA-HRD within COA is the potential for compromised independence. COA's broader priorities or political considerations could influence educational performance assessments, as COA is primarily focused on financial audits. Lamberte previously warned that the presence of multiple objectives in an agency can dilute accountability and threaten its independence. Similarly, the integration within COA would need to ensure that IOA-HRD retains a distinct mandate, with provisions to safeguard its independence and prevent its assessments from being overshadowed by COA's broader priorities.

A USAID study identified ethical issues within auditing practices, such as auditors downplaying findings or conflicts of interest, which could undermine the integrity of performance assessments (Muñez, 2013). Therefore, housing IOA-HRD within COA would require stringent safeguards to protect its autonomy. Special provisions must be implemented to ensure that IOA-HRD's assessments are conducted impartially, free from the influence of COA's broader audit functions.

While integrating the educational oversight agency within COA presents an opportunity for cost-efficiency and leveraging existing frameworks, it also raises significant challenges related to scope, focus, and independence. Ensuring a distinct mission statement, expanding the scope of performance audits, securing dedicated resources, and implementing safeguards against biases are essential steps for this integration to be effective. Balancing cost-efficiency with the need for specialized and independent oversight will be crucial. Recent thinking around public performance assessment underscores the importance of flexibility and allows for trial and error to find the most effective model. While the agency's independence- whether as its own agency or housed within another existing structure- is non-negotiable, its structure should remain adaptable. Lessons learned from international experiences suggest that no single institutional model fits all contexts; flexibility in institutional design is key to achieving the desired outcomes in varying circumstances.

ANNEX E

The following table also details some of the structural features of select independent agencies.

Table 1. Structure, Process, and Tenure for Select Independent Agencies

Agency	Organizational Structure	Appointment Process	Tenure	Safeguards for Independence
BSP	Governed by a 7-member Monetary Board, including the Governor	Appointed by the President, with Monetary Board	Governor serves a 6-year term, renewable	Monetary Board members cannot be removed except for cause
Office of the Ombudsman	Headed by the Ombudsman with Deputy Ombudsman	Appointed by the President, confirmed by the Commission on Appointments	Fixed 7-year term, non-renewable	Removal only by impeachment; autonomy from executive influence
CHR	Chairperson and four commissioners			Protection by constitutional and statutory provisions
COA	Chairperson and two Commissioners			
COMELEC	Chairperson and six Commissioners			
CSC	Chairperson and two Commissioners			

These identified features will also help in setting up an independent agency:

1. Legal and Institutional Independence

The autonomy of an independent agency is protected by its formal legal framework that clearly delineates the agency's functions. Before the establishment of BSP, Lamberte (2018) recounts his insistence on the creation of an independent central bank. At that time, research has shown countries with independent central banks are more successful in managing inflation than those without. Lamberte also emphasized having a clear and transparent mandate is essential to assessing the agency's performance. Without such clarity, multiple objectives may dilute accountability and threaten the agency's independence.

2. Functional and Operational Independence

Functional and operational independence refers to the agency's ability to carry out its day-to-day functions and implement its policies without external interference. The experience of setting up Philippine Institute for Development Studies (PIDS) offers a parallel example. Sicat (2018) attributed the success of the agency partly due to its arm's length relationship with NEDA. By avoiding the pitfall of being an extension of NEDA, PIDS maintained

operational autonomy while aligning its research priorities with national development goals. A separate governing board was established within PIDS to define its research agenda, ensuring that it operated independently while remaining relevant to national objectives.

3. Financial and Organizational Independence

Financial independence means full budgetary autonomy, this ensures that the agency can pursue its objectives without external financial pressures. In the matrix, aside from BSP, all the other Philippine agencies are granted their own budget allocations through the General Appropriations Act (GAA). Although the budget allocation is subject to the approval of Congress, this formal inclusion in the GAA provides a layer of financial security and institutional legitimacy. It allows independent agencies to operate with a clear mandate and predictable funding, reducing the risks of ad hoc financial interventions or undue political influence on their operational budgets (Cariño, 2005). In terms of organizational independence, this would allow the agency to recruit its own staff, establish its internal management structures, and develop transparent fiscal management policies.

PIDS serves as a national example of organizational independence. Sicat emphasized the importance of having high standards in staff recruitment to ensure the agency was staffed with highly qualified individuals capable of implementing its mandate effectively. By maintaining stringent hiring criteria, including advanced academic qualifications for research positions, PIDS built a reputation for independent and rigorous research.

Saudi Arabia's National Center for Performance Measurement ("Aadaa") provides an international example (Kunicova & Myers, 2018). Aadaa was exempted from traditional recruitment practices, allowing it to recruit top talent from both the public and private sectors. This flexibility ensured that the agency had a highly skilled workforce capable of carrying out its mandate efficiently. Furthermore, the success of such agencies also hinges on leadership. Gold (2017) notes that leaders of these agencies must be politically astute and have direct access to senior government levels to navigate complexities effectively. Thus, appointing qualified and independent leaders with secure tenure is essential to ensure impartiality and effectiveness.

4. Personal Independence

Personal independence pertains to the security of tenure and protection of the agency's officials from arbitrary dismissal. While they may be removed from office based on civil service guidelines, they are protected from summary dismissal, allowing them to perform their duties without fear of undue political pressure.

Sicat (2018) emphasized this principle in the design of PIDS. The agency's board members served specific, staggered terms, preventing sudden shifts in oversight, and enabling the agency to focus on long-term objectives. The appointment process must be safeguarded from political bias, and the agency's senior staff must be protected from arbitrary removal to ensure the agency's impartiality in its assessments and recommendations.

5. Transparency & Accountability

Transparency facilitates the process of holding an independent agency accountable. For BSP, this involves explaining to the public how they use the powers entrusted to them. It goes beyond mere disclosure of information; it requires designing information in a way that is readily understandable to the public (Bagsic & Glindro, 2006). This process is crucial for maintaining credibility, as it provides an ex-post justification and explanation of decisions, ensuring that the agency remains transparent about its actions without involving other parties in its decision-making process. Independent agencies in the Philippines are constitutionally mandated to report to the President, Congress, and the public. Each agency operates independently but remains accountable through mechanisms such as annual performance reports, public access to assessments, and regular audits by an external body such as the Commission on Audit (COA).