

Republic of the Philippines
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
East Service Rd., South Superhighway, Taguig, Metro Manila

42nd TESDA Board Meeting
6 May 2004, Thursday, 8:30 a.m.
7th Floor TESDA Board Room
TESDA Admin. Bldg., Taguig, Metro Manila

Resolution No. 2004 - 07
(Page 1 of 2)

APPROVING THE POLICY ON PROGRESSIVE DEVOLUTION

WHEREAS, one of the major intentions of RA 7796 is to enable the Authority to effectively manage the development of the country's middle level manpower sector by focusing its resources to setting directions, standards, regulations and certification by devolving its training functions including the direct management of its existing training and educational institutions to local government units, industry groups and other entities;

WHEREAS, the TESDA under Section 8 (d) (1); d (4), Section 9, and Section 10 item b and c of RA 7796 is empowered to adopt necessary policies and programs, to make the management and delivery of middle level manpower development efficient and effective;

WHEREAS, the Executive Committee of the TESDA Board during its meetings on 15 April 2004 and 22 April 2004 respectively has endorsed favorably the approval of the policy of progressive devolution under the TESDA in a twenty five (25) year horizon, the first five years of which to be known as decentralization of management;

WHEREAS; progressive devolution shall be the process of systematically and rationally transferring the management of technical education and skills development programs from TESDA to equally capable entities in the TVET sector like the local government units, industry associations, NGOs and the like;

WHEREAS, a four (4) stage Progressive Devolution Program is expected to cover the following:

- STAGE 1 Decentralization Stage**
Started Implementation of Preparatory Phase1 (2001-2003)
and Partnership Building Phase 2 (2004-2009)
- STAGE 2 Programmed Devolution Stage**
Co- Management Phase 1 (2010-2015)
and Co- Management Phase 2 (2016-2021)
- STAGE 3 Stabilization Stage (2022-2027)**
- STAGE 4 Evaluation Stage (2028-2030)**

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WHEREAS, the TESDA Board will periodically review the results of the progressive devolution program by phases to serve as a guide in the conduct of succeeding stages;


NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Board approves the Policy on Progressive Devolution Program Y2001-2030;

BE IT RESOLVED FINALLY, that copies of the Progressive Devolution Program and of this Resolution be disseminated to all concerned.

Adopted this 6th day of May 2004.


MA. ADORINDA DE JESUS-FORRO
Board Secretary VI

Attested by:


PATRICIA A. STO. TOMAS
Chair, TESDA Board
(Secretary, Department of Labor and Employment)

PROGRESSIVE DEVOLUTION PROGRAM

I. BACKGROUND:

A. The TESDA LAW of 1994

1. Framers of the TESDA Law envisioned a strong regulatory body for the development of the country's middle level manpower. It is for this reason that it combined the strengths of the three (3) organizations, the National Manpower and Youth Council (NMYC) in skills development, the Bureau of Technical Vocational Education (BTVE) in tech-voc education and the Apprenticeship of the Bureau of Local Employment (BLE) for enterprise based training.
2. The TESDA Law imbued the Authority the necessary mandates to effectively lay the over-all direction in the development of middle level manpower, provide support to the delivery of technical education and training and assure the quality of the sub-sector's educated and trained manpower.
3. The framers further believed that the TESDA to become a strong and effective regulatory body as envisioned, they made sure that it will eventually disengage itself in directly managing technical education and skills development programs. The framers believed that TESDA focusing itself to direction setting and quality assurance would be more effective as a regulatory body and better for the sub-sector as a whole.
4. To achieve the above objectives, Section 29 was included providing for the devolution of community based programs to the local government units. In the absence of any explicit provision on the devolution of Centers and Schools, the Authority can invoke Section 8 of the TESDA Law which empowers it to adopt necessary policies and programs for the efficient and effective management and delivery of TVET.
5. The TESDA Development Fund is there to provide TESDA the capability to influence and support the delivery of TVET indirectly even as it gives away its direct management of the public training centers and institutions.
6. The framers of the TESDA Law believed that the authority would be better off shedding its direct TVET delivery functions for the following reasons:

