

NOTES FOR MR. RAMON R. DEL ROSARIO FOR THE 9TH NATIONAL EDUCATION SUMMIT, SEPTEMBER 27, 2013, ATENEO PROFESSIONAL SCHOOLS, ROCKWELL, MAKATI, 9:30 a.m.

TRANSFORMING EDUCATION THROUGH PUBLIC-PRIVATE SECTOR PARTNERSHIPS

I am personally committed to support the work of Synergeia. I truly believe that all children should have access to a good basic education. Education gives every person the skills and values he needs to help himself out of poverty and into prosperity. Studies have shown that with each additional year of schooling, people earn 10 percent higher wages.¹ An educated child is better prepared to assume his responsibilities as a citizen. Mr. SyCip, Synergeia's chairman for life, sums it briefly. If people are "illiterate, they will sell their votes."

The group of companies that I head in Phinma has assumed the management of many colleges and universities in the country. We have dedicated a significant amount of resources to help ensure that the education that our students receive is relevant to the needs of the country. Our goal is to provide a learning environment that provides our students with knowledge, skills, and values that would not only enable them to earn a good income, but will maximize their potential. Two of the most serious problems of our country are unemployment and underemployment. About 7.3 percent of our labor force, or nearly 3.0 million, do not have jobs and 20.9 percent of those who have jobs are under-employed. Our challenge is to create more and better jobs so that our growth can be inclusive and all our people can be part of development.

Inclusivity means generating economic opportunities not only in our cities but in the countryside. For this purpose, local governments are critical. Local governments best understand the needs of their communities and are at the forefront in ensuring that these needs are met. The Synergeia model proves to us that local governments, can take the lead in the efficient delivery of services, particularly in education. We treasure the examples shown by one of Synergeia's founders, Secretary Jesse Robredo who demonstrated excellence in leading Naga City from poverty into development. I am highly confident that there are many among you today who are taking the road that Jesse took. In the 8th Education Summit, Jesse said that even when he is long gone, local governments will continuously redefine themselves.

¹ Center for Global Development, "Rich World, Poor World: A Guide to Global Development"

The Synergeia model in Public Private Partnership (PPP) capitalizes on the passion, and competencies of local governments in helping ensure that all children are given access to a good education. It is pioneering in this regard because education has not been devolved to local governments and remains a responsibility of the central government. But since children are the most valuable constituents of a local government, we are so proud that you have embraced the responsibility of making sure that they complete a good basic education. Normally, PPPs are done to undertake infrastructure projects. But Synergeia and its partner-LGU demonstrate that PPPs can be done in providing efficient public services.

PPPs have great potential in generating more resources for education and in improving its quality. One of the binding constraints of local governments is their lack of resources. Although on the average, the (Education Governance Effectiveness-EdGE) EdGE- LGUs raise 46 percent of their revenues locally, there are some LGUs that depend on the central government for 98 percent of their income. These include our communities in Muslim Mindanao. This imperils their capacities to finance programs that will address the needs of children such as training their parents, providing schools with clean water and toilets, and an in-school feeding for the very poor. The finance of education takes up only an average of 7.0 percent of the LGUs budget, with extreme value such as 0 resource for education. We noted that there are some LGUs that do not even collect the Special Education Fund tax, a dedicated fund to support public education. A partnership with the private sector, especially, with the business community, will not only generate additional revenues for education but will harness the expertise of the private sector in management.

But for PPPs to work in education, both the local governments and the private sector need to have significant returns on their investment. Since a peso has alternative uses, PPPs must make sure that every peso of investment yields maximum returns. Thus, I cannot over-emphasize the importance of benchmarking and measuring results. Mr. Sycip who continuously invests in basic education and cohorts his friends to follow his example, measures the return to his investment by a “zero dropout. He looks at participation and retention rates and how many children complete schooling with an eagle’s eyes regularly. He finds great encouragement in seeing that the completion rate in Naga of 85 percent is even higher than the national average of 72 percent. He is so pleased to see how Gov. Dominguez raised the participation rate of children from 67 percent to 85 percent. He notes how Kapatagan in Lanao del Sur successfully brings 85 percent of children to school up from 40 percent. The private sector needs indicators that its investments in education yield very good returns. Otherwise, their investments would not be sustained. It follows without saying that good returns are only possible if good governance is practiced and resources are raised, and managed with integrity and efficiency.

This brings me to the second factor that enhances success in PPPs in education: clear roles that provide for accountability. I understand that to be partners of Synergeia, LGUs have targets to achieve and co-share the program financing. Co-financing broadens and deepens ownership of education reforms because local governments have a personal stake in the success of the program. The role of LGUs is transformed from being a recipient to a co-investor who needs to ensure that returns to investments are maximized.

The 3rd factor in a successful PPP is the contribution from consumers. PPPs will fail if consumers do not value the service that is provided and are not willing to pay for it. We have to bring parents of students as equal partners in our programs. They have to do their share in terms of better parenting, supporting the needs of students and schools. Synergeia has had great success in leveraging contributions from parents, even from the poorest islands in Sulu. If parents share in the mission of giving the best education for children, their contribution will be limitless: from the provision voluntary labor to raising more funds so that children can have better facilities and services. The story of how parents from Patikul, Sulu guarded the teachers everyday, and fetched them from their homes to school and back, to prevent a repeat of the beheading of a principal has been our great inspiration.

After this conference, our challenge is to prove that LGUs are efficient institutions and are led with dedicated, honest, and effective leaders who are worth investing in. We will not only gain the confidence of the business community but will become a moving force so that EdGE, or the Effective Governance of Local Governments in Education, becomes a national movement.

Thank you.