



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

NATIONAL BUDGET MEMORANDUM

No. 136

Date: May 21, 2020

For : All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges, Other Instrumentalities of the National Government, and all Others Concerned

Subject : **BUDGET PRIORITIES FRAMEWORK FOR THE PREPARATION OF THE FY 2021 AGENCY BUDGET PROPOSALS**

1.0 PURPOSE

This FY 2021 National Budget Memorandum aims to provide departments and agencies with the following:

- 1.1 Information on the amount of the FY 2021 fiscal space based on the latest macroeconomic assumptions and fiscal aggregates approved by the Development Budget Coordination Committee (DBCC);
- 1.2 The key strategies and programs/projects which will be prioritized for funding under the fiscal space given the drastic changes that the COVID-19 pandemic has introduced in both the economic life and societal sphere of the nation; and,
- 1.3 The specific guidelines in the formulation of the budget proposals which shall be submitted on or before May 25, 2020.

In view of the limited fiscal space, the entire budget for FY 2021 will need to be reviewed and reprioritized towards containing the spread and mitigating the effects of the COVID-19 virus, absent a vaccine; restarting the economy to be able to create jobs and attract investments; and transitioning to the "new normal" environment post pandemic as outlined in the National Economic Development Authority (NEDA) Report "We Recover as One¹". The goal is to save lives and protect communities while making the different sectors of the economy stronger and more agile.

2.0 MACROECONOMIC AND FISCAL ENVIRONMENT OF THE FY 2021 BUDGET

2.1 Macroeconomic Assumptions

The national budget and fiscal aggregates over the medium-term shall be based on the following macroeconomic assumptions approved by the DBCC on May 12, 2020.

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¹ Published on the NEDA website (May 21, 2020)

Table 1. Macroeconomic Assumptions, FYs 2020-2022

Parameter	Actual 2019	Projections ^{1/}		
		2020	2021	2022
Real GDP Growth (%) ^{2/}	6.0	(3.4) – (2.0)	7.1 – 8.1	7.0 – 8.0
Inflation (%)	2.5	1.75 – 3.75	2.0 – 4.0	2.0 – 4.0
Dubai Crude Oil (US\$/bbl)	63.7	23 – 38	35 – 50	35 – 50
FOREX (P/US\$)	51.8	50 – 54	50 – 54	50 – 54
Growth of Goods Export (%)	2.7	(4.0)	5.0	5.0
Growth of Goods Import (%)	(3.0)	(5.5)	8.0	8.0
^{1/} Assumptions for FY 2020-2022 were adopted by the DBCC on May 12, 2020.				
^{2/} at Constant 2018 Prices				
Source: NEDA, BSP				

The Philippine economy grew by 6.0 percent in 2019, lower than 6.3 percent in the previous year, and marginally below the revised DBCC growth target of 6.0 to 6.5 percent in view of slower year-on-year growth for the manufacturing (3.2 percent from 5.1 percent) and construction (7.8 percent from 14.3 percent) sectors, and the downward trajectory of external trade. The country’s growth averaged 6.5 percent in the first three and a half years of the Duterte Administration.

The DBCC projects the economy to contract by 2.0 to 3.4 percent in 2020 considering that the potential impact of the pandemic could reach P2.0 trillion or about 9.4 percent of GDP in view of the two-month Enhanced Community Quarantine (ECQ) imposed in NCR which accounts for more than 70 percent of the country’s economic growth and the resulting adverse impact on tourism, manufacturing, remittances and exports. The timely implementation of a well-targeted recovery program alongside efforts of the private sector starting in the second half of the year will mitigate the impact of the COVID-19 pandemic. This will help the economy regain confidence, spur economic activity and restore employment rates to pre-crisis levels. The DBCC thus expects the economy to recover by 2021 and 2022 with an annual 7-8 percent GDP growth.

Inflation averaged 2.5 percent in 2019, well within the government’s target of 2.0-4.0 percent and lower than the 5.2 percent annual rate in 2018. The deceleration can be attributed to lower food (e.g., rice and corn, sugar items, non-alcoholic beverages) and non-food (e.g., electricity, gas, and other fuels, transport) indices. However, the inflation outlook may lean toward the downside for 2020 until 2022 amid the global slowdown due to the pandemic and as the government implements measures to mitigate exposure from these adverse developments.

The country’s strong balance-of-payments position backed by foreign exchange inflows from remittances and exports translated to the gradual appreciation in the peso-dollar exchange rate, which posted at P51.80 /US\$ in 2019 from P52.66 /US\$ in 2018, amid global volatilities and trade restrictions. However, the state of US monetary policy, geopolitical tensions abroad, as well as uncertainties from the COVID-19 pandemic, continue to present external depreciation pressures to the Philippine peso.

Annual Dubai crude oil prices slipped to 63.56 US\$/bbl in 2019 from 69.42 US\$/bbl in 2018, influenced by weaker demand for crude oil due to uncertainties in the global economic environment. The price outlook based on crude oil futures is seen to be more favorable for the Philippine economy over the medium-term even as demand picks up after country lockdowns and quarantines are lifted.

External trade will, however, continue to be largely influenced by the economic prospects of its trading partners. For 2020, the sharp downward adjustment for goods exports and imports is projected consistent with the global contraction resulting from the pandemic. For 2021-2022, the growth in goods exports and imports are expected to bounce back as the global and Philippine economy recovers.

The DBCC's outlook for the country's macroeconomic fundamentals remains optimistic over the medium-term amid significant reductions in economic activity in FY 2020 due to the COVID-19 pandemic and the consequent Luzon-wide ECQ. Growth prospects remain hinged to the successful containment of the pandemic and the timely execution of economic recovery measures.

2.2 National Government Fiscal Environment, FYs 2019-2022

2.2.1 Fiscal Position, FYs 2019-2022

The National Government's fiscal performance for 2019 ended up strong despite the delay in the approval of the FY 2019 National Budget and the election ban². Revenues grew by 10.1 percent year-on-year (YoY) to reach P3,137.5 billion (16.1 percent of GDP), albeit just 0.4 percent or P12.2 billion short of the program for the year. Tax revenues were below the program by P127.6 billion (4.3 percent) due to lower BIR collections from the excise tax on fuel and sugary drinks, as well as lower BOC collections as a result of peso appreciation and lower imports. However, this was partially offset by non-tax revenues which exceeded the program by around P115.4 billion (59.4 percent) at the back of higher BTr income and dividend collections from government-owned and-controlled corporations (GOCCs).

Meanwhile, disbursements increased by 11.4 percent YoY to reach P3,797.7 billion, surpassing the program by P28.1 billion or 0.7 percent due to faster public spending, especially infrastructure and social services in the latter part of the year. This resulted in a full-year deficit of P660.2 billion or 3.4 percent of GDP, higher than the 3.2 percent target and 3.1 percent³ outturn for 2018. The heavier public spending helped the economy grow by 6.3 percent in Q3 and 6.7 percent in Q4, from the 5.6 percent average in the first semester, and buoyed GDP growth to 6.0 percent for the full year of 2019, hitting the low-end of the growth target. The national government debt to GDP also sank further to 39.6 percent by the end of the year.

Over the medium-term, the country's fiscal position is projected to be significantly hit by eroded tax bases emanating from the Community Quarantines and travel lockdowns imposed over the entire country starting mid-March and the non-operation of firms and industries other than those designated to be essential industries and the payment deferrals and rate reduction measures implemented to assist the industries, particularly the micro- small- and- medium sized firms. For January to April, 2020, the tax collections for the BIR and the BOC were down by 25.4 percent and 7.3 percent year-on-year, respectively⁴, indicating the likely extent of the adverse impact. Hence, for 2020 to 2022, revenues are projected to be down to 13.6-13.8 percent of GDP,

² Comelec Resolution No. 10429 provides that '*release, disbursement or expenditures of public funds*' and the '*construction of public works, delivery of materials for public works, and issuance of treasury warrant or similar devises for a future undertaking chargeable against public funds*' are prohibited for the period March 29 to May 12, 2019.

³ Downward revision from the previous reported level of 3.2% of GDP due to the revised nominal GDP from the rebasing of the National Accounts from 2000 to 2018

⁴ DOF preliminary data. Retrieved at https://www.dof.gov.ph/bir-boc-collections-dip-further-in-april-amid-pandemic/?fbclid=IwAR1GGKB0dTBzVdQEli7Y59FtjHZ_ZQaLjte30DcYwn4fyj8fiM_GhsQA1IM

significantly lower than the 16.1 percent collected in 2019 and the 16.6-17.0 percent projected for these years in December, 2019.

For 2020, the government will maintain disbursements at P4,175.2 billion (21.7 percent of GDP) in order to provide the additional health care, wage subsidies and other social safety nets intended to address the COVID-19 emergency through expenditure reallocation under the Bayanihan to Heal as One Act (R.A. No. 11469). The emerging deficit for FY 2020 is, thus, projected to reach P1.563 trillion equivalent to 8.1 percent of GDP, larger than the initial program of 5.3 percent of GDP in March 2020 and the original program of 3.2 percent of GDP in December 2019. The government debt to GDP is projected to amount to 49.8 percent by the end of 2020.

For FY 2021 and 2022, to ensure a credible fiscal consolidation stance, the DBCC agreed to gradually reduce the deficit as shown in the Table 2 below in view of the weak revenue collection outlook. The government will remain prudent in managing public expenditures to ensure long-term fiscal sustainability. The country's debt profile remains sustainable over the medium-term with fiscal risk, and debt and liability management strategies in place.

Table 2. Fiscal Aggregates, FYs 2019-2022

Particulars	2019	2020	2021	2022
	Actual	Projections ^{1/}		
Levels, in billion pesos				
Revenues	3,137.5	2,612.6	2,929.0	3,270.7
Disbursements	3,797.7	4,175.2	4,357.5	4,451.5
Fiscal Balance	(660.2)	(1,562.6)	(1,428.6)	(1,180.8)
Appropriations	3,661.6	4,100.0	4,335.2	4,414.2
Percent of GDP				
Revenues	16.1	13.6	13.7	13.8
Disbursements	19.5	21.7	20.4	18.8
Fiscal Balance	(3.4)	(8.1)	(6.7)	(5.0)
Appropriations	18.8	21.3	20.3	18.7
Growth Rate				
Revenues	10.1	(16.7)	12.1	11.7
Disbursements	11.4	9.9	4.4	2.2
Fiscal Balance*	(18.3)	(136.7)	8.6	17.3
Appropriations	3.7	12.0	5.7	1.8
GDP, in billion pesos	19,516.4	19,261.7	21,322.8	23,626.8
Notes:				
* A positive growth rate indicates an improvement in the fiscal balance, while a negative growth rate implies a deterioration in the fiscal balance.				

Sources: DBM, DOF, and NEDA

^{1/} Consistent with the macroeconomic assumptions and fiscal program approved by the DBCC.

2.2.2 Cash-Based Budget Ceiling and Fiscal Space for FY 2021

The issuance of Executive Order No. 91, s. 2019 mandates the adoption of the Cash Budgeting System (CBS) beginning FY 2019. In order to prepare and capacitate the various instrumentalities of the government towards the full implementation of the CBS, transitional arrangements were adopted in FYs



2019⁵ and 2020⁶ National Budget. This involves extended implementation and payment, specifically for infrastructure capital outlays, and maintenance expenditures and other capital outlays, beyond the validity of appropriations.

The FY 2021 National Budget will be the third year of transition towards CBS. This requires better procurement planning, cash programming, and collaboration among agencies to ensure the implementation-readiness of proposed programs, activities, and projects. Hence, the budget proposals of agencies must be anchored on concrete operational plans and designs that outline key procurement and implementation milestones, identify specific beneficiaries, and improve the monitoring of outputs and results, particularly for the new programs under the “new normal”.

Table 3. Derivation of FY 2021 Cash-Based Budget, in billion pesos

Particulars	2020 ^{1/}	2021 ^{1/}	Increase/(Decrease)	
			Amount	Percent
Total Disbursement Program	4,175.2	4,357.5	182.3	4.4%
<i>% of GDP</i>	21.7%	20.4%		
Less: Prior Years' Obligations	286.3	340.8	54.6	19.1%
<i>% of Total Disbursement Program</i>	6.9%	7.8%		
Current Year Disbursements	3,889.0	4,016.7	127.7	3.3%
<i>% of GDP</i>	20.2%	18.8%		
Add: Obligations to be paid in the succeeding year	211.0	318.5	107.4	50.9%
Cash Appropriations	4,100.0	4,335.2	235.2	5.7%
<i>% of GDP</i>	21.3%	20.3%		
<i>GDP, in billion pesos</i>	19,261.7	21,322.8		

1/ Consistent with the macroeconomic assumptions and fiscal program approved by the DBCC.

As shown in Table 3 above, the DBCC-approved total disbursement program for FY 2021 is set at P4,357.5 billion, higher by 4.4 percent or P182.3 billion than this year's P4,175.2 billion. Of this amount, some P340.8⁷ billion would have to be set aside for the estimated requirements of prior years' obligations, comprising largely of FYs 2019 and 2020 obligations that will only be paid in FY 2021. As earlier mentioned, the transitional implementation of the CBS extends the implementation and payment of some expenditures obligated in FYs 2019 and 2020 until FY 2021.

The total cash-based budget for 2021 is, thus, pegged at P4,335.2 billion⁸, higher by 5.7 percent when compared to this year's P4,100.0 billion budget.

⁵ Extended validity of FY 2019 GAA until December 31, 2020 pursuant to RA No. 11464. The implementation and payment of infrastructure projects are extended until December 31, 2021, while MOOE and other capital outlays can be implemented and paid until June 30, 2021.

⁶ Section 60 of the General Provisions of the FY 2020 Budget extends the implementation and payment of infrastructure projects until December 31, 2021, while MOOE and other capital outlays can be implemented and paid until June 30, 2021.

⁷ Estimated using historical proportion of total accounts payables to total disbursements based on Monthly Disbursement Program submissions of agencies. Includes prior years' accounts payables, and not yet due and demandable obligations.

⁸ Includes the estimated P318.5 billion obligations that will be paid in the succeeding year. This is treated as part of the P4,335.2 billion cash-based budget since implementing agencies (IAs) need to obligate them during the

Of the P4,335.2 billion budget level, around 40.7 percent or P1,767.3 billion is earmarked for the cost of ongoing programs and projects in Tier 1 (Forward Estimates) as show in Annex A. Automatic appropriations and special purpose funds will account for another P1,726.2 billion or 39.8 percent of the budget. This leaves a fiscal space of P841.7 billion for expanded and new programs and projects for Tier 2. Because of this very tight fiscal space, the prioritization of health care and food production, and the discontinuance of programs no longer in line with the “new normal,” Tier 1 budget allocations will need to be reviewed and reprioritized.

3.0 EXPENDITURE DIRECTIONS FOR FY 2021

As laid out in the NEDA Report “We Recover As One,” the banner programs for 2021 shall be: 1) health systems improvement to strengthen the country’s capacity to address the COVID-19 pandemic, including the purchase of vaccines; 2) food security to ensure that every Filipino has food on the table; 3) enabling a digital government and economy; and 4) promoting the Balik Probinsya Program. These shall ensure a healthy population, a more agile workforce, and business resiliency.

As a transition towards the implementation of the Supreme Court decision on the Mandanas-Garcia petition starting FY 2022, agency programs shall be reviewed, reduced by at least half in the aggregate, and devolved to the local government units (LGUs) that are evaluated to have sufficient resources and capacities. In addition, agencies implementing functions and services for devolution shall include in their budget proposals the funding requirements for capacitating their agencies and said LGUs to deliver the devolved services under agency supervision and/or monitoring.

Specifically, the National Government Agencies (NGAs) shall focus on standards development of service delivery and the provision of technical assistance for LGUs. This will involve strengthening of their oversight functions, shifting from “rowing” to “steering”. NGAs shall also treat LGUs as partners in development and consider cost-sharing arrangements in the implementation of local projects. In light of the COVID-19 pandemic, NGAs may consider response measures that are local in nature but may benefit multiple LGUs, such as but not limited to biosafety laboratories, foodbanks, trading centers, etc. This will help foster synergy in the implementation of national and local measures in response to the pandemic. Consistent with this, NGAs are also enjoined to design programs that will complement LGU programs instead of duplicating them.

Also, as discussed in the Cabinet, programs under the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) shall be supported to deliver needed interventions in the conflict affected areas.