- a. As the sole body in charge of quality assurance (registration, accreditation, certification) it should be detached from the institutions and clients it is regulating. It cannot be the judge, the jury and the executioner. This has been an issue with the NMYC Trade Testing and Certification Program before TESDA's creation. TESDA is to manage the sector and not the centers.
 - b. Resources (budget and manpower) thereto utilized for direct TVET delivery could be channeled to strengthen both its direction setting and quality assurance functions.
 - c. Effective local control and management of TESDA existing TVET delivery (Centers/Schools) will make them more responsive to local manpower needs and circumstances.
 - d. Management by the communities of these centers and institutions will make them the dominant stakeholders and would be better for the institution's sustainability and development in the long run.
- B. The National Technical Education and Skills Development Plan (NTESDP) 1999-2004
1. Cognizant of the significance in operationalizing no direct training functions in the TESDA Law of 1994, the TESDA Board and Secretariat has taken a major step towards devolution by incorporating as one of its seven major policies, the devolution of its training delivery to the local government units, industry and other entities.
 2. The NTESDP (1999-2004) provided a framework for within which the transfer of its direct training functions to the local government units, industry and other entities is to be pursued.
 3. The framework envisioned a gradual transfer of responsibilities thru the promotion of stronger partnership and co-management with the local government units and industry within a mutually agreed time frame.

4. Within the plan period, policy no. 6 of the NTESDP provided for the following:
 - a. Establishment of a mechanism to sustain the efforts towards devolution.
 - b. Continuous capability building for the local government units and other entities in TVET management.
 - c. Promotion of co-management schemes.
5. The NTESDP clearly recognizes the importance of adequate time, adequate preparation and mutual understanding among the transfer partners as necessary factors in making devolution a successful endeavor.

C. Major Initiatives

Within the framework enunciated by the NTESDP, initiatives related to devolution have been done. These initiatives now form part of the building blocks upon which future strategies on the transfer process are going to be based.

1. CIDA-PTAFF Initiatives

- a. TESDA Thru the help of CIDA-PTAFF engaged in determining where exactly do our centers and administered schools stand in terms of their relationship with the local government units, NGO and industry. The project examined selected centers and schools in an attempt to find management models that could represent fairly a TESDA institutions arrangement with local government units, industry and NGO on the combination of these entities.
- b. The CIDA-PTAFF initiatives more importantly introduced devolution within the broader context of governance making a big number of Provincial Directors and Officers look at ~~devolution not as an end but first~~ a part and parcel of improving the governance of TESDA and TVET as a whole.

c. The most significant contribution of the CIDA-PTAFF collaboration is their formulation of a Readiness and Willingness Assessment Tool, which can provide objective bases in determining which of the TESDA institutions, and local government units are more or less ready to start a serious process of transfer.

d. The CIDA-PTAFF initiatives recommended among others for the need to gain experience in devolution thru actual piloting over these years coupled with the institutionalization of a group within TESDA to sustain the devolution support.

2. The Institution Development Plans (IDPs)

a. In line with the operationalization of the Technical Education and Skills Development Project (TESDP) component on devolution, the TESDA centers and schools formulated their individual Institutional Development Plans. The IDPs served as the guide in improving their management and staff capabilities, equipment and civil works.

b. Significantly, the IDPs contained their devolution intentions, preferences and strategies. These plans formulated by the centers and schools reveal their preferences in terms of the form of management, choice of partners and timetable vis-à-vis devolution.

c. The preferred transfer timetable ranges from about 5 years to 20 years. The centers having less number of years on the average than the schools.

d. Still a great majority prefers partnership with the local government units.

3. Progressive Decentralization

In July 2002, a Seminar Workshop on Progressive decentralization was held at the TESDA Central Office. In this undertaking participated by Regional Directors,

Provincial Directors and the heads of the TESDA Centers and Schools, the devolution agenda shifted to higher gears.

- a. Aided by inputs coming from the IDPs and CIDA initiatives, TESDA came up with more specific steps and parameters with regards to devolution.
- b. The workshop given the input by the then DDG Alcestis Guiang was able to come up with the term, which could possibly embody the kind of transfer process truly suited to the TESDA situation.
- c. The workshop came up with a national timetable projected management arrangements for the centers and schools including the specific roles and capability building requirements needed by the Regional Directors, Provincial Directors and School Administrators with respect to devolution.

