Monitoring Budget Utilization and Performance: Education Programs Delivery Unit (Philippine Experience)

Annalyn M. Sevilla
Undersecretary for Finance – Budget and Performance Monitoring
Department of Education
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About the Philippines

Located in Southeast Asia

Consists of about 7,641 islands
(Categorized under 3 major geographical divisions: Luzon, Visayas and Mindanao)

Land Area: 300,000 sq. km

2015 population: 100.9 million
2018 population: 106.93 million
(based on latest UN estimates)

Political System: Presidential
3 Branches of Government: Executive, Legislative, and Judiciary

Median Age: 24.3 years
The Department (Ministry) of Education

The 1987 Philippine Constitution mandates the establishment of free public education at the elementary and secondary levels.

DepEd is the government agency mandated to provide basic education to school age population and young adults (RA 9155).

Article XIV, Section 5 (5) of the Philippine Constitution provides that the State “shall assign the highest budget priority to education.” Thus, the budget of DepEd has been increasing every year. In fact, DepEd’s budget increased at an average of 24% from 2013-2017.
DepEd Historical Budget

- **2011**: $3.82 Billion
- **2012**: $4.40 Billion
- **2013**: $5.41 Billion
- **2014**: $5.70 Billion
- **2015**: $6.76 Billion
- **2016**: $7.99 Billion
- **2017**: $10.47 Billion
- **2018**: $10.68 Billion

**Figures in Billion**

Foreign Exchange: Php 1.00 = USD 54.27 as of Oct. 11, 2018

Historical data based on previous General Appropriations Act (GAA)

*Budget inclusive of Retirement and Life Insurance Premium (RLIP)*
World Bank’s Findings on the Philippine Public Expenditure Review

Composition and distribution of public expenditure is a **systemic constraint** to inclusive growth.

Demonstrated **low efficiency** in public spending

DepEd’s response to the PER and address the unprecedented budget levels for Education is the creation of Full-Time Delivery Unit under Administrative Order No. 46, series of 2015
The Education Programs Delivery Unit (EPDU) is a new unit in DepEd created on November 25, 2016 under the DepEd Order No. 71, s.2016

EPDU facilitates and coordinates the identification and resolution of bottlenecks and challenges of DepEd’s delivery system.

EPDU performs diagnostic assessment of the major programs of DepEd through review of the programs work and financial targets and schedules and budgets.

What is Education Programs Delivery Unit (EPDU)
EPDU Organizational Structure

Office of the Secretary

Office of the Undersecretary for Finance-Budget and Performance Monitoring

Director Finance Service - BPM/EPDU

Administrative Support

Portfolio & Process Management
- Lead
- MOOE Portfolio Specialist
- MOOE Process Specialist
- CO Portfolio Specialist
- CO Process Specialist
- Portfolio Support
- Process Support

Data Collection, Reporting & Analysis
- Lead
- Data Specialist
- System Support
- Data Support

Communications & Engagement
- Lead
- Communication Specialist
- Communication Support

Technical Expert Group
Components of EPDU

- Portfolio & Process Management
- Data Collection, Reporting & Analysis
- Communications & Engagement
<table>
<thead>
<tr>
<th>Portfolio &amp; Process Management</th>
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<tbody>
<tr>
<td><strong>Strategic Direction for Delivery</strong></td>
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<tr>
<td>○ Analyze portfolio of DepEd budget</td>
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<td>○ Determine program delivery readiness and utilization rates</td>
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<tr>
<td><strong>Manage Portfolio Results</strong></td>
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<tr>
<td>○ Coordinate and collaborate with program teams and other stakeholders</td>
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<td>○ Manage result/status of portfolio delivery and action plan implementation</td>
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<tr>
<td><strong>Delivery Review</strong></td>
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<tr>
<td>○ Review portfolio performance</td>
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<tr>
<td>○ Identify slow-moving programs which need improvements</td>
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<td>○ Engage with stakeholders to identify prioritized programs</td>
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<tr>
<td><strong>Review Delivery Performance</strong></td>
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<td>○ Conduct detailed delivery review or program performance</td>
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<td>○ Identify root cause of issues causing delay, then develop action plan</td>
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<tr>
<td><strong>Implement Delivery Action Plan</strong></td>
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<tr>
<td>○ Implement action plans to improve prioritized program delivery performance</td>
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**Data Collection, Reporting & Analysis**
Data Collection, Reporting & Analysis

Strategic Direction for Delivery

- Collect data from available sources
- Validate Collected data
- Manage collected data repositories