The Government remains steadfast in achieving the country’s Sustainable Development Goals targets. A Sub-Committee on SDGs under the DBCC was approved during the DBCC meeting on December 11, 2019. Roles and functions of the said Sub-Committee include coordination, monitoring and recommendation to the DBCC and NEDA Board, policies, programs, activities, and projects related to meeting the SDGs consistent with national development objectives and priorities.

For details of programs under the “new normal”, please refer to the attached Part IV of the NEDA Report.



fiscal year but pay during the first quarter under the Extended Payment Period (EPP). The actual cash requirements are included in the disbursement program for the next fiscal year.

4.0 FORMULATING THE TIER 2 PROPOSALS

4.1 Composition of Tier 2 Proposals

The agency proposals under Tier 2 for FY 2021 shall consider the following expenditure components, with their multi-year requirements shown up to FY 2023:

- 4.1.1 Proposals for high priority new and expanded P/A/Ps under the new normal which are implementation-ready, included in the Updated FY 2017-2022 PIP and FY 2021-2023 TRIP, and with Investment Coordination Committee (ICC) approval by March 31, 2020. Importance will be given to infrastructure projects that will promote better health services, ease of transportation and mobility of essential goods, as well as IT infrastructure that will lead to the establishment of an ICT-enabled government;
- 4.1.2 Discontinued P/A/Ps or may no longer be completed in FY 2020 as identified per NBC No. 580⁹ but which may need to be deferred to FY 2021 under the new normal; and
- 4.1.3 Essential operations, maintenance, asset replacement and minor capital cost requirements of projects that are completed by FY 2020.

A list of Tier 2 inclusions by allotment class are detailed in Annex A of National Budget Memorandum No. 133 – National Budget Call for FY 2021. Agencies are reminded to tightly prioritize their proposals given that the Budget for FY 2021 can only increase by 5.7 percent over the 2020 updated Budget Program.

4.2 Formulating Tier 2 Proposals

- 4.2.1 The foreign exchange rate of **P52.00:\$1.00** shall be used for the computation of the peso equivalent of dollar-denominated requirements for FYs 2021-2023.
- 4.2.2 The inflation rate of **3.0 percent** shall be used in formulating the MOOE levels for indexed items or those mandatory expenditure items that are affected by changes in the prices of commodities. Non-indexed items¹⁰ are not subject to inflation since these are based on contract/rate and those with fixed amount.
- 4.2.3 With the continuing shift to cash budgeting, the Tier 2 proposals shall be limited to the P/A/Ps or goods and services that are to be delivered and paid within the year. Accordingly, the intended appropriations for these proposals shall only pertain to the cash requirements to be fully disbursed within the fiscal year, including their impact to the two out-years.
- 4.2.4 To properly allocate the limited fiscal space, Tier 2 proposals shall be evaluated based on the following considerations:

- 4.2.4.1 Available fiscal space set by the DBCC



⁹ National Budget Circular No. 580: Adoption of Economy Measures in the Government Due to the Emergency Health Situation

¹⁰ Non-indexed MOOE items include, but are not limited to: Rents, Professional Services, Subscription Expenses, Membership Dues and Contributions, Confidential and Intelligence, Extraordinary and Miscellaneous Expense, Awards and Indemnities, Subsidies and Donations, Taxes and Premiums, Labor and Wages, Rewards and Other Claims, and Other Expenses based on contract/rate or those with fixed amount.

4.2.4.2 Implementation Readiness

The P/A/Ps to be included in the budget must be implementation-ready, and to be delivered and executed within the year. Proposals must include clear, comprehensive, and complete submission of relevant supporting documents such as:

- a. Feasibility Studies;
- b. Detailed Engineering Designs;
- c. Annual Procurement Plans;
- d. Relocation Action Plans;
- e. Right-of-Way Acquisitions;
- f. Agency Operational Plans;
- g. Agency Sector Roadmaps;
- h. Network Plans;
- i. Inter-agency Clearances and Permits; and,
- j. Proofs of coordination with LGU implementers.

Other necessary information like M&E plans and risk management plans indicating efforts done to ensure P/A/Ps implementation or execution are encouraged.

If preparatory works are still required prior to actual execution, particularly for the new programs and projects, the necessary funding requirement shall only cover the first phase of implementation.

4.2.4.3 Agency Absorptive Capacity

The agency absorptive capacity as indicated by the recent budget utilization rates, represent the likelihood that the new allocation can be utilized by the agency. A low absorptive capacity reflects that the agency is unlikely to utilize additional funds.

4.2.4.4 Consistency with the Priorities in the BPF

Proposals that address the identified gaps through the strategies indicated in this BPF and in the accompanying Part IV of NEDA Report will be prioritized for funding.

4.2.4.5 Indicative Annual Procurement Plan (APP)

An indicative APP shall be prepared alongside the budget proposal to enable the agency's conduct of the early Procurement process once the National Expenditure Program (NEP) is submitted to Congress in July 2020.

The Budget Preparation (BP) Forms 202 and 203 issued in NBM No. 133, as well as BP Forms 709 and 710 for GOCCs issued in Corporate Budget Memorandum No. 42, and other relevant supporting documents shall be the basis for the evaluation. Hence, clear, comprehensive and complete submissions are required.

4.2.5 Agencies shall include prioritization of their budget proposals by straight ranking (i.e., only one P/A/P per rank and without sub ranking).

4.2.6 Submission of Tier 2 proposals shall be done on or before May 25, 2020.



4.3 Planning, Investment Planning, and Budgeting Linkage

- 4.3.1 The government's strategies and policies can be better realized through a strengthened planning, investment programming and budgeting linkage between the NGAs and the LGUs. This is to ensure the alignment of the national and local priorities as embodied in the PDP and the Regional Development Plans (RDPs).
- 4.3.2 At the same time, the NGAs are encouraged to strengthen the alignment of their plans with the plans of other IAs especially those that concern interventions that affect the same region or locality.
- 4.3.3 The NGAs through their Agency Regional Offices (AROs) shall undertake consultations and coordination with the LGUs within the Regional Development Councils (RDCs) to ensure that the national priorities and the corresponding budgets are responsive to the regional and local needs. These engagements within the RDCs also aim to improve the LGU's capacity in the planning, investment programming, and budgeting process.
- 4.3.4 The NGAs shall also be encouraged to accomplish and submit their BP Form C – Summary of RDC Inputs and Recommendations on Agency New and Expanded Programs and Projects to the DBM for evaluation and prioritization of proposals under Tier 2.

4.4 Reviewing Entities

Agency proposals shall undergo the review process/es of the following entities before they are recommended for funding:

- 4.4.1 The NEDA Board Investment Coordination Committee (ICC) for review of the project proposals with total project costs of at least P2.5 billion, except as otherwise provided by law, such as, but not limited to:
 - 4.4.1.1 Projects covered by the Build-Operate-Transfer (BOT) law and its IRR¹¹, regardless of amount;
 - 4.4.1.2 Projects which will require National Government borrowing or guarantee covered by RA No. 4860, as amended, otherwise known as the Foreign Borrowings Act, and RA No. 8182, as amended, otherwise known as the Official Development Assistance Act;
 - 4.4.1.3 Projects which will require Presidential or NEDA Board approvals based on existing laws, rules, and regulations; and,
 - 4.4.1.4 All proposed projects for funding with the Chinese Government, regardless of amount.
- 4.4.2 The NEDA Board Committee on Infrastructure (INFRACOM) for review of all infrastructure projects which shall undergo the Three (3)-Year Rolling Infrastructure Program (TRIP) process. This is to ensure merit and implementation readiness when being proposed for budget inclusion.
- 4.4.3 The Medium-Term Information and Communication Technology Harmonization Initiative (MITHI) Steering Committee for review of IT and related projects.
- 4.4.4 The Office of the Presidential Adviser on the Peace Process (OPAPP) for review of budgetary requirements of the PAMANA Program.

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¹¹ Section 2.6 of the BOT Law IRR

4.4.5 The NTF-ELCAC for review of P/A/Ps related to implementation of the Whole-of-Nation Approach-Driven National Peace Framework as embodied in Executive Order No. 70 s.2018.

4.4.6 Other endorsing entities for review of budget proposals involving specific concerns as detailed in Section 4.10 of the National Budget Call for FY 2021.

Only proposals that pass the respective review process/es shall be considered for funding under the FY 2021 Budget.

5.0 For immediate compliance.


WENDEL E. AVISADO
Secretary



Attachment:

Annex A: FY 2021 Tier 1 Budget Ceilings

Annex B: Part IV of "We Recover As One" Report

DEPARTMENT/AGENCY	TOTAL
Congress of the Philippines (CONGRESS)	20,997,668
Senate	7,766,381
Senate Electoral Tribunal	300,453
Commission on Appointments	793,296
House of Representatives	11,915,439
House of Representatives Electoral Tribunal	222,099
	-
Office of the President (OP)	5,259,021
The President's Offices	5,259,021
	-
Office of the Vice-President (OVP)	460,952
Office of the Vice-President (OVP)	460,952
	-
Department of Agrarian Reform (DAR)	7,854,142
Office of the Secretary	7,854,142
	-
Department of Agriculture (DA)	42,846,974
Office of the Secretary	34,211,886
Agricultural Credit Policy Council	2,572,384
Bureau of Fisheries and Aquatic Resources	4,112,680
Fertilizer and Pesticide Authority	146,803
Philippine Fiber Industry Development Authority	359,333
Philippine Council for Agriculture and Fisheries	195,833
National Meat Inspection Service	432,912
Philippine Carabao Center	434,829
Philippine Center for Post-Harvest Development and Mechanization	248,522
National Fisheries Research and Development Institute	131,792
	-
Department of Budget and Management (DBM)	1,366,875
Office of the Secretary	1,320,916
Government Procurement Policy Board-Technical Support Office	45,959
	-
Department of Education (DepEd)	475,424,055
Office of the Secretary	474,913,349
National Book Development Board	45,895
National Council for Children's Television	13,261
National Museum	300,994
Early Childhood Care and Development Council	56,155
Philippine High School for the Arts	94,401
	-
State Universities and Colleges (SUCs)	54,805,799
Eulogio 'Amang' Rodriguez Institute of Science and Technology	199,560
Marikina Polytechnic College	120,948
Philippine Normal University	677,632
Philippine State College of Aeronautics	145,667
Polytechnic University of the Philippines	1,198,832
Rizal Technological University	322,641
Technological University of the Philippines	587,192
University of the Philippines System	15,545,653
Don Mariano Marcos Memorial State University	766,748
Ilocos Sur Polytechnic State College	185,411
Mariano Marcos State University	565,506
North Luzon Philippines State College	71,775
Pangasinan State University	534,641
University of Northern Philippines	461,090
Abra State Institute of Science and Technology	159,291
Apayao State College	103,052
Benguet State University	579,569
Ifugao State University	283,057
Kalinga State University	226,776
Mountain Province State University	207,316
Batanes State College	36,990
Cagayan State University	647,579
Isabela State University	873,229
Nueva Vizcaya State University	412,403
Quirino State University	173,495
Aurora State College of Technology	102,735
Balaan Peninsula State University	350,974
Bulacan Agricultural State College	149,756
Bulacan State University	630,963
Central Luzon State University	720,537
Don Honorio Ventura Technological State University	293,842
Nueva Ecija University of Science and Technology	364,837
Pampanga State Agricultural University	247,275
Philippine Merchant Marine Academy	199,008
Ramon Magsaysay Technological University	280,671
Tarlac College of Agriculture	236,114
Tarlac State University	414,102
Batangas State University	491,404
Cavite State University	500,583
Laguna State Polytechnic University	385,177
Southern Luzon State University	299,206

DEPARTMENT/AGENCY	TOTAL
University of Rizal System	466,144
Marinduque State College	157,745
Mindoro State College of Agriculture and Technology	178,913
Occidental Mindoro State College	230,055
Palawan State University	360,828
Romblon State University	217,276
Western Philippines University	230,162
Bicol University	860,387
Bicol State College of Applied Sciences and Technology	105,759
Camarines Norte State College	239,982
Camarines Sur Polytechnic Colleges	190,279
Catanduanes State University	297,046
Central Bicol State University of Agriculture	403,239
Dr. Emilio B. Espinosa, Sr. Memorial State College of Agriculture and Technology	118,545
Partido State University	288,414
Sorsogon State College	265,026
Aklan State University	312,226
Capiz State University	551,592
Carlos C. Hilado Memorial State College	295,160
Guimaras State College	91,649
Iloilo State College of Fisheries	239,672
Central Philippines State University	158,855
Northern Iloilo Polytechnic State College	311,140
Northern Negros State College of Science and Technology	112,148
University of Antique	254,122
Iloilo Science and Technology University	521,056
West Visayas State University	1,210,616
Bohol Island State University	297,499
Cebu Normal University	278,674
Cebu Technological University	770,022
Negros Oriental State University	391,886
Siquijor State College	77,463
Eastern Samar State University	385,519
Eastern Visayas State University	371,559
Leyte Normal University	206,852
Naval State University	167,202
Northwest Samar State University	150,080
Palompon Polytechnic State University	154,475
Samar State University	240,362
Southern Leyte State University	287,846
University of Eastern Philippines	429,639
Visayas State University	695,746
J. H. Cerilles State College	169,505
Jose Rizal Memorial State University	344,321
Western Mindanao State University	531,954
Zamboanga City State Polytechnic College	176,133
Zamboanga State College of Marine Sciences and Technology	142,476
Basilan State College	99,806
MSU-Tawi-Tawi College of Technology and Oceanography	568,114
Sulu State College	104,197
Tawi-Tawi Regional Agricultural College	98,024
Bukidnon State University	326,427
Camiguin Polytechnic State College	76,816
Central Mindanao University	503,479
Mindanao University of Science and Technology	288,082
MSU-Iligan Institute of Technology	1,022,220
Misamis Oriental State College of Agriculture and Technology	96,283
Northwestern Mindanao State College of Science and Technology	48,220
Compostela Valley State College	41,286
Davao del Norte State College	82,586
Davao Oriental State College of Science and Technology	146,176
Southern Philippines Agri-Business and Marine and Aquatic School of Technology	100,208
University of Southeastern Philippines	419,765
Cotabato State University	133,247
Cotabato Foundation College of Science and Technology	170,116
Sultan Kudarat State University	287,360
University of Southern Mindanao	478,962
Adiong Memorial Polytechnic State College	55,555
Mindanao State University	3,089,931
Agusan del Sur State College of Agriculture and Technology	122,463
Caraga State University	214,836
Surigao del Sur State University	278,158
Surigao State College of Technology	262,996
Department of Energy (DOE)	1,308,447
Office of the Secretary	1,308,447

DEPARTMENT/AGENCY	TOTAL
Department of Environment and Natural Resources (DENR)	21,998,509
Office of the Secretary	17,250,537
Environmental Management Bureau	2,123,318
Mines and Geo-Sciences Bureau	1,253,135
National Mapping and Resource Information Authority	1,167,374
National Water Resources Board	113,365
Palawan Council for Sustainable Development Staff	90,780
	-
Department of Finance (DOF)	16,287,009
Office of the Secretary	765,119
Bureau of Customs	2,592,248
Bureau of Internal Revenue	7,716,281
Bureau of Local Government Finance	250,920
Bureau of the Treasury	3,896,205
Central Board of Assessment Appeals	17,944
Insurance Commission	313,456
National Tax Research Center	70,665
Privatization and Management Office	79,880
Securities and Exchange Commission	584,291
	-
Department of Foreign Affairs (DFA)	18,939,232
Office of the Secretary	18,846,334
Foreign Service Institute	65,253
Technical Cooperation Council of the Philippines	3,788
UNESCO National Commission of the Philippines	23,857
	-
Department of Health (DOH)	70,026,545
Office of the Secretary	69,214,168
Commission on Population	448,336
National Nutrition Council	364,041
	-
Department of Information and Communications Technology	4,226,114
Office of the Secretary	3,630,679
National Telecommunications Commission	424,845
National Privacy Commission	138,782
Cybercrime Investigation and Coordination Center	31,808
	-
Department of the Interior and Local Government (DILG)	194,273,162
Office of the Secretary	4,587,130
Bureau of Fire Protection	19,677,051
Bureau of Jail Management and Penology	14,173,270
Local Government Academy	251,402
National Commission on Muslim Filipinos (Office on Muslim Affairs)	539,515
National Police Commission	1,806,369
National Youth Commission	127,547
Philippine Commission on Women (National Commission on the Role of Filipino Women)	101,948
Philippine National Police	151,299,834
Philippine Public Safety College	1,709,096
	-
Department of Justice (DOJ)	20,323,231
Office of the Secretary	6,681,826
Bureau of Corrections	2,806,516
Bureau of Immigration	1,227,917
Land Registration Authority	1,498,532
National Bureau of Investigation	1,486,078
Office of the Government Corporate Counsel	172,479
Office of the Solicitor General	1,097,119
Parole and Probation Administration	920,883
Presidential Commission on Good Government	142,488
Public Attorney's Office	4,289,393
	-
Department of Labor and Employment (DOLE)	10,719,948
Office of the Secretary	6,347,839
Institute for Labor Studies	43,654
National Conciliation and Mediation Board	239,449
National Labor Relations Commission	1,242,409
National Maritime Polytechnic	105,808
National Wages and Productivity Commission	237,104
Philippine Overseas Employment Administration	435,606
Professional Regulation Commission	1,122,205
Overseas Workers Welfare Administration	945,874