II. Major Considerations

A. Bases of Policy

1. The spirit and intent of the TESDA Law, that is its being an authority, clearly goes to the weaning away of its direct training functions to ultimately make it a strong Authority who sets policies standards and direction of the middle level manpower development sector.
2. While the devolution of community-based technical education and skills development opportunities have been explicitly provided under Section 29 of the Law, it has not been clear on the treatment of existing centers and schools as far as devolution is concerned.
3. As far as the provision of Section 29 is concerned, TESDA has substantially complied with it, as it has already given local government the responsibility for the delivery of community-based programs. TESDA now has shifted to being an ENABLER rather than the direct implementor.

4. In the absence of an explicit provision in the TESDA Law that shall govern the devolution of its centers and schools, it now have the golden opportunity to craft a devolution program without being handicapped by previous laws on devolution including their pitfalls. The TESDA Board under Section 8 (d (1); d (4)) of RA 7796 is empowered to adopt necessary policies and programs to make the management and delivery of middle level manpower development efficient and effective. This provision shall take care of the treatment of existing centers and schools as far as devolution is concerned. The TESDA can formulate a devolution program on its own terms and conditions mutually beneficial to the Authority as the giver and its TVET partners as receivers.

5. An amendatory provision providing for the Devolution of TESDA Centers and Schools will have to be crafted and pursued in the 13th Congress.

1. The Amendatory Bill shall contain the following:

- a. Non-deviation of basic mission of devolved center or school from its original mandate;
- b. Non transfer of personnel except when the personnel opts to go with the devolved center/school
- c. Unutilized appropriation at the time of transfer shall be at the disposal of the receiving LGU with subsequent appropriation to be taken from local funds.
- d. Widening of the types of receivers (not limited to LGUs only)
- e. Demonstration centers/schools
- f. Timeframe for devolution

2. The Amendatory Bill can be finished within a year if properly managed and given priority by TESDA.

3. Training Center/Schools Management Preferences

Majority of the 120 TESDA Institutions if given the choice prefer co-management as the mode of running the institutions. While we recognize this, it is clear that co-management is to be viewed not as an end itself but one of

the major stages or steps towards the Institutions' eventual administrative independence.

4. Pacing and Process

Based on their IDPs, TESDA Institutions estimated the transfer process from about 5 years to as long as 15-20 years. The absence of appropriate models and experience including the dearth of information on their likely partners like the LGUs, Industry and NGOs could be the reason for this. A general timeframe could possibly be provided by the Amendatory Bill on this area.

5. Devolution Experience

Documentation done on existing centers that are now successfully managed by the LGUs (Las Piñas MYC, PMTC Nueva Ecija) only shows that the Local Government Unit given resources will and can operate training centers. This does not however give TESDA experience in devolution as these Centers were ab inicio operated by the local governments. Devolution to TESDA is a novel undertaking.

III. Proposed Progressive Devolution Program

A. Definition/Guidelines

1. Taking into consideration the unique circumstances and situation the TESDA is in vis-à-vis the local government units and other possible partners, we are adopting a term that will suit its approach and strategies towards transferring the management of its Training Institutions.
2. Progressive devolution shall be defined as the process of systematically and rationally transferring the management of technical education and skills development programs from TESDA to equally capable entities in the TVET sector like the Local Government Units, Industry Associations, NGOs and the like thru a 4-stage process within a 25 year horizon.
3. The above term takes into consideration the following elements:
 - a. That the original mission and purposes for which the TESDA Institutions was created is not to be changed or altered.

- b. That the transfer of responsibilities to the local governments and other entities can be done as shown by the experiences of other departments of government.
- c. That the process of transfer in the case of the TESDA Institutions requires adequate preparation not only for its institutions but more importantly the receivers of such institutions.
- d. That while the objective of transferring responsibility is important, the disruption in the delivery of service is to be avoided in the process.
- e. That the career aspects as the personnel and their re-training is a primary concern in the process.
- f. That adequate time and resources are needed to effect a successful transfer of responsibility.