Analyze and Present Data

- Conduct detailed analysis
- Identify data gaps and recommend actions
- Utilize data visualization techniques
Communications & Engagement

Website | Facebook | Twitter | YouTube

Education Programs Delivery Updates
Volume 2, Issue 5

Featured articles:
- DSWD Task Force to Stay on Top of Transferred Funds
- Gov't Assistance & Subsidies and Science & Math Equipment Updates

COA Recognizes DepEd’s Improved Budget Utilization

The Commission on Audit (COA) has released an Audit Observation Memorandum (AOM) dated April 24, 2018 where the Department of Education was recognized for the significant improvement in its budget allocation utilization. From 10%
Communications & Engagement

Manage Stakeholder Engagement
- Routine engagement with stakeholders
- Manage Delivery Community of Practice
- Support implementation of delivery action plans

Bridge EPDU to its Target Audience
- Communicate DepEd delivery agenda
- Promote good delivery practice/lessons learned
EPDU Delivery System

Program Implementation Guidelines
Implementation Process
Payment Process & Disbursement
Reporting Process

1. Program Implementation Guidelines
2. Funds Release Process
3. Implementation Process
4. Procurement Process & Obligation
5. Payment Process & Disbursement
6. Contract Management Process
7. Reporting Process

Bottlenecks, Challenges, Constraints

Speed of Execution
Streamlined systems and processes (ie. Procurement)

Instituted spot check and plug leakages bottlenecks, constraints, and challenges through enhanced policies

- Strengthened link between Planning and Finance Service
- Obtained high budget Obligation Rate (97%) of the DepEd Budget
DepEd Major Programs

- Operations of Schools
- Basic Education Facilities
- New School Personnel Position
- Government Assistance and Subsidies
- Computerization Program
- Learning Tools and Equipment
- School-Based Feeding Program
- Human Resource Development for Personnel in Schools and Learning Centers
- Textbooks and other Instructional Materials
- Flexible Learning Options
## 2018 Budget for DepEd’s Major Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget</th>
<th>Exchange Rate</th>
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<tbody>
<tr>
<td>Operations of Schools</td>
<td>P305.02B</td>
<td>$5.62B</td>
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<tr>
<td>Basic Education Facilities</td>
<td>P105.46B</td>
<td>$1.94B</td>
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<tr>
<td>New School Personnel Position</td>
<td>P39.16B</td>
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<td>Government Assistance and Subsidies</td>
<td>P26.27B</td>
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<td>Administration of Personnel Benefits</td>
<td>P11.6B</td>
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<td>Computerization Program</td>
<td>P8.66B</td>
<td>$0.16B</td>
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<td>Learning Tools and Equipment</td>
<td>P7.8B</td>
<td>$0.14B</td>
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<td>School-Based Feeding Program</td>
<td>P5.3B</td>
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<td>Human Resources Development for Personnel in Schools</td>
<td>P3.41B</td>
<td>$0.098B</td>
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<tr>
<td>Textbooks and other Instructional Materials</td>
<td>P2.99B</td>
<td>$0.055B</td>
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<td>Alternative Learning System</td>
<td>P0.53B</td>
<td>$0.0098B</td>
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<td>Madrasah Education Program</td>
<td>P0.51B</td>
<td>$0.0094B</td>
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<tr>
<td>Indigenous Peoples Education Program</td>
<td>P0.13B</td>
<td>$0.0024B</td>
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Lessons Learned

No “one size fits all” approach

Foundational and building blocks need to be established and institutionalized for a successful and fully functional Delivery Unit

Given the enormous challenges in implementing reforms, DepEd is finding ways to improve systems, processes and procedures in the organization

Performance management needs to be at the very core of the political agenda of the agency head and the leadership of the country
DepEd sees the following guideposts:

1. Leadership or Tone from the Top
2. Empowered staff with technical competencies
3. Focus on key priorities

- Disciplined routines
- Clear communication and engagement
- Accurate, timely, relevant, reliable and systematic data
- Visualization of Data
My leadership will be active and hands-on, transparent, and consultative both within and outside the Department and corruption-free. And my commitment is Program and Financial management reforms to make the Department effective and efficient in service delivery.”

Leonor Magtolis-Briones
Secretary of the Department of Education
No. 7 of DepEd’s 10-Point Agenda

7. Put in place financial management reforms to ensure timely delivery of infrastructure and learning resources
When DepEd delivers, DepEd serves
Speaker’s Contact Information

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