DEPARTMENT/AGENCY	TOTAL
Department of National Defense (DND)	175,741,620
DND-Level Central Adm. & Support	2,472,577
Office of the Secretary - Proper	488,417
Government Arsenal	1,234,983
National Defense College of the Philippines	79,836
Office of Civil Defense	669,341
Philippine Veterans Affairs Office (PVAO)	2,180,879
Philippine Veterans Affairs Office (PVAO) - Proper	563,310
Veterans Memorial Medical Center	1,617,569
Armed Forces of the Philippines	136,586,072
Philippine Army (Land Forces)	85,598,656
Philippine Air Force (Air Forces)	23,708,604
Philippine Navy (Naval Forces)	27,278,812
Joint Level Central Adm. & Support	34,502,092
General Headquarters, AFP and AFP-Wide Service Support Units (AFPWSSUS)	34,502,092
Department of Public Works and Highways (DPWH)	150,712,559
Office of the Secretary	150,712,559
Department of Science and Technology (DOST)	20,140,201
Office of the Secretary	5,069,533
Advanced Science and Technology Institute	126,837
Food and Nutrition Research Institute	499,799
Forest Products Research and Development Institute	192,817
Industrial Technology Development Institute	385,717
Metals Industry Research and Development Center	217,283
National Academy of Science and Technology	102,232
National Research Council of the Philippines	90,232
Philippine Atmospheric, Geophysical and Astronomical Services Administration	1,000,368
Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development	936,798
Philippine Council for Health Research and Development	492,918
Philippine Council for Industry, Energy and Emerging Technology Research and Development (PCIERD)	511,063
Philippine Institute of Volcanology and Seismology	358,243
Philippine Nuclear Research Institute	334,620
Philippine Science High School	2,631,072
Philippine Textile Research Institute	72,377
Science Education Institute	6,894,051
Science and Technology Information Institute	91,347
Technology Application and Promotion Institute	132,894
Department of Social Welfare and Development (DSWD)	129,903,940
Office of the Secretary	128,235,185
Council for the Welfare of Children	59,378
Inter-Country Adoption Board	53,722
Juvenile Justice and Welfare Council	94,351
National Anti-Poverty Commission	217,544
National Council on Disability Affairs	47,901
National Commission on Indigenous Peoples	1,025,260
Presidential Commission for the Urban Poor	170,599
Department of Tourism (DOT)	3,687,907
Office of the Secretary	3,401,148
Intramuros Administration	86,210
National Parks Development Committee	200,549
Department of Trade and Industry (DTI)	11,626,725
Office of the Secretary	4,086,497
Board of Investments	360,580
Construction Industry Authority of the Philippines	122,441
Cooperative Development Authority	532,380
Design Center of the Philippines	93,325
Philippine Trade Training Center	53,972
Technical Education and Skills Development Authority	6,377,530

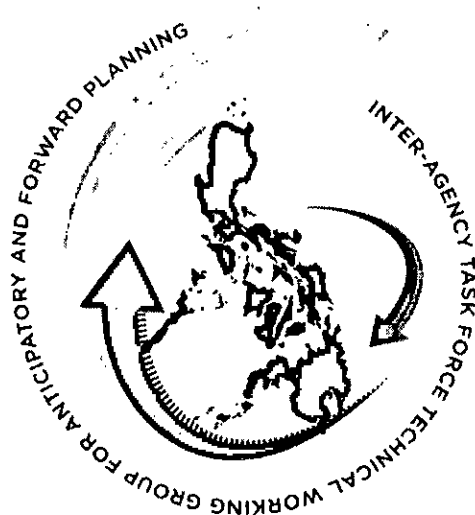
DEPARTMENT/AGENCY	TOTAL
Department of Transportation	53,659,538
Office of the Secretary	41,804,525
Civil Aeronautics Board	118,939
Maritime Industry Authority (MARINA)	769,403
Office of Transportation Cooperatives	33,522
Office for Transportation Security	765,147
Philippine Coast Guard	10,132,246
Toll Regulatory Board	35,756
	-
National Economic and Development Authority (NEDA)	5,199,438
Office of the Director-General	1,297,071
Philippine National Volunteer Service Coordinating Agency	32,148
Public-Private Partnership Center of the Philippines	181,136
Philippine Statistical Research and Training Institute (formerly Statistical Research and Training Center)	54,050
Tariff Commission	80,075
Philippine Statistics Authority	3,554,958
	-
Presidential Communications Operations Office (PCOO)	1,374,956
Presidential Communications Operations Office (Proper)	338,474
Bureau of Broadcast Services	361,526
Bureau of Communications Services	35,468
National Printing Office	11,490
News and Information Bureau	121,083
Philippine Information Agency	305,900
Presidential Broadcast Staff (RTVM)	201,015
	-
Other Executive Offices	57,264,477
Anti-Money Laundering Council	20,759
Climate Change Commission	80,854
Commission on Filipinos Overseas	104,885
Commission on Higher Education	48,982,237
Commission on the Filipino Language	71,842
Dangerous Drugs Board	231,022
Energy Regulatory Commission	375,681
Film Development Council of the Philippines	183,735
Games and Amusement Board	132,382
Governance Commission for Government-Owned or Controlled Corporations	184,878
Housing and Land Use Regulatory Board	379,272
Housing and Urban Development Coordinating Council	149,064
Mindanao Development Authority	157,673
Movie and Television Review and Classification Board	98,530
National Commission for Culture and the Arts-Proper	516,118
National Historical Commission of the Philippines	193,856
National Library of the Philippines	153,384
National Archives of the Philippines	118,555
National Intelligence Coordinating Agency	821,558
National Security Council	190,684
Office of the Presidential Adviser on the Peace Process	670,801
Optical Media Board	65,658
Pasig River Rehabilitation Commission	119,084
Philippine Drug Enforcement Agency	1,894,141
Philippine Racing Commission	188,709
Philippine Sports Commission	203,147
Presidential Legislative Liaison Office	96,503
Presidential Management Staff	468,288
Philippine Competition Commission	411,177
	-
Joint Legislative-Executive Councils	3,923
Legislative-Executive Development Advisory Council	3,923
	-
The Judiciary	34,098,389
Supreme Court of the Philippines and the Lower Courts	30,483,747
Presidential Electoral Tribunal	134,645
Sandiganbayan	764,181
Court of Appeals	2,282,868
Court of Tax Appeals	432,948
	-
Civil Service Commission (CSC)	1,729,405
Civil Service Commission	1,640,958
Career Executive Service Board	88,447
	-
Commission on Audit (COA)	12,477,342
Commission on Audit (COA)	12,477,342
	-
Commission on Elections (COMELEC)	13,906,013
Commission on Elections (COMELEC)	13,906,013

DEPARTMENT/AGENCY	TOTAL
Office of the Ombudsman	2,811,365
Office of the Ombudsman	2,811,365
Commission on Human Rights (CHR)	814,810
Commission on Human Rights (CHR)	782,593
Human Rights Violations Victim's Memorial Commission	32,217
Budgetary Support to Government Corporations (BSGC)	121,744,035
National Dairy Authority	268,908
National Food Authority	7,000,000
National Irrigation Administration	31,458,839
National Tobacco Administration	396,384
Philippine Coconut Authority	1,243,106
Philippine Crop Insurance Corporation	3,500,000
Philippine Fisheries Development Authority	5,163,975
Philippine Rice Research Institute	621,796
Sugar Regulatory Administration	712,260
National Electrification Administration	1,162,500
National Power Corporation	1,186,206
Lung Center of the Philippines	323,543
National Kidney and Transplant Institute	899,938
Philippine Children's Medical Center	934,446
Philippine Health Insurance Corporation	57,111,145
Philippine Heart Center	1,416,023
Philippine Institute of Traditional and Alternative Health Care	125,128
Tourism Promotions Board	1,076,939
Aurora Pacific Economic Zone and Freeport Authority	46,372
Center for International Trade Expositions and Missions	234,319
Small Business Corporation	1,000,000
Light Rail Transit Authority	59,132
Philippine National Railways	715,000
Philippine Institute for Development Studies	85,449
People's Television Network, Inc.	76,227
Authority of the Freeport Area of Bataan	95,000
Bases Conversion and Development Authority (formerly Bases Conversion Development Authority)	2,381,584
Cultural Center of the Philippines	332,298
Development Academy of the Philippines	354,513
National Home Mortgage Finance Corporation	500,000
Philippine Center for Economic Development	30,896
Social Housing Finance Corporation	369,203
Southern Philippines Development Authority	18,984
Subic Bay Metropolitan Authority	502,300
Zamboanga City Special Economic Zone Authority	217,876
Philippine Tax Academy	95,140
BSGC-Others	28,606
Allocations to Local Government Units (ALGU)	3,260,976
Metropolitan Manila Development Authority	3,260,976
Grand Total	1,767,275,302



INTER-AGENCY TASK FORCE TECHNICAL WORKING GROUP
FOR ANTICIPATORY AND FORWARD PLANNING

WE
RECOVER
AS ONE



Part IV

Defining the new normal and ways forward

In the days and months after the enhanced community quarantine (ECQ) is lifted, the COVID-19 threat will likely remain. We will need to find ways to resume social and economic activities while sustaining efforts to limit the spread of the virus. In this regard, it is essential to characterize the new normal and identify the appropriate government interventions and policies that will facilitate transition into the new normal.

In defining the new normal, the Inter-Agency Technical Working Group (TWG) for Anticipatory and Forward Planning (AFP) consulted various government agencies and private organizations and undertook an online public consultation, which ran from April 4-7 and participated in by 5,583 respondents. The online survey, composed of open-ended questions, was designed to find out how stakeholders characterize the new normal and how they perceive challenges that it will entail. Results of the consultation indicate that the desired new normal is one that is more resilient and better prepared for emergencies such as the COVID-19 pandemic. Participants also provided inputs for the possible realignment of existing policies, programs, and projects, including possible legislative actions needed to help society adjust to the new normal.

World Health Organization Director-General Dr. Tedros Adhanom Ghebreyesus, in his opening remarks at a media briefing on April 13, outlined six criteria that need to be met before restrictions could be lifted:

1. Transmission is controlled;
2. Health system capacities are in place to detect, test, isolate, and treat every case and trace every contact;
3. Outbreak risks are minimized in special settings like health facilities and nursing homes;
4. Preventive measures are in place in workplaces, schools, and other places where it's essential for people to go;
5. Importation risks can be managed; and
6. **Communities are fully educated, engaged, and empowered to adjust to the “new norm.”**

In fact, even when restrictions have been lifted, “every country should be implementing a comprehensive set of measures to slow down transmission and save lives, with the aim of reaching a steady state of low-level or no transmission.” Such is the goal of the transition to the new normal.

Characterizing the new normal

General context

In general, the new normal will be characterized by the need to observe social distance and strict personal hygiene and other sanitation protocols. There may still be sporadic lockdowns, though over a smaller geographic unit. At the same time, the COVID-19 threat looms large in the minds of individuals – consumers and business alike.

This general context has far-reaching implications across the different dimensions: political, economic, social, technological, legal, and environmental.

Political

The new normal is characterized by volatility and uncertainty. Thus, increased attention towards managing multi-dimensional risks arising from public health emergencies like COVID-19 is required. These risks are expected to increase in the coming months when the country becomes most vulnerable to natural hazards such as typhoons, flooding, and drought, among others.

As frontliners in their respective jurisdictions, the local government units (LGUs) are expected to take on a greater role in the COVID-19 pandemic. LGUs bear the responsibility of delivering public services, including nationally funded programs for health and social safety nets, enforcing the community quarantine directives, and maintaining the uninterrupted flow of essential personnel, goods, and services in their localities. Also, recent experience shows that LGUs have different types and amount of resources, institutional capacity, readiness, and leadership capabilities,¹⁵ among others. It is likely that because of these, some have taken control measures to the extreme, even being more restrictive than the national government. This posturing may continue unless LGUs are assured that help from the national government will come promptly.

While it has been said that no one is spared from COVID-19, case fatality rate differs across sectors. At the same time, the imposition of the ECQ has affected families and businesses in different ways. For certain measures, there is a need for targeted delivery. National and local governments have come to realize the importance of having a registry containing information on residence, demographic characteristics, occupation, if in need of special attention, etc. There will then be increased demand for the acceleration of the Philippine Identification System (PhilSys) implementation.

For purposes of planning, statistics on the socioeconomic characteristics of the population have to be made available for a barangay or municipality where a targeted lockdown is imposed. There will then be increased demand for a finer breakdown of official data.

Economic

Macroeconomy

The global economy is expected to be in recession in 2020 as the COVID-19 pandemic continues to spread, significantly slowing down and even halting economic activities in certain areas in various countries. The International Monetary Fund (IMF) estimates that the current crisis will result in contraction in global economy with a -3.0 percent growth in 2020, assuming that the pandemic diminishes in the second half of the year and strict containment measures will be subsequently and gradually lifted.¹⁶

¹⁵ De La Salle University – Jesse Robredo Institute of Governance. (1 April 2020). "Setting Up a Community Response Strategy for LGUs: Practical Advice for Re-orienting Existing Systems to Deal with COVID-19" Policy Brief Volume 1 Issue 1. Sourced from <https://static1.squarespace.com/static/58ff0e1fa5790aa37e3fa35a/t/5e8d0d1d06d18f342171426e/1586302239716/JRIG+Policy+Brief+Volume+1+Issue+2.pdf>. 7 April 2020

¹⁶ IMF. (14 April 2020). "World Economic Outlook, April 2020: Chapter 1." Accessed through <https://www.imf.org/en/Publications/WEQ/Issues/2020/04/14/weo-april-2020>.

The unprecedented containment efforts taken by governments around the world to stem the spread of the virus are expected to have the most significant immediate economic impact¹⁷ as these hamper both supply and demand.¹⁸ In particular, shutdowns have disrupted supply chains, layoffs have lowered income, and uncertainty has reduced demand.¹⁹

These global disruptions, together with the travel restrictions imposed at the end of January, deterioration in business and consumer confidence, and the imposition of the ECQ in Luzon, are estimated to reduce domestic economic growth to -3.4 to -2.0 percent in 2020. Reduced revenues and higher spending due to the crisis are expected to raise the budget deficit to at least 5 percent of the gross domestic product (GDP) in 2020 with a gradual consolidation in the medium term.

The deterioration of balance sheets of firms and households may lead to tighter lending standards of banks. At the same time, rising risk aversion of investors may significantly drive out capital, which leads to tighter liquidity, limiting the amount of available cash and funds for investment. Foreign portfolio investments have already registered net outflows from the Philippines in the first two months of 2020, a reversal from net inflows in the same period last year.

Trade is seen to slow down, with traders relying more on online processing of trade documents to facilitate seamless movement of cargo. The World Trade Organization estimates that world merchandise trade would fall between 13 percent and 32 percent in 2020 alone.²⁰ Exports from North America and Asia are expected to be hardest hit, with trade from sectors with complex value chains, such as electronics and automotive products, expected to decline.

Production sectors

Agriculture and Fishery

The implementation of ECQ has brought to fore the primordial need for food security — that is, food is available, accessible, and affordable to all, and meets the nutritional requirements of all.

Agri-food supply chain disruptions are expected to persist, particularly in the transport and logistics system of inputs, machineries and equipment, and farm produce. Movement of people involved in the transport of such inputs and products, technicians, and extension workers will also be limited. Further, with the regulated operations of wet markets, supermarkets, and retail food establishments, the increased reliance on online/digital transactions for food commodities is expected to continue, even in the post-ECQ scenario.

On the production side, there will be an increased demand for modern agricultural machineries and equipment in lieu of manual labor, given the need to limit movement of people. Innovative technologies on processing and packaging need to keep up with the increased demand for processed food with longer shelf life. This also means that there will be higher demand for raw materials to be used for preserving food, e.g., salt, sugar, vinegar.