IV. Phases of Progressive Devolution

The Progressive Devolution Program shall be done in Four (4) Stages:

STAGE 1, Decentralization Stage (2001-2009)

This stage which will run for at least a period of eight (8) years consist primarily of interventions designed to prepare TESDA and its partners to enter into the process of decentralization. It is also the phase wherein the management and staff capabilities of the Centers/Schools are greatly improved including equipment and civil works in preparation for eventual transfer.

The phase is divided more specifically to two sub-phases, the preparatory phase, and partnership building phase.

The Preparatory Phase (2001-2003)

This consist basically of the following activities, designed to determine where TESDA is as far as the transfer of direct training delivery is concerned.

The Partnership Building Phase (2004-2009)

This phase which runs for five (5) years shall consist of the following major initiatives namely:

1. Amendatory Bill on TESDA Devolution of Centers/Schools

To provide strong legal framework and help TESDA facilitate the transfer of its Training Institutions to the local government units and other willing entities, a bill will be formulated and filed in the 13th Congress. This Bill will settle any legal problems which may arise due to the presence of legislative acts establishing these TESDA Institutions. Will be done from July 2004 to June 2005.

2. Deliberate Decentralization in Selected Institutions

To gain experience and gather information on actual cases of decentralization, three (3) schools, one (1) Regional Training Center and one (1) Provincial Training Center shall be used. These institutions representing different specializations, preferred partners and locations will provide us insights into the best approaches we can use to proceed with the whole decentralization program. Five years (2004-2009) shall be devoted to these endeavor.

3. Organization of Center /School Boards (SBs)

Another important step is the organization of CENCOMs and SBs in all the TESDA Institutions. This group shall be composed of the major stakeholders in the areas where they are operating as follows:

1. Private Sector
2. Industry Representative of the dominant sector in the area by DAC
3. Local Government
4. Other line Agency relevant to nature of School
5. NGO/PO/Union
6. Center/School Administrator (non-voting)/(C/S Board Secretariat)

These committees and boards shall provide policies upon which the management and decentralization process of its institutions will be formed starting May 2004. With a TESDA

Board Member as Chief Shepherd, the committees and boards shall have the following major functions:

1. Policy direction of school as guided by TESDC
2. Devolution plan formulation
3. Supervision of the implementation of the Devolution Plan.

4. Building Strong Partnership

Simultaneous with the deliberate decentralization efforts with selected institutions, a program aimed at strengthening partnership with local government and other entities shall be implemented.

5. Reformulation of Development Plans with School Boards/Committees

Efforts shall be focused on making the Training Institutions increase the resource share of their partners over a five year period. The ability to generate resource or increase the resource contributions of partners shall be one of the major indicators of performance.

6. Building Capabilities of Partners

Within the same period, resources shall be used to build the capabilities of the identified partners in Center/School Management. Prospective staff from the identified partners shall undergo training in their specific areas ready to take the place of TESDA personnel in the areas of administration, instruction and marketing. A partner capability building program shall be formulated by all TESDA Institutions to prepare their partners for the job ahead.

By the end of 2010, TESDA would have gained experience in decentralizing thru its pilot institutions and enough lessons in running and building partnerships thru its Institutions Center Committees and School Boards, It would be ready by then to go into stage 2 of the Decentralization Program.

These are the Relevant Interventions within this Phase:

1. Introducing the idea of decentralization thru the larger framework of governance.
2. Communicating top management's intentions of decentralization to the RDs/Center/School Administrators thru the inclusion of decentralization in their Institutional development Plans (IDPs).
3. Determining thru the IDPs which form of governance centers/schools would opt for given that they have a choice.

Included in this phase are interventions that will prepare and lead TESDA towards the experimental sub-phase, these are:

1. Determination of Readiness and Willingness of the Actors Involved.
2. Review and Validation of selected IDPs to serve as inputs into the Selection of Pilot Areas.
3. Capability Building for the managers of decentralization as well as the Center/School Administrator and LGUs/Industry/NGOs concerned.
4. Determination/identification of Fund Sources eventually provide indirect support to decentralized institutions.
5. Formulation of the criteria to identify the Pilot Institutions.
6. Upgrading of the centers/schools' facilities and equipment.