¹⁷ World Bank. (April 2020). "East Asia and Pacific Economic Update April 2020." Accessed through <https://www.worldbank.org/en/region/eap/publication/east-asia-pacific-economic-update>.

¹⁸ Asian Development Bank. (April 2020). "Asian Development Outlook 2020: What Drives Innovation in Asia?" Accessed through <https://www.adb.org/sites/default/files/publication/575626/ado2020.pdf>.

¹⁹ IMF. (14 April 2020). "World Economic Outlook, April 2020: Chapter 1." Accessed through <https://www.imf.org/en/Publications/WEQ/Issues/2020/04/14/wco-april-2020>.

²⁰ WTO. (8 April 2020). "Trade set to plunge as COVID-19 pandemic upends global economy." Accessed through https://www.wto.org/english/news_c/prs20_c/pr855_e.htm.

The pandemic will also cause a shift in consumer preferences for healthier diets, which will increase demand for safe and nutritious food. Consumers are now more health-conscious and selective of the food they eat, preferring to eat fruits and vegetables to boost their immune system against diseases.

The expected reduction in tourism and dine-in services will result in reduced demand for agricultural food items from these establishments. The most affected commodities are expected to be the income-elastic food, like meat and high-value cash crops. On the other hand, there may be higher demand for agro-industrial products like rubber (for making gloves and personal protective equipment), fiber (for making masks, etc.), and raw materials for soap and disinfectants.

Industry and Services

The major economic impact of the COVID-19 pandemic is the temporary suspension of production activities for both goods and services. NEDA's initial estimates show that the economy may register a decline as many businesses have stopped operations and find it difficult to cope with the losses.

As the country navigates through the lingering effects of the pandemic, there is a heightened risk of financial insolvency for firms particularly those that have incurred mounting debt, those with large overhead costs, and those with limited or no insurance coverage against losses. In the near term, there will be increased demand among companies, especially from the micro, small, and medium enterprises (MSMEs), for economic assistance such as tax breaks, access to credit subsidies, debt relief, and employment subsidy support, among others.

In the manufacturing sector, production of merchandise goods will favor essential goods particularly food, medicine, medical and pharmaceutical products, and other essential goods mostly related to efforts to contain the outbreak. Equally important is for the manufacture of intermediate inputs and raw materials for essential goods to remain unhampered (e.g., plastic and plastic products, rubber products, chemical products, etc.). Construction will have to focus on building quarantine and other health facilities, and rehabilitating existing ones to increase the capacity of the health care system. There may even be increased construction demand in the rural areas, as urban dwellers realize the advantages of less dense areas.

In many service-oriented organizations in the private and public sector, flexible-work arrangements (e.g., work from home) will have to be implemented in accordance with strict social distancing protocols. In many instances, part of the new normal means working and interacting virtually instead of face-to-face. Workspaces (e.g., factories and office spaces) will need to be re-configured to address the need for physical distancing.

Work protocols in the manufacturing sector will also need to be reconfigured to comply with social distancing. This will mean a mix of staggered work hours and greater dispersion of workspaces.

Sit-down eateries may need to shift to take-out menus. And those that anchor their business model on the ambience of their place will need to re-package their service. The same goes for tourism establishments.

Hygiene protocols will be expected in all establishments, such as the presence of disinfection areas and disinfectants within easy access of everyone. Health checks and temperature scanning will remain the norm. These will mean higher cost of doing business in the near term.

E-commerce will play a big role in the new normal scenario as businesses and consumers increase the use of online transactions, including the expanded use of cashless payment system and other financial

technology platforms. This bodes well for the retail and other business activities sectors, including information technology and business process management (IT-BPM).

In the transport sector, reduced load factor accompanied by stringent sanitary protocols in all modes of public transportation will be part of the new normal. Travel restrictions will likely continue for the time being, as demand for tourism and travels, in general, will be relatively low.

Social

The reconfiguration of many establishments in the industry and services sectors will result in a number of displaced workers, including overseas Filipino workers (OFWs) who have been repatriated or are expected to be repatriated in view of the lower global demand. As of April 12, the number of repatriated OFWs due to the pandemic stood at 11,892.

Social activities will remain limited by the need to practice physical distancing. Wearing of masks and bringing of hand sanitizers and alcohol will be the norm. Frequent washing of hands will continue to be promoted.

Mass gatherings will continue to be restricted or discouraged and areas that become easily crowded will be strictly monitored. Church services will have to be conducted online or broadcast through television, as before. The Meetings, Innovations, Convention, and Exhibition sector will bear the brunt of this norm. This will also be the case for most entertainment activities – cinemas, concerts, sports, etc. Note that some of these venues have already been converted into quarantine or treatment facilities.

Schools will likely remain closed, with the reopening date very uncertain. In any case, most students in elementary and high school are still on vacation. When school does reopen, class sizes will have to be dramatically reduced. The education sector will then need to reconfigure its mode of delivery or the curriculum itself so that less time will be spent in the physical classroom. There will also be clamor for more virtual classes.

Some families have been affected worse than others. There have been hundreds who lost their loved ones to COVID-19. Some of the deceased may have been the breadwinners in their families. Some families were not even able to observe usual funeral practices because patients who died are immediately cremated. The anxiety and feeling of uncertainty caused by the pandemic may also increase the demand for mental health care not just among those who lost their loved ones, but also among those who lost their jobs.

Most definitely, there will be increased demand for health services. Even after the COVID-19 is placed under control, health-seeking behavior of Filipinos is expected to improve. This increased demand also implies increased demand for health workers. However, global demand for health workers is also expected to increase, especially over the short term.

For COVID-19 response, the health system's definition covers facilities and/or capabilities to "detect, test, isolate, and treat every case and trace every contact." This pertains to health surveillance protocols, testing kits and facilities, quarantine and isolation facilities, hospital beds, and contact tracing protocols. All these require equipment, supplies and materials, and especially, trained personnel.

Technology

There will be increased interest in using advances in medical science in the new normal. Just like the development of COVID-19 testing kits by local scientists, there will be greater efforts to find ways to manage pandemic situations (i.e., ways by which mass testing can be facilitated, design and manufacture of medical equipment that can aid in the treatment of patients such as ventilators, among others). Moreover, demand for health-related technologies (i.e., sanitation booths, contact-tracing applications, and other researches related to the treatment or response to the pandemic) will increase.

With companies, schools, and government agencies implementing work from home arrangements, the use of digital technology will increase significantly. In addition, business transactions such as online retail, online banking, online medical consultations, and digital payments, will increasingly become a necessity rather than for convenience. All these need to be supported by a reliable digital infrastructure system with strong cybersecurity protection.

For the production sector, there will be increased demand for automation to complement manual labor in the immediate term. Over the medium term, automated processes may substitute for labor.

Environment

In the new normal, the interrelationship between public health and the environment will be given greater emphasis and importance. Some researches have found a correlation between exposure to air pollution and COVID-19 mortality.²¹ While these findings will probably need to be validated across various settings, it does seem plausible that low air quality would be associated with a high rate of respiratory mortality; other studies show the channel to be via the higher incidence of chronic diseases (the so-called co-morbidities like hypertension, diabetes, cardiovascular disease, among others).

Meanwhile, the ECQ has decongested roads, which resulted in relatively better air quality particularly in cities, compared to before ECQ. However, air quality may deteriorate post-ECQ, as social distancing becomes the new normal, since people may opt to use their own vehicles to avoid the inevitable physical contact in public transport such as jeepneys, buses, and trains. Moreover, more jeepneys and buses may need to be deployed to ferry the passengers at reduced factor loading.

As more people will practice handwashing and sanitation in households, workplace, and public places, higher demand for water is inevitable. Another adverse environmental effect is the increase in volume of infectious waste materials (e.g., disposable masks) from households and in the number of health care facilities due to the rising number of COVID-19 patients. Solid wastes from packaging materials will also increase due to the surge in delivery of food and other essential supplies.

On the positive side, there will be greater interest in urban agriculture, given the importance of ensuring steady food supply. The use of idle urban spaces for urban agriculture, backyard/household gardening of edibles, and community farming will increase. Further, localizing the source of produce in urban areas will also help cut down fossil fuel consumption necessary to transport, package, and sell food. Considering the foregoing, the pandemic is expected to spark positive behavioral effects on people, especially on the need to conserve finite natural resources and safeguard the quality of environment and public health.

²¹ See, for example: "Exposure to air pollution and COVID-19 mortality in the United States", Xiao Wu, Rachel C. Nethery, Benjamin M. Sabath, Danielle Braun, Francesca Dominici. *medRxiv* 2020.04.05.20054502; doi: <https://doi.org/10.1101/2020.04.05.20054502> ; and "Assessing nitrogen dioxide (NO₂) levels as a contributing factor to coronavirus (COVID-19) fatality," Yaron Ogen. *Science of the Total Environment* 726(2020) 38605; <https://doi.org/10.1016/j.scitotenv.2020.138605>.

Legal

The *Bayanihan* to Heal as One Act is a temporary measure and effective only for three months. Meanwhile, the following laws already exist: the Mandatory Reporting of Notifiable Diseases and Health Events of Public Concern Act to address concerns on health, health care workers, and supplies (Republic Act No. 11332); the Price Act (RA 7581 as amended by RA 10623) and the Universally Accessible Cheaper and Quality Medicines Act (RA 9502) on availability of goods and services; the Government Procurement Reform Act (RA 9184) and Government Procurement Policy Board Resolution No. 03-2020 on government procurement during a state of public health emergency; and the Local Government Code (RA 7160) on coordination between national government and LGUs.²² These will need to be reviewed as to whether they provide sufficient latitude for the President to implement the needed interventions.

The scale and severity of the pandemic has also justified the government's restriction of some of our fundamental freedoms, particularly of movement and of expression. Thus, in crafting and implementing government responses to this public health threat, careful attention must be given in ensuring that our fundamental human rights are continuously upheld.

As the new normal contemplates increased reliance on technology in people's everyday lives, it begs the question: "How much of our privacy are we willing to give up in the interest of public health?" The situation necessitates striking a balance between data privacy and public health. Furthermore, with the more widespread use of big data analytics, we will likewise see the rise of data security and data discrimination concerns.²³ The Data Privacy Act of 2012 (RA 10173) needs to be assessed if it is enough to address these valid concerns. Equally important is an assessment on the government's ability to protect the people, businesses, and the government itself against cyber-attack and cybercrime.

The legal implications arising from the pandemic also include the treatment of supply contracts affected by supply chain disruption; insurance coverage of epidemic-related damage to business and property; and employment arrangements.

In addition, laws on stockpiling of critical materials, which include medicines and devices for life-saving care, will have to be revisited.

Transition to the new normal and ways forward

The new normal, as described above, will also affect the public sector, including macroeconomic and fiscal indicators. It is then important to identify the crucial policies and strategies to address the new set of challenges and facilitate the transition to the new normal.

²² University of the Philippines. (2020). *Reflections on the Bayanihan Act or Republic Act No. 11469 ('the Act') with matrix of presentational powers under existing laws to meet emergencies, including the COVID-19 crisis*. Retrieved from: <https://law.upd.edu.ph/wp-content/uploads/2020/03/Reflections-on-the-Bayanihan-Act-30March2020.pdf>

²³ Marr, Bernard. (15 June 2017). "3 massive big data problems everyone should know about." Retrieved from <https://www.forbes.com/sites/bernardmarr/2017/06/15/3-massive-big-data-problems-everyone-should-know-about/#4c709cb86186>

Economic development

Macroeconomy

Fiscal Sector

High deficit in 2020 and 2021. The projected decline in government revenues amid muted economic activities, together with increased government spending on COVID-19 response and mitigating measures, is expected to put pressure on the country's fiscal position in 2020 and 2021.

Priority Policies and Strategies

Realign expenditure priorities in 2020 and 2021. National government agencies (NGAs) will have to realign expenditure priorities to facilitate the transition and adjustment to the “new normal.” For 2021, the list of Build Build Build projects can be revisited to give priority to crucial and shovel-ready projects, to provide more space for relevant health-related expenditures and to improve the digital infrastructure.

Anticipate potential realization of contingent liabilities. Given the persistence of uncertainty in global and domestic conditions, it is prudent to provide ample allowance for potential realization of contingent liabilities, or the potential loss that may be incurred in the future depending on the outcome of a specific event, in this case, the COVID-19 pandemic.

Explore all multilateral and market financing options. The national government will explore various options, including those from multilateral institutions (e.g., World Bank, Asian Development Bank). The Bureau of the Treasury also plans to tap the local market through local bonds issuance and the offshore commercial markets through issuance of dollar-denominated debt papers, “panda” bonds, and “samurai” bonds. Increased risk aversion of investors, however, can lead to an increase in borrowing costs.

Communicate the recovery plan. To manage market expectations and ensure stability, the national government needs to carefully and clearly communicate its recovery plan, as well as the temporary nature of the deviation from the medium-term fiscal program.

Promote co-financing between the national government (NG) and local government units (LGUs) for development programs. The government needs to explore cost-sharing schemes between the NG and LGUs for response measures that are local in nature but may benefit multiple LGUs (e.g., setting up of local biosafety laboratories, foodbanks, and trading centers). These can facilitate synergy in the implementation of national and local measures.

Establish digital taxation framework. With the expected shift of the private sector to online transactions, the government needs to establish a digital taxation framework. There is also a need to invest in digital taxation infrastructure.

Monetary and Financial Sector

Tightening in domestic liquidity. The deterioration of balance sheets of firms and households may lead to tighter lending standards of banks. At the same time, rising risk aversion of investors may cause an elevated outflow of capital, leading to tighter liquidity.

Possibly higher non-performing loans in the banking sector. Given the losses during the ECQ, as well as subdued demand even post-ECQ, some businesses may not be able to fulfill their loan obligations. Rising unemployment may likewise lead to defaults in consumer loans.

Possibility of defaults on coupon payment and deterioration of capital for regulated entities. Deterioration in the financial positions of bond-issuing firms may lead to defaults on coupon payments and principal. Decline in value of financial assets and real property, on top of operational losses may lead to the deterioration of capital of firms, including banks and insurance companies.

Increased demand for doing online banking and other financial transactions. As economic transactions shift to online platforms, the demand for online payment, savings, investment, and other financial services will rise as well.

Increased demand for insurance products. A surge in demand for insurance products and claims could be expected with the increase in infections and fatalities caused by the pandemic.

Priority Policies and Strategies

Adopt an accommodative monetary stance. With the balance of inflation risks tilted to the downside, monetary authorities have room to further reduce policy rates and/or reserve requirements.

Encourage banks to use capital and liquidity buffers. The government needs to continue to grant regulatory relief measures to banks even after the pandemic. These include using capital and liquidity buffers to provide financial relief to distressed borrowers and providing reasonable time to restore buffers. It should also consider extending the validity of the *Bangko Sentral ng Pilipinas* Memorandum No. 2020-008, which allows banks to book allowance for credit losses on a staggered basis for a maximum of five years.

Conduct stress-testing and improve the liquidity risk management practices of regulated entities. Stress-testing of financial institutions will help identify those that are vulnerable to possible losses amid the COVID-19 outbreak. It is also important to continually improve liquidity risk management practices of regulated entities, particularly insurance companies, to keep abreast of the liquidity implications of the changing environment.

Disclose possibility of delay in payments and contracts with cross-default provisions by issuers of corporate bonds. Measures to increase transparency in the capital markets will help boost investor confidence. This includes the timely disclosure of delayed payments to bond holders and contracts with cross-default provisions.

Strengthen infrastructure for and regulation of online financial services. Given the increased demand for online financial services, the relevant infrastructure and regulatory oversight need to be strengthened, including closer monitoring of cybersecurity plans. Transaction costs and limits for electronic fund transfers need to be eased for a longer period. The EGov Pay Facility may be expanded to enable ordinary citizens to securely transact with government online. Government transfers can be facilitated through the use of e-money. The adoption of national quick response (QR) code this year is also expected to enhance interoperability of payment systems.²⁴

Strengthen financial inclusion by leveraging on financial technology. Mobile banking and payment services of banks and emerging financial technology companies can be utilized to widen the reach of financial services in the country. The implementation of the National ID System can also help lessen

²⁴BSP. (17 October 2019). "The Bangko Sentral pursues adoption of a National QR Code Standard for Payments" Accessed from <http://www.bsp.gov.ph/publications/media.asp?id=5182>

the burden of tedious account opening requirements, allowing for the people's easier access to the financial system.

Strengthen information and education campaign on insurance policies. Improved insurance literacy will help protect consumers from loss and uncertainty. The Insurance Commission must closely monitor insurance premiums to guard against unreasonable increases. Passage of the Financial Consumer Protection Bill will provide the regulatory framework to protect the interest of financial consumers and reinforce confidence in financial markets.

Proposed Legislative Actions

- Enact a law similar to the Special Purpose Vehicle [SPV] Act of 2002 (RA 9182), which grants tax exemptions and fee privileges to SPVs that acquire or invest in non-performing assets of banks.
- Enact a law addressing existing gaps vis-à-vis the “Key Attributes for Effective Resolution Regime” of the Financial Stability Board.²⁵
- Revisit the Data Privacy Act of 2012 (RA 10173) to strengthen safeguards to avoid data privacy breaches.
- Revisit the Electronic Commerce Act of 2000 (RA 8792) to make the law more comprehensive in detailing transactions within its purview, specifying the rights of consumers, strengthening the penalties imposed on service providers, and imposing obligations on service provider to ensure that their data processing and money handling are transparent and safeguarded from possible breaches.
- Enact a Financial Consumer Protection Law.

External Sector

Overall contraction in global trade. The pandemic, while largely a health issue, has also significantly disrupted world trade. The World Trade Organization estimated that world merchandise trade would fall between 13 percent and 32 percent in 2020 alone.²⁶ Exports from North America and Asia are expected to be hardest hit, with the trade from sectors with complex value chains, such as electronics and automotive products, expected to fall steeper.

Increased volatility of capital flows. Higher risk aversion against developing countries has led to capital flight in these economies as investors flock to safe havens. Foreign portfolio investments have registered net outflows from the Philippines in the first two months 2020, a reversal from net inflows in the same period last year. Moving forward, massive monetary stimuli, particularly in major advanced economies, could result in sudden capital inflows.

Priority Policies and Strategies

Fast-track the implementation of TradeNet. TradeNet needs to be swiftly implemented to help reduce the cost of engaging in trade and facilitate movement of cargo through online processing and inter-agency certification that ensures the authenticity of digital documents. The system can also be linked to online payment systems to ease payment procedures for trade documents.

Establish crisis communication management system among exporters, importers, and the government to ensure seamless movement of cargoes. The initial confusion related to exemptions on movement of cargo during the ECQ highlighted the need for the establishment of a crisis

²⁵ Financial Stability Board. (15 October 2014). *Report on Key Attributes of Effective Resolution Regimes for Financial Institutions*. Retrieved from https://www.fsb.org/wp-content/uploads/r_141015.pdf

²⁶ World Trade Organization. (8 April 2020). “Trade set to plunge as COVID-19 pandemic upends global economy.” Accessed through https://www.wto.org/english/news_c/pres20_c/pr855_e.htm

communication management system that will specify the protocols and procedures in critical or emergency situations. A registry or database of importers and traders needs to be developed for the easy issuance of permits and passes. It will be useful for the national government, LGUs, and the private sector to have an integrated website that tracks real-time information on cargo release, availability of supply, production, and inventory.

Revive discussions in regional forums on the possibility of developing regional stockpiling of essential goods. Rather than working in harmful silos, countries will be more effective in crisis response through regional cooperation. This can start with developing regional stockpiling of essential goods. Likewise, formulating and operationalizing a logistics trade flow for the movement of essential items within the ASEAN region to reduce the country's vulnerability to supply constraint may be considered.

Scale up and diversify products to minimize vulnerability and take advantage of opportunities for shift in business processes and consumer preferences. While demand is likely to go down for major export products (due to changes in consumer preference in partner countries, reduction in production activities, or constraints in customs operations), the possible shift to or focus on electronic products and equipment provides an opportunity for the country to be part of the value chain for production of robots or installation of Artificial Intelligence in various systems. There is also a window of opportunity for exports of medical equipment, supplies, testing kits, and other medical related articles as the demand for these products is unlikely to go down until a vaccine is found and mass produced.

Strictly enforce phytosanitary protocols to ensure that regulated and prohibited cargoes will not be able to enter the country. To ensure that our territory remains safe against trade of wildlife species that may be host to various diseases, there may be a need to issue appropriate administrative orders that would reiterate strict compliance with established rules, and impose higher penalties for any violation. Relevant agencies need to invest in detection equipment and hiring of properly trained quarantine personnel to strengthen their capability to monitor prohibited and regulated articles. These measures will help expedite the processing of sanitary and phytosanitary certificates for faster release of goods at ports.

Maintain adequate foreign exchange reserves and a market-determined exchange rate. To cushion the impact of sharp peso movements, monetary authorities will maintain a healthy level of foreign exchange reserves as a buffer; review and adjust macro-prudential measures; and use liquidity enhancing and management tools such as the US dollar repo facility, exporter's dollar and yen rediscounting facilities, and the enhanced Currency Rate Risk Protection Program.

Proposed Legislative Actions

- Amendment of the Philippine Economic Zone Authority Act (RA 8748) and other related laws on the establishment of export zones.
- Possible amendment of the Customs Modernization and Tariff Act (RA 10863) to allow for expeditious process of tariff modification in times of crisis to augment local supply.

Production sectors

Agriculture and Fishery Sector

The new normal for the agriculture and fishery (A&F) sector calls for a heightened policy focus on food security. More efforts are required to ensure availability, accessibility, and affordability of safe and nutritious food. As it is, the capability of local producers to supply the needs of the market is already

limited by the low productivity of the A&F sector, the inefficient logistics systems, inadequate support services, and low levels of farm mechanization. Restrictions on sub-national, cross-border access, and trade are expected to cause frequent disruptions on agri-food supply chains. These restrictions hamper the movement of inputs, machineries and equipment, farm produce, and the people involved in the transport of such inputs and products, technicians and extension workers, farmworkers, and laborers. On the demand side, the challenges will dwell more on meeting the rising demand for safe and nutritious food caused by the shift in consumer preference for healthier diets.

Priority Policies and Strategies

Policy actions and strategies for 2020 to 2021 must focus on addressing supply chain disruptions and improving the productivity of the sector to meet the demand of the populace.

Ensure unhampered movement of A&F goods and services through efficient transport and logistics systems. This would involve the construction of better road and transport infrastructure, as well as sufficient and strategically located facilities such as wholesale food terminals and trading centers, warehouses, cold storage and refrigeration facilities, mobile storage, mobile marketplaces, rolling stores, and foodbanks. To establish such facilities, various modalities will be adopted (e.g., government-led, public-private partnership [PPP], joint ventures, etc.) involving national government agencies, LGUs, and the private sector, consistent with the whole-of-society approach.

Intensify provision of support services and farm machineries and equipment. The government will have to increase its subsidy, assistance, and support services for farmers, fisherfolk, and enterprises in the form of inputs, credit and insurance, and capacity building. More farm machineries and equipment will need to be provided in lieu of manual labor, given the need to limit movement of people and sustained practice of social distancing even after the lifting of the enhanced community quarantine. Machine pooling and custom hiring will be encouraged to meet the increased demand for mechanized farm operations.

Strengthen online marketing of agricultural produce. Supermarkets and retail food establishments will have to be encouraged to establish online or digital channels for transactions and delivery services. In areas where food and groceries delivery are not available, an online service delivery system, where buyers send a list of items to buy to a *pabili* service provider, may be explored as an option. In parallel to this, a registry system of online sellers or deliveries may be established to monitor and regulate the movement of people engaged in such transactions. Investments in ICT infrastructure will also have to be boosted to meet the surge of online transactions and the consumers' expectations for reliable digital connectivity.

Ensure safety of food and agricultural products supplied in the market. Changes in consumer preferences such as the increased demand for safe and nutritious food would require strict enforcement of food safety laws, regulations, standards, and sanitation protocols. The DA, in coordination with LGUs, will take the lead in ensuring the regular sanitation of wet markets, slaughterhouses, dressing plants, warehouses, trading centers, fish ports or fish landing centers, and other related establishments. In support of such interventions, the processes of the Food and Drug Administration (FDA) on certification and roll out of developed technologies and products will be streamlined. Also, information, education, and communication (IEC) campaigns on food safety measures and healthy dietary habits must be intensified.

Intensify research and development (R&D) for agriculture. The government needs to intensify support for public research institutions and state universities and colleges on R&D programs that will make safe, nutritious, medicinal or therapeutic, and well-packaged agri-food products commercially

viable. DA, DOST, and DTI can explore partnerships and joint projects for the development of agri-food processed products with improved nutritional content and longer shelf life.

Promote adoption of urban agriculture, backyard/household gardening of edibles, and community farming. Vacant urban spaces can be utilized for gardening/farming. Households may be encouraged to establish backyard ‘edible’ gardens. Community farming may be promoted especially in schools. Inter-agency collaboration and streamlined processes will be needed for more efficient assistance to investors pursuing urban agriculture, particularly those utilizing hydroponics and aeroponics.

Proposed Legislative Actions

- Address regulatory issues to enable the national and local governments to purchase produce from local farmers or producers for relief and school feeding programs.
- Establish a legal framework to govern a consolidated management of land for agricultural purposes.
- Impose a progressive idle land tax to ensure that lands are put to use, even if temporary, but without prejudice to rights of owners to security of tenure.

Industry

Under the new normal scenario, the challenge for the manufacturing sector is redirecting production to increase supply of essential goods and intermediate inputs. This would include, for example, (a) wearing apparel for medical gowns and masks; (b) chemical products for drugs and medicines, disinfectants like alcohol, soaps, cleaning agents, as well as fertilizers; (c) metal fabrication and wood products for hospital beds, construction materials for quarantine facilities, and canning for food production; and (d) paper, rubber, and plastic products for gloves, medical paraphernalia, packaging for food, and materials for temporary quarantine or isolation facilities. There will also be an increasing need for non-essential but complementary goods such as electrical machinery (wires and wirings, batteries, and lighting fixtures) for health-related facilities and other equipment. Non-electrical machinery will also be needed to support farm mechanization.

In the power and energy sector, part of the challenge under the new normal will be the delays in the ongoing infrastructure projects due to restricted movement of people and availability of imported parts and equipment. While current power infrastructure projects are additions to future energy capacity and hence, will have limited impact on current energy supply, possible power interruption may happen if maintenance work and rehabilitation are also affected. The Department of Energy (DOE) needs to ensure the steady and continuous supply of power. Uninterrupted power supply is necessary to ensure continuous production of essential goods and efficient operation of hospitals, laboratories, and other medical facilities. Meanwhile, the current trend of declining petroleum prices is a positive development at this time as cost of energy production is low.

Construction and rehabilitation of health-related facilities such as hospitals, testing laboratories, and quarantine facilities in LGUs will also pose a challenge. Moving forward, the new normal will prompt the redesign of public construction projects like school buildings, public markets, office buildings, and socialized housing projects.

Priority Policies and Strategies

Establish a registry of firms that are or will be engaged in the manufacture of essential goods.

Adopt and implement, in coordination with industry groups, guidelines for businesses that will be allowed to operate, taking into consideration the DOH's minimum public health standards for COVID-19 mitigation.

Include activities in the Investment Priorities Plan that are critical for the supply of essential goods and construction and rehabilitation of health facilities, and explore the possible granting of incentives such as tax breaks, as necessary.

Consider the temporary suspension of the export percentage requirements of export processing zones locators to allow export-oriented firms to sell "strategic" products to the domestic market to augment local demand.

Conduct an inventory, for possible scale-up, of the existing DOST-approved manufacturing technologies for prolonging food shelf-life. These include ongoing applied science researches on possible alternative materials for personal protective equipment (PPEs). Shared service facilities and Regional Inclusive Innovation Centers may also be utilized by MSME manufacturers.

Adopt digital technologies in the construction sector, particularly modular designs and structural specifications that can be replicated across the country.

Provide incentives to construction companies that will prioritize building isolation or temporary hospitals for suspected and probable cases of COVID-19. Tax breaks may be provided to compliant companies.

Allow movement of essential "energy personnel" to facilitate the maintenance, repair, rehabilitation, and the resumption of any interrupted construction, installation, or commissioning of infrastructure relative to the generation, transmission, and distribution of electricity; as necessary, following strict social distancing protocols.

Strictly enforce existing policies on the processing of permits relative to the development of energy projects (e.g., Executive Order [EO] No. 30, Energy Virtual One-Stop Shop Act] to minimize and mitigate further delays in the completion of said activities.

Encourage the importation of petroleum products to ensure ample supply, against the backdrop of declining world oil prices.

Proposed Legislative Actions

- Amend the General Policies of the Investment Priorities Plan to support registered projects (Article 1174 of the Civil Code of the Philippines) to include activities critical for the supply of essential goods, construction, and/or rehabilitation of health-related facilities.
- Amend the Foreign Investments Act (RA 7042) to attract investments in manufacturing of essential goods.

Micro, small, and medium enterprises (MSMEs)

MSMEs, which comprise the majority of businesses operating in the country are also among the most affected by the COVID-19 crisis. Cash flow constraints resulting in increased debt, difficulty in covering overhead cost, as well as supply chain interruptions are the major problems experienced by MSMEs.

Under the new normal environment, there will be an increasing need for MSMEs to undertake business continuity planning and capacity building (e.g., digital skills, digitalizing operations, knowledge transfer and information sharing, and mentoring) to strengthen resiliency to disruptions.

Priority Policies and Strategies

Encourage banks to provide financial relief to companies affected by national emergencies by relaxing certain requirements and suspending the imposition of non-interest fees and charges on loans they incurred to help reestablish cash flow.

Encourage debt relief programs for MSME borrowers and partner financial institutions.

Develop mechanisms for real estate lessors and financial institutions to extend grace periods on payment commitments of MSMEs.

Build MSMEs' resilience through capacity building on formulating and implementing business continuity plans.

Services

As the main growth driver of the Philippine economy and backbone of domestic and global industries in the country, the services sector will continue to take a big hit from the COVID-19 pandemic. From the travel bans imposed by countries to arrest the spread of the virus and the subsequent slowdown of the global economy, to the imposition of the ECQ across Luzon to restrict movement of people, goods, and services, these occurrences brought the country's economic activity almost to a halt. Coming out of this pandemic requires establishment of new protocols and better programs for the country to adapt to the "new normal" way of life.

Retail and e-commerce: Delivering alternative modes for retail transactions, stable supply of basic necessities, and prime commodities

With continuing policies and measures for physical distancing and the call to "stay at home," the increased preference for online transactions for both consumers and merchants will be a challenge. More supermarkets and restaurants will now engage in online shopping platforms or integrate delivery services into their operations. Further, an increase in demand for alternative modes to facilitate shopping through personal assistance such as *pabili*, *pasa-BUY*, or *MyKuya* services will be seen. On the supply of goods, there should be assurance of stable access to basic necessities and prime commodities to avoid panic-buying among the general public.

Priority Policies and Strategies

Hasten growth of e-commerce (internet transactions) by focusing on speed, security, and structure to increase sales. Establish necessary policies, advocacy, awareness campaigns, payment system, and infrastructure to support its growth.

Develop protocols in the transport and sale of agricultural products to satellite markets in communities (e.g., *pamilihan pangbarangay o talipapa*) to avoid congestion in public markets.

Promote collaboration of retail and restaurant owners with delivery service providers to help establishment owners who cannot afford to integrate delivery services in their operations, and support entry of new players in the delivery services sector.

Promote and regulate alternative modes to facilitate shopping through personal assistance services. This will be done by DTI and the Land Transportation Franchising and Regulatory Board. Protection of both buyers and those delivering the service must be ensured.

Ensure collaboration between relevant implementing agencies and LGUs to organize and promptly dispatch or mobilize “rolling stores” that sell basic necessities and prime commodities. Though this, LGUs can set up public markets within strategic cluster areas to disperse consumer traffic. Post-pandemic, this new type of store can be turned over and operated by the private sector and regulated by LGUs to make it permanent and sustainable. Sources of food supply disruption must be quickly resolved, including blockages along transport routes and quarantine measures that could impede access to markets. An online public market system may be explored, while warehouses and cold chain facilities for stockpiling of basic necessities must be put up in strategic areas in regions.

Financial services: Cashless society

With the rising number of online transactions in purchasing basic commodities carried out during the quarantine, a major challenge seen is the readiness of the country’s financial system to adopt digital currency, manage influx of cashless payment systems, and possible deregulation of financial transactions.

Priority Policies and Strategies

Encourage financial institutions to invest in digital infrastructure and implement better cybersecurity measures and regulations for consumers and merchants/establishments.