STAGE 2. PROGRAMMED DEVOLUTION

By the start of 2010, the lessons/experiences gathered during the experimentation stage will now provide the basis for the final manuals in managing a decentralization program for a training center or school.

This stage is envisioned to be divided into two distinct phases. The first phase shall run for a period of at least five years. In this phase the TESDA institution shall initiate co-management arrangement with local partners. The partnership shall initiate the reduction of TESDA MOOE contribution from 100% to 0% by the end of five years. The support for

Personnel Services shall be borne 100% by the TESDA. Effective control however of the Center/School will still to be in the hands of TESDA.

The 2nd phase of this stage, shall see the gradual transfer of effective control of Center/School management to local partners. By this time the local partners who have been part of co-management would have gathered enough training and experience in eventually taking effective control by the end of 5 years. The personal services support from TESDA shall be reduced from 100% to 0% by end of the 2nd phase.

By the end of 2017, effective control of all TESDA administered centers and schools would be in the hands of partners or operating as self-sustaining entities. By this time, the TESDA Development Fund would have grown and TESDA will now be in the position to provide selective assistance to all the decentralized institutions inclusive of the private vocational institutions.

STAGE 3. STABILIZATION STAGE (2022-2027)

At this point the responsibility of providing community based technical education skill development opportunities are transferred to the local government units. Continuous assistance that maybe needed to sustain them in their newly acquired responsibilities will be extended thru the TESDA Development Fund.

Staff Development, facilities upgrading and civil works maybe provided by TESDA to strengthen the local government and the successfully transferred centers or schools.

STAGE 4. EVALUATION STAGE (2028 - 2030) *

STAGES OF PROGRESSIVE DEVOLUTION

| DECENTRALIZATION STAGE | | PROGRAMMED DEVOLUTION STAGE | | STABILIZATION STAGE | EVALUATION STAGE |
|--|--|---|---|---|---|
| PREPARATORY PHASE (2001-2003) | PHASE 2 PARTNERSHIP BUILDING 2004-2009 | PHASE 1 CO-MANAGEMENT 2010-2015 | PHASE 2 CO-MANAGEMENT 2016-2021 | 2022-2027 | 2028-2030 |
| <ul style="list-style-type: none"> ▪ Operationalization of Policy ▪ Capability building interventions for institutions and LGUs/partners ▪ Softening resistance to change ▪ Identification of pilot areas ▪ Determination of Readiness, Willingness of LGUs and institutions ▪ Identification of resources for decentralization ▪ Procurement of equipment and civil works preparation ▪ TESDA Development Fund Review | <p style="text-align: center;">REVIEW OF PHASE 2 AS GUIDE IN STAGE 2</p> <ul style="list-style-type: none"> ▪ Establishment of Center Committees and School Boards formed ▪ Piloting progressive decentralization to selected institutions ▪ Strengthening partnerships ▪ Continuous capability building for institution and LGUs ▪ Documentation of experiences/ lessons learned ▪ Installation of equipment facilities to selected institutions ▪ Civil works for selected institutions ▪ TESDA Development Fund mobilized ▪ Amendatory Bill | <p style="text-align: center;">REVIEW OF STAGE 2 AS GUIDE TO STAGE 3</p> <ul style="list-style-type: none"> ▪ Co-management arrangement initiated ▪ Self-sustaining arrangement started ▪ Personal services provided by TESDA ▪ MOOE to be gradually transferred to partners ▪ Effective control still with TESDA ▪ Capability building for institution and LGU continuing | <ul style="list-style-type: none"> ▪ Co-management arrangement in effect ▪ Personal services gradually transferred to the partners ▪ Effective control to be in the hands of the LGU/partners by the end of the period ▪ TESDA Development Fund providing support ▪ Capability building for institutions and LGUs continuing | <ul style="list-style-type: none"> ▪ Provision of assistance to decentralized institutions ▪ Provision of incentives and subsidies in selected areas using TESDA Development Fund | <ul style="list-style-type: none"> ▪ Improvement of plan |