Revisit the proposed implementation of the Philippine ID System to consider tie-ups with digital payment systems such as PayMaya and GCash, among others.

Transport and Logistics Sector: Ensuring seamless and safe transport of people and goods

The resumption of public transportation – whether by land, air, or sea, will remain a challenge. Implementing stringent sanitary protocols and physical distancing through reduced load factor, while ensuring the efficient transport of goods and people, will lead to increased demand for vehicles on the road. For international travel, immigration controls will be stricter and health checks will be carried out frequently. Regarding logistics, consumers and businesses will expect increased use of paperless transactions, as well as a seamless, uninterrupted supply chain that is efficient and reliable.

Priority Policies and Strategies

Require arriving passengers to electronically fill out a Health Declaration Form in airports and seaports. Establish stricter protocols in airports and seaports to include handling of persons suspected of having infectious diseases.

Strictly enforce temperature checks in terminals, queue markings for physical distancing, mandatory wearing of masks, and allowed passenger capacities of public transportation, especially of buses and jeeps, must be carried out.

Reduce passenger load factor by shifting to a service contract-based provision of public transport services. Subsidies may be needed to support financial viability of the program. Firms should be encouraged to provide shuttle service to their workers. The Department of Transportation (DOTr) may have to require public vehicle manufacturers to design modern vehicles that conform to the new physical distancing norm.

Accelerate streamlining of customs procedures in terms of speed, simplicity, and predictability to avoid congestion in ports. An efficient system of tracking and tracing shipments must be in place, using the latest available technology. Investments in warehouses, cold storage facilities, as well as paperless transaction systems need to be increased.

Tourism sector: Promoting great destinations with the highest sanitary standards

While the country is expected to heavily rely on tourism to revive the economy, it is more important that the Philippines remains virus-free when travel bans are lifted across the globe. Thus, there is a heightened need for regular sanitation or disinfection of accommodation, tourism-related establishments, tourist transport services, as well as a stable provision of sanitation or disinfecting devices in these establishments.

Priority Policies and Strategies

Amend the National Accreditation Standards for all tourism enterprises (primary and secondary tourism enterprises) to include additional measures related to sanitation, disinfection, promotion of proper hygiene, and responsible information sharing. The current Tourism Industry Training Plan needs to be reviewed in view of health risks. Implementation of health and safety plans for employees of all tourism enterprises must be made mandatory.

IT-BPM sector: Continuing excellent clientele service worldwide

The IT-BPM sector faces challenges in providing continuous services to its global clients with the current ECQ situation, such as increasing the service capacity of its employees to at least 50 percent with the work-from-home (WFH) scheme. Additionally, there is a need to allow up to 40 percent of its workforce to deliver work onsite, on a shifting basis, for IT-BPM services that cannot be delivered from home.

Priority Policies and Strategies

Adopt a last mile connectivity for WFH, and/or possible alternative working arrangements in expanded areas of operations.

Issue a resolution or joint memorandum circular between DTI, Philippine Economic Zone Authority (PEZA) and Board of Investments, which will allow PEZA locators and registered companies to pull out equipment without imposing tax or duty during times of national emergencies, where WFH schemes are being enforced or for purposes of donation and providing assistance. *(Note: This may also apply to locators or companies that are not in the IT-BPM sector).*

Continue the promotion of the Philippines as a destination for IT-BPM services through inbound and outbound missions once travel is allowed, in coordination with the DTI and the DOT.

Funeral services: Meeting the increased demand for cremation services

With the deaths caused by the pandemic, the increased demand for crematoriums will be prevalent, as cremation is the safest way to manage the remains of deceased persons who have died from infectious diseases such as COVID-19.

Priority Policies and Strategies

Ensure proper interment of pandemic victims while carrying out the required health and sanitary protocols, and provide training programs for owners and workers of funeral parlors/homes on these protocols.

Proposed Legislative Actions

- Support the passage of the Internet Transactions Bill (House Bill 6122), which seeks to strengthen the protection of personal data and consumers in online payments and transactions.
- Push for a law on stockpiling of critical materials e.g., Senate Bill 1347, which seeks to amend the Philippine International Trading Corporation charter to establish stockpile program.
- Expedite components of the PUV Modernization Program on Regulatory Reform and Industry Consolidation, particularly on changing the business model for public transport regulation, along with industry consolidation.
- Push for House Bill 135 filed during the 17th Congress, which provides for the establishment of crematoriums and subsidized cremation costs for indigents.

Governance and crosscutting concerns

As increased attention and demand for health care and sanitation becomes the “new normal,” there is growing expectation that LGUs are better able to deliver these devolved public services. Increased reliance on technology in all aspects of life in turn heightens the demand for accessible, efficient, and affordable internet services. Having access to Wi-Fi is no longer considered a luxury and has now become a necessity. Telecommuting and digital transactions have likewise become viable options for the public and private sectors.

With physical distancing measures adopted everywhere, the work place will have to be reconfigured. As citizen engagement continues online and the use of big data and analytics becomes even more critical, challenges in strengthening social cohesion will persist given the rise of fake news and misinformation, incidences of cybercrimes, and violations of human rights. All these changes impact on societal behavior, level of social trust, and standards of professionalism and integrity expected of public leaders and civil servants.

Priority Policies and Strategies

Empower LGUs, starting at the barangay level, and strengthen their capacities as first responders and frontline service delivery units. The government needs to craft the transition plan for implementing the Supreme Court ruling in the Mandanas case, which, upon its rollout, will provide LGUs greater access to funds for devolved services. Guidelines on the use of the Internal Revenue Allotment (IRA) for development projects will also have to be revisited to facilitate investments in community health programs and facilities. In light of disruptions to local economies, LGUs must also update their Local Investments and Incentives Codes and be empowered to shift towards new income opportunities and revive local industries as early as 2021. For better pandemic preparedness and response, local disaster risk reduction and management (DRRM) plans must also be amended to include public health emergencies. Implementation of the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (EODB-EGSD or RA 11032) must be expedited to cover the extension of the validity of permits and other authorizations expiring within the period of State of National Emergency, the reduction in the number of signatories and requirements, and the facilitation of online processing and payments, among others.

Enhance coordination and cooperation between and among the national government, regional interagency bodies, LGUs, private sector, and civil society to enable whole-of-society response. For better interoperability, various levels of government must address coordination gaps. Measures to allow continuous flow of food, health services, and other essential goods and services should be established, mindful of cross-border logistics as well as rules and regulations issued at the national level and the varying capacity levels across LGUs. As registries of beneficiaries of programs and projects become crucial in this new normal, the Philippine Identification System (PhilSys) must be fast-tracked by increasing registration kits. The conduct of the community-based monitoring system (CBMS), as provided for by the CBMS Act (RA 11315), may need to be advanced. This will help ensure that LGUs have regularly updated community lists.

Initiate the formulation of a national preparedness and response framework for disease outbreaks and pandemics. There is a need to harmonize existing DRRM and Crisis Management Frameworks. This entails revisions to the implementing rules and regulations (IRR) of the Philippine DRRM Act of 2010 (RA 10121) to explicitly identify public health emergencies such as pandemics in the definition of disaster events. To enhance forward and anticipatory planning, the government must also conduct ex-post evaluation of the various interventions under ECQ and GCQ to mine lessons learned, share best practices across different agencies and LGUs, and influence future policies.

Fast-track the implementation of programs for ICT-enabled government to ensure greater public reach and safer, protected, and reliable ICT. NGAs, GOCCs, and LGUs need to shift to electronic and paperless systems, zero-contact policies, online transactions, and new channels for service delivery. To facilitate this shift, the Department of Information and Communications Technology (DICT) needs to fast-track the entry of new players and quickly pursue programs such as Digital Government, Digital Work Force, Digital Classrooms, Digital Medicine, among others. The national government will invest in ICT to enable remote government operations, strengthen existing online platforms, and allow access to justice while practicing physical distancing (e.g., tele-hearings, e-filing systems). To support physical distancing measures, rules, regulations, and requirements of DBM, GPPB, COA and the Civil Service Commission (CSC) must be reviewed, and where applicable, revised to allow electronic transactions, alternative work arrangements, and procurement of off-the-shelf software²⁷ in the government. Safeguards against cybercrimes and data privacy breach must also be enhanced.

Build the public's trust and confidence to enable a whole-of-society response and recovery to the pandemic. With increased uncertainties as part of the new normal, the government needs to properly communicate risks and guarantee transparency to citizens, including the possible resurgences of the disease (*see Part II of this report*). A whole-of-government and whole-of-society National Values Formation Program initiated by the government must be implemented to address the anticipated changes in behavior and level of social trust. Trust in institutions must be cultivated by ensuring that our public officials exemplify the highest standards of integrity, ethics, and professionalism; strictly enforcing existing laws that exact their accountability to the people they serve; and protecting citizens from discrimination and cybercrimes. Discipline and sense of responsibility must also be inculcated in our citizenry to ensure that they abide by the country's laws and regulations.

Proposed Legislative Actions

- Institutionalize a national preparedness and response framework for pandemics and all-hazards, including the creation of Medical Reserve Corps, Stockpiling of Strategic and Critical Materials, and Emergency Medical Services System.

²⁷ After the effectivity of the Bayanihan Act, agencies will be subject to regular procurement rules, which may limit the purchase of off-the-shelf software by NGAs, GOCCs, and LGUs.

- Amend the Labor Code and the Telecommuting Act of 2018 (RA 11165) to formally establish alternative work schemes such as compressed workweek or flexi-schedule, and to extend telecommuting options to employees in the public sector.
- Review the Voter's Registration Act of 1996 (RA 8189) and other election-related laws to allow for online registration and facilitate risk mitigation procedures for the 2022 National and Local Elections.

Social development

Health and nutrition: Continuing threat of COVID-19

COVID-19 will remain a threat as we enter the new normal. Other highly infectious disease might also emerge in the future; thus, adjusting to the new normal requires an integrated health data management system that tracks and links patient referrals and laboratory testing as well as monitors the supply of available equipment, medicines, and blood, among others. Aside from upgrading the curative aspect of health and its related support mechanisms, ramping up the promotion of preventive healthcare will also be necessary in the new normal to reduce the chances of people getting sick and incurring costs, as well as straining of the health system.

Priority Policies and Strategies

Improve health care facilities. Health care facilities need to be upgraded, with emphasis on increasing the number of fully equipped isolation rooms and critical care beds in hospitals. Quarantine facilities in major ports and airports also need to be improved to enable the Bureau of Quarantine to better perform its mandate to ensure health security.

Improve epidemiological and surveillance capacities for COVID-19 and other infectious diseases at the national, regional, provincial, and municipal levels, focusing on areas on or near major points of entry and strategic LGUs in a region. Specifically, an operational Level 2 Biosafety laboratory must be present in every region, stocked with adequate number of testing kits. Local Centers for Disease Control (CDC) may also be established under the supervision of a national CDC or the Research Institute for Tropical Medicine.

Improve the status and supply of Human Resources for Health (HRH). Immediate measures need to be undertaken to efficiently mobilize health personnel. These include mechanisms that will enable the efficient deployment of personnel from different health facilities during emergencies. Pools of medical and allied health professionals can be established and mobilized per level of care nationwide. Provisions in the Universal Health Care (UHC) Law that cover incentives, benefits, and scholarships for HRH must be implemented.

Ensure full Philippine Health Insurance Corporation (PhilHealth) benefit coverage for emerging and reemerging diseases. PhilHealth should guarantee case rate packages for emerging and reemerging diseases. It also has to monitor and fast-track the processing of hospital claims, and to properly and strictly implement the No Co-payment Policy under the UHC Law.

Intensify public health education campaign, including effective risk communication to encourage aggressive social distancing, better hygiene, self-isolation, and health-seeking behavior at the first sign of symptoms.

Institute a fully integrated health information system and database down to the provincial level with seamless navigation and referral mechanisms between public and private providers. There is a need to come up with an inventory of available equipment and services and to make these accessible.

Artificial intelligence and data analytics may be utilized to understand the spread of COVID-19 and other diseases, improve treatment methods and streamline medical care, as well as determine the effectiveness of government response.

Strengthen and expand telehealth system for primary care consultations to reduce the number of persons going to hospitals during times of emergencies.

Ensure the supply of medical commodities. An emergency supply management and logistics system must be instituted, with a maintained national stockpile of medicines, supplies, PPEs, ventilators, and related resources for use during a public health emergency. In the short term, procurement of these necessary equipment needs to be expedited.

Ensure that proper nutrition is provided during emergencies, especially among children, pregnant and breastfeeding women, and senior citizens, who are more vulnerable during emergency situations, consistent with the National Policy on Nutrition Management in Emergencies and Disasters. Nutrition guidelines for relief food packs may be provided to LGUs and other agencies. The National Nutrition Council (NNC) and Department of Science and Technology- Food and Nutrition Research Institute (DOST-FNRI) will also continue advocating for recipes that would help transform relief goods (i.e., canned goods, instant noodles) into more nutritious meals.

Proposed Legislative Actions

- Strengthen the national response and preparedness for health emergencies and pandemics (similar to Senate Bill No. 1573 filed by the late Senator Miriam Defensor-Santiago).
- Revisit salient provisions of the NDRRM Act (RA 10121) on increasing contingency budget for the management of health-related emergencies.
- Review the Magna Carta of Health Workers toward increasing benefits and ensuring that these benefits are received.

Social protection: Increasing vulnerable groups' access to social services

Increasing the access to and expediting the delivery of social services to the most vulnerable groups — poor, women, persons with disabilities, older persons, children, indigenous peoples, among others are the biggest challenges in implementing social protection programs under the new normal. Specifically, there is a need for more emergency-responsive policies and social insurance systems. Enhanced and immediate assistance must be provided to older persons. Food, cash, and other forms of assistance may be expanded to include middle-class earners in periods of prolonged lockdowns, which affect their earning ability. Increased cases of violence against women and children, both reported and unreported, also need to be addressed.

Priority Policies and Strategies

Fast-track implementation of and registration to the Philippine Identification System (PhilSys) and explore linking the ID cards to a digital payment system that will allow for more efficient transfer of government assistance in times of crisis, pandemics, or disasters.

Develop a registry of vulnerable persons and groups using data from the PhilSys, *Listahanan* or National Household Targeting System for Poverty Reduction, Community-Based Monitoring System, Registry System for Basic Sectors in Agriculture, registry of creative and cultural workers, gig economy workers platforms (Grab, *Angkas*, Food Panda, etc), and the government's registry for the Social Amelioration Program that will expedite the delivery of social services and aid. Likewise, programs during crises and pandemics must be institutionalized through inclusion in the Social Protection Floor.

Explore the possibility of automatic and universal release of aid to the members (active and updated) and contributors of the national government's social insurance programs such as the Social Security System (SSS) and Government Service Insurance System (GSIS) in times of national emergencies without the need for applications. This will enable the contributors to access resources to augment their savings, which is essential in preventing them from falling into poverty.

Promote savings mobilization as a critical component of all social protection programs, like the *Pantawid Pamilyang Pilipino Program*.

Proposed Legislative Action

- Pass the Universal Basic Income during Pandemics or Social Amelioration Act.

Education: Adopting flexible and blended learning

To lessen physical contact, schools need to adopt blended and/or online learning. The changing learning and employment landscape will not only necessitate the adoption of new technology-based learning for current cohorts of students; but also, for workers who will require retooling and upskilling, especially those whose livelihoods have been affected by COVID-19. As online learning will be adopted, issues of expensive, slow, and unreliable internet access; as well as the added expense for devices needed to access online learning resources and tools are major risks that will have to be addressed.

Priority Policies and Strategies

Expand and institutionalize flexible learning options such as open high school, alternative delivery modes, and satellites for off-grid areas. In response to the lack of universal internet access necessary for online classes, modules designed for printing must be prepared and be delivered via electronic mail, or distributed in hard copy in the meantime. The conduct of classes via radio and television (TV) might also be a temporary solution in conjunction with physical hand-outs. Partnerships between the public and private sector can be leveraged to expand access to flexible learning modalities (i.e., free data access for e-learning portals, discounted internet rates for teachers and students). The Government Assistance to Students and Teachers in Private Education (GATSPE) may also be expanded to cover elementary students and teachers.

Expedite the formulation of a multi-modal, multi-strategy Learning Continuity Plan by the Department of Education (DepEd), together with different stakeholders. Forging partnership with DICT in creating and maintaining a learning management platform is also important in attaining flexible learning for teachers and students.

Pursue adult learning through online and/or blended learning such as the promotion of massive open online courses (MOOCs) and flexible training arrangements through blended programs that will reduce face-to-face contact. Education agencies also need to collaborate with the private sector and professional organizations to increase the number of online courses accredited for Continuing Professional Development.

Prioritize investments in online platforms to improve existing ones such as the DepEd Commons or to develop a new national e-learning platform. The development of learning materials and modules specific for students, teachers, and parents implementing e-learning, flexible learning options, and radio or TV classes will require budget allocations. Increased funding will be needed to provide for the communications costs for teachers and Student Financial Assistance Programs (StuFAPs) beneficiaries. Teacher training funds will also need to be realigned to capacitate them to teach blended or flexible learning classes.

Proposed Legislative Actions

- Enact the Alternative Learning System Bill (Senate Bill [SB] No. 740).
- Enact the ICT in Education Bill (SB No. 594) to strengthen the use of ICT in elementary and high school.
- Enact a legislation that would allow funding to support blended learning systems in public and private schools, as well as in higher education institutions (HEIs).
- Amend the proposed Reserve Officer Training Corps and/or tap the Civic Welfare Training Service Program in HEIs to provide disaster-response and medic training option.

Labor and employment

Higher rates of unemployment and underemployment. As the global and domestic economic activities continue to weaken, unemployment and underemployment are likely to increase. As of April 25, the Department of Labor and Employment (DOLE) has already recorded 2.2 million displaced workers.

Increased telecommuting or other alternative work arrangements. With the practice of social distancing likely persisting in the near term, the preference for telecommuting and other alternative work arrangements is seen to increase in both the government and private sectors.

Increased demand for workers willing to take on precarious tasks. With the onset of the COVID-19 pandemic, novel occupational hazards emerged and the demand for workers willing to take on precarious tasks increased.

Priority Policies and Strategies

Improve social protection programs and income support systems. Apart from wage subsidy programs, the unemployment benefits of the SSS need to be expanded to make aid available to temporarily laid off workers. Those in sectors that will continue to be affected post-ECQ, including freelancers in the gig economy and cultural and creative industries, will need continuing income support. DOLE's PhilJobsNet need to be expanded to highlight online and home-based job openings.

Retool the labor force. Skills retooling, through TESDA's Massive Open Online Courses, Mobile Training Laboratories, and other flexible or blended training arrangements, needs to be promoted to improve the employability of displaced workers. This will enable workers who have been displaced, whether temporarily or permanently, to take courses for employability elsewhere. Subsidies may be shouldered by the government, or in partnership with the private sector through institution-based, enterprise-based, or online modalities similar to the model of Skills Future Singapore. Procedures for availing TESDA scholarship programs must also be made easier. The Mobile Training Laboratory (MTL) Program may be expanded to better serve far-flung areas. Tapping the *Tulong Trabaho* Fund will help in funding programs for these interventions. Meanwhile, the PRC will need to strengthen Continuing Professional Development (CPD) programs through online-based platforms.

Issue standard guidelines on alternative work arrangements. The IRR of the Telecommuting Act (RA 11165) needs to be modified to take into consideration the current situation and occurrence of similar crisis in the future. Moreover, telecommuting and other alternative work arrangements will also have to be extended to the public sector, following guidelines from CSC that will also support ICT-enabled government. On May 7, 2020, CSC issued Memorandum Circular No. 10, s. 2020 which makes

available multiple alternative work arrangements that government agencies can adopt while the entire country is placed under a State of Public Health Emergency due to the COVID-19 pandemic.²⁸

Formulate and revisit guidelines on the provision of hazard pay for workers in the private and public sectors. Guidelines on the provision on hazard pay for workers in the private sector can also be issued by DOLE. In this regard, expanding the coverage and awareness of companies and employees of the Employees Compensation Program may ease the burden of additional costs on private sector employers providing hazard pay. Likewise, provision of hazard pay among workers in the public sector needs to be institutionalized by virtue of an issuance from CSC. The current hazard pay scale for public health workers indicated in DBM-DOH Joint Circular No. 2016-01 needs to be revisited and refined towards more equitable rates across salary grades.²⁹

Proposed Legislative Actions

- The five-day work week prescribed by the Labor Code would need to be amended, accompanied by more specific guidelines on the implementation of alternative work arrangements for both private and public sector.³⁰ Alongside this, the creation of a legal framework on part-time work to increase flexibility for employers while integrating workers' protection needs to be established under the law.
- The official definition and classification of “hazardous work” and “occupational hazards” in the Labor Code need to be revised relative to the current and emerging occupational hazards and in accordance with international labor standards.
- Equitable hazard allowance of public health workers across salary grades needs to be pursued.
- The guidelines and benefits of the Employees Compensation Program need to be amended to compensate incidents occurring in alternative work arrangements.

Housing and urban development: Integrating public health goals

Moving forward, public health must be a foremost consideration in land use and local shelter planning. Housing designs may need to be changed to integrate washing areas before entry into the main structure. Low-cost and socialized housing developments should ensure ample public and green spaces.

Priority Policies and Strategies

Incorporate hazard and health standards in the updated Comprehensive Land Use Plans and zoning ordinances. More open and green spaces and better walkability that allow for social distancing will need to be prioritized in these plans.

Explore the inclusion of an open or public space, which may be used for isolation and/or quarantine or other similar purposes, in the design of socialized housing and resettlement packages.

Review procedures to streamline the issuance of housing-related licenses, clearances, and permits in light of COVID-19.

²⁸ Prior to this, CSC allowed only two types of flexible working arrangements in government: (a) compressed four-day work week (Memorandum Circular [MC] No. 22, s. 2014); and (b) flexible working hours through MC No. 25, s. 2019.

²⁹ Currently, public health workers with a salary grade (SG) 19 and below, receive a hazard pay of 25 percent of their monthly basic salary, while those with SGs 20 and 21 receive 15 percent and 13 percent of their monthly basic salary, respectively. This means that a SG 19 health worker with a monthly salary of PHP45,269 receives a hazard pay of PHP11,317, while a SG 20 health worker with a monthly salary of PHP51,155 receives a lower rate of PHP7,673 despite facing the same level of risk.

³⁰ Existing policies on flexible working arrangements by DOLE include Department Order (DO) 21, s. 1990 and Department Advisory (DA) No. 02, s. 2004 for guidelines on implementing compressed work week scheme; DA No. 02, s. 2009 for guidelines on adopting various flexible working arrangements; and DO No. 202-19 for the IRR of the Telecommuting Act.

Prioritize the implementation of the Housing Rental Subsidy Program for low-income informal settler families (ISFs) and shoulder additional costs for moving ISFs into better housing conditions.

Proposed Legislative Action

- Appropriation for alternative modes of provision of housing with adequate space (e.g., housing voucher, rental subsidy) for low-income ISFs.

Migration

Repatriation of overseas Filipino workers (OFWs). As of April 13, the number of displaced OFWs due to the pandemic reached 32,335, while the number of repatriated OFWs stood at 11,624. These figures are expected to increase as COVID-19 spreads to more countries, with more governments using economic tools to suppress the spread of the virus and as the global economy enters into recession.

Increased vulnerability of OFWs in countries of destination. There are 736 confirmed COVID-19 cases and 88 deaths among OFWs, as of April 13. Given the possible recurrence and emergence of new outbreaks in the near term, OFWs are exposed to greater risks and heightened vulnerability due to inadequate social protection.

Priority Policies and Strategies

Facilitate the employment of repatriated OFWs. This can be done through the proactive job matching and competency assessment and certification, along with online skills upgrading and re-tooling programs, especially for telecommuting and e-commerce-friendly jobs. Programs of DOST such as the *Balik-Scientist* Program and the Research and Development Lead, should facilitate the utilization of returnees' expertise in their home region or province. While there may be limited local employment opportunities in the private sector given slower economic activity, the government through the PSA, will need additional personnel to fast-track the implementation of PhilSys and to conduct the CBMS.

Enhance government financial support and legal assistance for repatriated OFWs. The government needs to extend financial and livelihood assistance, especially for online enterprises, e-commerce, and agriculture-related livelihood programs. Soft loans can be offered to assist OFWs in starting their own businesses. The budget of the OFW-Enterprise Development and Loan Program needs to be increased. Financial literacy programs will enable OFWs to better manage their finances. The absorptive capacity of OFW-serving agencies needs to be expanded given the substantial volume of returnees.

Enhance health insurance and social security for OFWs. The government needs to ensure the effective implementation of mandatory PhilHealth³¹ and SSS coverage among OFWs. As such, PhilHealth and SSS need to enhance electronic payment services to facilitate the payment of premium contributions. In addition, there is a need to allow for an installment payment schemes, pursue bilateral labor agreements (BLAs) with stringent welfare and protection provisions, social security agreements, and emergency responses with more host countries, especially in countries where labor laws do not cover domestic workers. The possible inclusion of health insurance in BLAs and in the Standard Employment Contract may be explored. Increased operating funds will also have to be provided to

³¹ PhilHealth benefits for OFWs include inpatient (i.e., hospital confinement); outpatient (services that include elective surgical procedures ranging from minor to major operations where patients are sent home within the same day for post-operative care; benefit packages for TB, HIV/AIDS, animal bite, malaria, vasectomy and tubal ligation, radiotherapy, and hemodialysis; and Z benefits (for severe and catastrophic cases such as cancers and heart defects).

implement programs or activities for the welfare, health-related (including mental health), and emergency programs/activities response at posts.

Proposed Legislative Action

- Revisit bills on health hazards and preparedness and on situating safeguards for Filipino migrants.

Environment and natural resources

The COVID-19 pandemic is a manifestation of the chronic effects of human activity on wildlife resources and habitats at an unprecedented rate, resurfacing in more damaging impacts on environmental and public health. In the new normal state, managing pollution and sustainable use of natural resources vis-a-vis addressing the threat of future pandemics under a changing climate become even more challenging. There will be a potential high demand for (a) indigenous plants and animals for pharmaceutical use; (b) water supply for disinfection/sanitation purposes; and (c) wood and non-wood products for the construction of quarantine and shelter facilities. Existing waste management facilities may also be overwhelmed by huge volume of wastes from health care facilities and households, while urban air quality may deteriorate post-ECQ, due to increased number of trips of public utility vehicles and volume of private vehicles attributed to social distancing.

Priority Policies and Strategies

The new normal state requires a combination of strengthened, scaled up, and innovative actions and solutions to curb the elevated environmental, climate, and health risks posed by COVID-19.

Streamline the management of health care and infectious wastes, especially at the community and household levels. This will be done through:

- ***Ensuring compliance of health care facilities³² and treatment technologies³³ with the standards for hazardous waste management.*** This includes strict enforcement and monitoring of existing treatment technologies employed in the treatment, storage, and disposal (TSD) facilities to handle new pathogens or viruses, in compliance with the applicable environmental standards.
- ***Modernizing and increasing the number of TSD facilities for hazardous healthcare wastes.*** Registration process will be streamlined and incentives will be provided to encourage private sector investments in the establishment of more TSD facilities.
- ***Improving disposal of healthcare wastes at the household or barangay level.*** Protocols for handling, treatment, and disposal of health care wastes, especially those generated by households, will need to be defined such as to guarantee: (a) proper segregation at source; (b) partnerships between and among LGUs and TSD accredited facilities to ensure that untreated healthcare wastes do not reach materials recovery facilities (MRFs) and sanitary landfills (SLFs); and (c) expanded coverage of hazardous waste tracking system to cover household wastes.
- ***Supporting ancillary remedial actions to improve environmental health and mitigate climate change.*** This puts emphasis on pursuing policies on: (a) permanent adoption of telecommuting work arrangement both for private and public sectors, as applicable; (b) more open and green urban spaces to reduce air pollution and carbon emissions and to improve human health and well-being; (c) more jobs in the waste management sector; and (d) mass media campaign to promote environmental and public health awareness and positive behavioral change.

³² Based on the DOH Health Care Waste Management Manual and DENR AO 2013-22, Revised Procedures and Standards for the Management of Hazardous Wastes.

³³ New and existing technologies should undergo Environmental Technology Verification of the DOST-Industrial Technology Development Institute and comply with the applicable environmental standards and the DOH-required level of microbial destruction or inactivation as provided in the Health-Care Waste Management Manual (effectively ensure 100% elimination of bacteria/virus)

Prioritize the protection and conservation of natural resources, especially in degradation hotspots and critical ecosystems, through:

- ***Intensifying surveillance and enforcement activities to protect wildlife and their habitats.*** This is to combat habitat encroachment and illegal trade of wild animals to prevent the emergence and spread of zoonotic infectious diseases. Capacity building, environmental education campaign, and coordination across law enforcement chain will be reinforced to improve governance and abate proliferation of poachers and the wildlife black market.
- ***Undertaking R&D on the utilization of natural resources for disease prevention and cure.*** Priority will be given to studies on zoonosis in selected wildlife reservoir and natural resources with potential antibacterial/antiviral properties and treatments and vaccines for pharmaceutical applications.
- ***Intensifying agroforestry development.*** Promotion of agroforestry and establishment of commercial forest plantations need to be prioritized to support demand for food and wood and non-wood forest products (e.g., bamboo and other grasses, rattan, and fiber) for the construction of temporary isolation facilities and production of eco-friendly PPEs (e.g., face masks), and the provision of food supply in case of lockdown. Investment support package for communities (e.g., bank financing and technical assistance) will be identified to support the establishment of commercial forest plantations in tenured forest lands.
- ***Strengthening implementation of forest protection, reforestation, and watershed management activities, especially in critical watersheds.*** Monitoring and enforcement activities through sustainable forest management and integrated watershed management will be strengthened in cooperation with LGUs and communities to sustain water provisioning and regulating services of forests and prevent unlawful activities (e.g., illegal logging and poaching resulting in loss of biodiversity).

Ensure water security, especially in COVID-19 pandemic affected areas by:

- ***Accelerating the provision of water supply and sanitation services to improve access to safe and adequate water.*** The development and expansion of water supply system including sewerage development and wastewater treatment facilities will be sustained. This will prioritize areas of operation of water service providers (WSP) to meet the daily water needs of the people for the precautionary or mitigating measures for COVID 19, while ensuring water quality is within environmental standards.
- ***Enhancing water conservation and efficiency measures to avert water shortages.*** This includes establishment of rainwater harvesting facilities and water recycling technologies, and conduct of information campaigns on water conservation in traditional and social media platforms. This will be complemented with the ongoing comprehensive water resource assessment in groundwater critical areas and major river basins to analyze current available and potential groundwater sources to ensure sustainability of the country's water supply.
- ***Development and implementation of the National Roadmap for Water Security.*** The ongoing preparation of the roadmap should be able to incorporate the possible impacts of future epidemic/pandemic and climate change/variability to address the impending water crisis.

Proposed Legislative Actions

- Amend the Ecological Solid Waste Management Act of 2000 (RA 9003) to bridge the policy gap between municipal waste management and health care waste management by streamlining protocols on the management of hazardous wastes, particularly infectious wastes, at the community and household levels.

- Amend environment-related laws such as RA Nos. 9003, 9275, 8749, and 6969 to provide higher penalties and stringent administrative measures to facilitate adjustment to inflation and maintain vigilance against future environmental offenses or non-compliance committed by small to large industries.
- Amend the Wildlife Act (RA 9147) to strengthen mandatory quarantine protocols for confiscated animals and institute greater penalties for poaching, trade, and consumption of wild animals to prevent spread of zoonotic pathogens (e.g., bacteria and viruses).
- Enact a law to define and implement sanitary and phytosanitary measures to address possible entry of zoonotic infectious disease into the country (e.g., standards and protocols for crops, livestock, fisheries, and wildlife).
- Enact the creation of an apex body (i.e., Department of Water Resources) that will act as the single lead agency to oversee/coordinate overall policy and project/program implementation on water resources.
- Enact the creation of an Independent Economic or Financial Regulator for Water Supply and Sanitation to harmonize the regulatory practices, processes, fees, and standards on water supply and sanitation while addressing the overlapping functions or jurisdictions of existing regulatory entities.

Annex

Transition to the new normal and ways forward: Suggested programs and projects

Economic development

Macroeconomy

Fiscal Sector

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020 Secure supplementary budget for 2020 to fund crucial projects outside the <i>Bayanihan</i> to Heal as One Act	Implementing agencies of identified crucial programs and projects, Department of Budget and Management (DBM)
For 2021 Set budget priority on health sector and disaster risks resiliency/preparedness	Department of Health (DOH), Department of the Interior and Local Government (DILG), Office of Civil Defense (OCD)
Information and communications technology (ICT) infrastructure for collecting agencies toward digital taxation	Bureau of Internal Revenue (BIR), Bureau of Customs (BOC)

External Sector

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020 Budget support for engaging in regional and multilateral fora to pursue the concern on regional stockpiling of essential goods or establishment of regional foodbanks	Department of Foreign Affairs (DFA), Department of Agriculture (DA), Department of Trade and Industry (DTI)
For 2021 Fast-track the completion of the TradeNet Project <ul style="list-style-type: none"> Establish a communication management system between NG, LGUs, and private sector Put up an integrated website that tracks real time information on cargo release, availability of supply, production and inventory Formulate manual of operations for traders, NG regulators, and LGUs during time of crisis 	DTI, DA, and other trade regulatory agencies DTI, DA, Bureau of Customs (BOC), Department of the Interior and Local Government (DILG)
Budget support for engaging in regional and multilateral fora to pursue the concern on regional stockpiling of essential goods or establishment of regional foodbanks	DFA, DA, DTI
Investments in technical equipment for detection and increase in quarantine personnel	DA, Bureau of Quarantine

Production sectors

Agriculture and Fishery Sector

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
<ul style="list-style-type: none"> Ensure funding for the implementation of the following programs and projects under the DA's <i>Ahon Lahat, Pagkaing Sapat (ALPAS) sa COVID-19 Program</i>: <ul style="list-style-type: none"> Expanded Agriculture Insurance Project Rice Resiliency Project Integrated Livestock and Corn Resiliency Project Expanded Small Ruminants and Poultry Project Coconut-based Enhanced Diversification Project Upscaling and expansion of geographic coverage of <i>Kadiwa ni Ani at Kita</i> and implementation of other modes or channels (e.g., <i>Kadiwa</i> express/on wheels/online/retail selling) Urban Agriculture Project Other than <i>ALPAS sa COVID-19 Program</i>, DA (subject to DBM rules and regulations) may realign its budget for non-food banner programs (e.g., tobacco, etc.) into: <ul style="list-style-type: none"> Subsidy or distribution of farm machinery Piloting or expanding other e-commerce and marketing platforms (e.g., online <i>palengke</i>) Research, development, and extension; and commercialization of safe, nutritious, medicinal or therapeutic, and well-packaged agri-food products 	DA in partnership with DTI, DOST, LGUs
<ul style="list-style-type: none"> For programs of other agencies not covered by <i>Bayanihan Act</i>, realignment of the following may be considered to contribute to the funds to be pooled by DBM for funding social amelioration programs: <ul style="list-style-type: none"> Reprogram the unobligated 2019 continuing and 2020 current budget under the Agrarian Reform Beneficiaries Development Sustainability Program Defer the procurement of vehicles under the Support to Parcelization of Lands for Individual Titling (SPLIT) Project (Note: This should be made available in 2021 given that mobility support is critical in field operation). SPLIT's field validation surveys may proceed in 2020, with an additional task of identifying agrarian reform beneficiaries who could be eligible for the social amelioration package. 	Department of Agrarian Reform (DAR)
<ul style="list-style-type: none"> Focus on funding the operation and maintenance, rehabilitation, and/or restoration of existing irrigation systems, instead of new construction of small and/or multi-year big irrigation systems. Intensify the Cash-for-Work program (e.g., desilting of canals, etc.) as part of the social amelioration program for members of Irrigators Associations. 	National Irrigation Administration (NIA)
<ul style="list-style-type: none"> Establish and promote mobile marketplaces, rolling stores, and foodbanks 	DA, DTI, LGUs

PROGRAM DESCRIPTION

RESPONSIBLE AGENCIES AND UNITS

For 2021

- | | |
|---|---|
| <ul style="list-style-type: none"> • Ensure funding for the construction and enhancement of logistics and road infrastructures such as: <ul style="list-style-type: none"> ○ Road and transport projects under Build, Build, Build Program ○ Wholesale food terminals and trading centers ○ Warehouses, cold storage, mobile storage, cold chain, and refrigeration facilities. | <p>DA, LGUs, Department of Public Works and Highways (DPWH)</p> |
| <ul style="list-style-type: none"> • Establish more class AAA slaughterhouses | <p>DA, DTI, LGUs</p> |
| <ul style="list-style-type: none"> • Provide support services or assistance to farmers and agriculture-based enterprises in the form of: <ul style="list-style-type: none"> ○ Credit and insurance with concessional terms ○ Livelihood opportunities ○ Support programs for cooperatives ○ Fast-tracked implementation of the Rice Competitiveness Enhancement Fund Mechanization component ○ Social amelioration programs for displaced fisherfolk, farmworkers, and laborers. | <p>DA, DTI, DSWD, LGUs, Cooperative Development Authority</p> |
| <ul style="list-style-type: none"> • Secure funding for the improvement or enhancement of online transactions and deliveries, as well as the improvement of digital connectivity and internet services • Create digital <i>palengke</i> or supermarkets in partnership with transportation network vehicle service and delivery companies | <p>DA, DTI, DICT</p> |
| <ul style="list-style-type: none"> • Undertake capacity building and IEC projects on food safety awareness • Review and develop regulatory measures and standards • Streamline FDA processes for certification and roll out of developed technologies and products | <p>DA, DOST, FDA</p> |
| <ul style="list-style-type: none"> • Conduct online lectures and provision of start-up kits for urban gardening • Undertake community gardening projects in collaboration with LGUs and cooperatives | <p>DA, LGUs</p> |

Industry

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
Manufacturing	
<ul style="list-style-type: none"> Direct stimulus package as well as existing incentives towards the production of essential goods and services 	DTI, DOF, DBM
<ul style="list-style-type: none"> Scale up programs for the roll out of existing DOST-approved ongoing applied science researches on alternative materials for PPEs 	DOST
Construction	
<ul style="list-style-type: none"> Conduct comprehensive vulnerability and risk assessment of critical infrastructure, particularly in areas considered as COVID-19 hot spots (including public buildings that may be used as isolation or treatment facilities) 	DOH, DPWH
Electricity/Power	
<ul style="list-style-type: none"> Implement a financial assistance program for Electric Cooperatives whose operations and maintenance requirements are compromised by the delayed payment of electricity bills 	National Electrification Administration
For 2021	
Manufacturing	
<ul style="list-style-type: none"> Map out entire value chains across primary, secondary, and tertiary industries in these sectors to determine where critical and alternative resources are sourced and identification of possible production bottlenecks. 	DTI
<ul style="list-style-type: none"> Scale up programs for the roll out of DOST-approved technologies for food processing to prolong the shelf-life of food products 	DTI, DOST
<ul style="list-style-type: none"> Expansion of Shared Service Facilities and Regional Inclusive Innovation Centers 	DTI
Construction	
<ul style="list-style-type: none"> Construct and/or rehabilitate hospitals or designated quarantine holding facilities in LGUs, airports, and major sea ports 	DOH, DBM, DILG
<ul style="list-style-type: none"> Under the Universal Health Care Law, strengthen the health system through the establishment of facilities and laboratories and acquisition of necessary hospital equipment to address COVID-19 and possible recurrence of virus contagion, among others 	DOH

MSMEs

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
<ul style="list-style-type: none">• Develop targeted financial support program packages for MSMEs affected by national emergencies (e.g., operating loss carry-over, access to credit, employment subsidy support, loan repayment extension, waiver of penalties and fees, among others)• Develop digital skills for those in MSMEs; Support digitization of MSME operations; Enable knowledge transfer and information-sharing between MSMEs, through:<ul style="list-style-type: none">○ Up-skilling/Re-tooling○ Digital solutions for MSME operations (e.g., e-payment, chatbot, customer management, etc.)○ Webinars or trainings on business continuity, supply chain management, and intellectual property	<p>DOF, DTI, DBM, Government finance institutions</p> <p>DTI</p>
For 2021	
<ul style="list-style-type: none">• Expand the scope of the National Wages and Productivity Commission's Productivity Toolbox and promote productivity-based incentive schemes to sharpen the productivity perspective of BCPs (i.e., one of the goals of the BCPs, beyond mitigation of business disruption, should be to enable/unlock workplace productivity and to encourage sharing of productivity gains to generate profits for businesses and augment workers' incomes.)• Deploy Productivity Toolbox and technical assistance in developing productivity-based incentives schemes using various modes (i.e., face-to-face, virtual/electronic modes) appropriate to various work arrangements including telecommuting/work from home.• Continue the MSME Resiliency Program, including capacity-building activities and mentoring (online and offline modules)<ul style="list-style-type: none">○ Project officers to be assigned to assist selected MSMEs on new leadership paradigms and business models○ Business experts on digitization, business resiliency, and sustainability to network with MSMEs through Shared Service Facilities, Fabrication Labs, One Town, One Product Hubs, and Go Lokal!○ Programs in Transition Design, Design to Improve Life, and Fab City	<p>DOLE-NWPC</p> <p>DTI, DBM</p>

Services

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
Retail and E-commerce	
<ul style="list-style-type: none"> Establish warehouses, including cold chain facilities, for stockpiling of basic necessities in strategic areas per region 	DTI, DA, LGUs
Transport	
<ul style="list-style-type: none"> Review DOTr's remaining budget for the Public Utility Vehicle Modernization Program (PUVMP) in 2020 and allocate funds to allow for regulatory shift towards industry consolidation and service contract-based provision of public transport services 	DOTr
Tourism	
<ul style="list-style-type: none"> Provide training funds for Department of Tourism-Office of Tourism Standards and Regulation (DOT-OSTR) personnel, Regional Accreditation Officers, and tourism frontliners on sanitation standards and incident command protocol, including protocols and coordination with appropriate government agencies 	DOT, DOH, LGUs
<ul style="list-style-type: none"> Procure PPEs for DOT-OSTR and Regional Accreditation Officers 	DOT
For 2021	
Retail and E-commerce	
<ul style="list-style-type: none"> Secure funding for e-commerce programs initiatives Increase LGU allocation for warehouse and/or cold chain facility Increase advocacy on better sanitation/hygiene measures in retail establishments 	DTI, DICT DTI, DA, LGUs DTI, LGU
Financial Services	
<ul style="list-style-type: none"> Secure funding for increased training among related institutions on digital transactions and services as well as cybersecurity measures 	DTI, DICT, BSP
Transport	
<ul style="list-style-type: none"> Purchase high-end temperature scanners and disinfectants to be placed in major international airports and domestic ports across the country for mandatory inbound and outbound temperature screening of passengers; Allocate or propose budget for medical clinics and personnel equipped to handle sick passengers; disinfection materials must be also purchased for all public transportation 	DOTr, DOH
<ul style="list-style-type: none"> Implement the Metro Manila Route Rationalization Study under the PUVMP in priority areas 	DOTr
<ul style="list-style-type: none"> Allot funds for procurement of relevant IEC materials and supplies for distribution to accredited establishments, such as medical/hygienic kits, disinfectant kits for tourism transport vehicles, among others. 	DOT, DOTr, DOH
Tourism	
<ul style="list-style-type: none"> Allocate bouncing-back fund for the Re-Start Up Program for MSMEs and community-based organizations from the Tourism Development Fund or Trust Liability Account /Special Projects Review Committee 	DOT

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
IT-BPM <ul style="list-style-type: none"> Allocate budget for re-skilling and up-skilling of workforce in the IT-BPM industry 	DTI, DOLE
Skills Development <ul style="list-style-type: none"> Partnership with TESDA on possible employment measures that will provide skills and livelihood opportunities for workers to minimize impact of COVID-19, ensure fast recovery from income and job losses, and build long-term resilience against future crises. 	DOLE, TESDA, and other relevant agencies

Governance and crosscutting concerns

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
Strategic stockpiling of personal protective equipment (PPEs), medical equipment, medicines, and other medical supplies	DTI, DILG, LGUs, Department of Health (DOH), Office of Civil Defense OCD)
Strategic and adequate logistic facilities (e.g., post-harvest facilities, market satellites, market on wheels, cargo movement)	DTI, DA, DILG, LGUs, Department of Transportation (DOTr)
Conduct of the following activities through the National/Local DRRM Fund: <ul style="list-style-type: none"> Capacity assessment of health facilities and personnel for emergency preparedness and response Geo-mapping of critical facilities with corresponding attributes and correct geotagged location (e.g., DRRM operation centers nationwide, evacuation centers, hospitals, schools, ICT towers, churches, etc.) Provide incentives to encourage private sector to augment facilities and equipment for COVID-19 response, as well as for disaster preparedness (e.g., accommodation for health workers, quarantine facility for suspected COVID-19 cases, or evacuation site or temporary shelter in case of disaster) 	DOH, OCD, DILG, LGUs OCD, DILG, LGUs DILG, LGUs, OCD, DOH
Support to and capacity building of LGUs to conduct epidemiology and health surveillance, including information dissemination	DOH
Measures to ensure continuous supply and flow of food and other essential goods and services; and provision of health services	DA, DTI, DOH, DOTr, DILG, LGUs, Department of Social Welfare and Development (DSWD)

PROGRAM DESCRIPTION

RESPONSIBLE AGENCIES AND UNITS

Fast-track the implementation of the following programs:

DICT

- Digital classrooms (distance learning systems and tablets or laptops)
- Digital work force (reskilling and upskilling of vulnerable sectors)
- Digital medicine (telemedicine kits for distance meetings and telemedicine platforms)
- Digital government
- Digital social assistance
- National Broadband Program
- Free internet Wi-Fi in public places and state universities and colleges
- Emergency communication
- Defense of critical information infrastructure
- Strengthening the National Computer Emergency Response Team

Measures to improve risk and crisis communication

DOH, OCD with all agencies

For 2021

Increase budget for the fast-tracked implementation of PhilSys

Philippine Statistics Authority (PSA)- PhilSys Registry Office

Conduct of a CAPI-based CBMS

PSA

Strategic stockpiling and pandemic or hazards preparedness

DTI, DOH, OCD, DILG, LGUs

Strategic and adequate logistic facilities (e.g., post-harvest facilities, market satellites, market on wheels, cargo movement)

DTI, DA, DOTr, DILG, LGUs

Upgrading of existing data infrastructure in the NDRRM Operations Center such as geographic information system, monitoring instruments, forecasting and early warning, geolocation technologies, reporting systems, etc.

OCD, Department of Science and Technology (DOST) - Philippine Institute of Volcanology and Seismology and Philippine Atmospheric, Geophysical, and Astronomical Services Administration, Department of Environment and Natural Resources (DENR) - Mines and Geoscience Bureau and National Mapping and Resource Information Authority

Development of a capacity-building program for NGAs to formulate and implement public service continuity plans

CSC, Development Academy of the Philippines (DAP)

Procurement and maintenance of mobile and field hospitals with at least level 2 capability to be repositioned in different strategic regions

DOH, LGUs

Replenishment of allocation for the People's Survival Fund pursuant to the Climate Change Act of 2009 (RA 10174)

Climate Change Commission or Department of Finance to ensure optimal utilization; DBM to ensure prioritization

Increase LGU funding for health programs from increased IRA allocation pursuant to the Mandanas Case ruling

DBM, in coordination with its Technical Working Group³⁴

Conduct of capacity building and continuous learning programs, including the use of e-learning platforms and digital upskilling

CSC, DAP, Local Government Academy

Investment of ICT resources and capability for online and remote government operations (e.g., laptops, internet connectivity, etc.)

DBM to provide guidance; All agencies to execute

Continued support to DICT programs

DBM to provide budget; All agencies to coordinate with DICT

³⁴ There is no official name yet for this TWG. The members are: DBM (as lead), DILG, NEDA, DAP, PCOO, and CSC.

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
Conduct of capacity building and awareness projects on cyber risks in everyday life of Filipinos	DICT, National Privacy Commission, Department of Justice
Expansion of the National Effort for Harmonization of Efficiency Measures of Inter-related Agencies Project to cover other sectors	Anti-Red Tape Authority (ARTA), in coordination with the Project's lead builders ³⁵ and the ARTA-EODB Advisory Council ³⁶
Conduct of the National Values Formation Program	National Commission for Culture and the Arts, CSC, with inputs from other government agencies and the private sector
Enhanced risk mitigation in preparation for the 2022 National and Local Elections	COMELEC

Social development

Health and nutrition

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES
For the rest of 2020	
Operational budgets of government hospitals, especially those involved in COVID-19 treatment, prevention, and control of other infectious diseases; emergency preparedness and response; and Quick Response Fund	DOH
Increase the operational budget of the Philippine General Hospital (PGH)	University of the Philippines-PGH
For 2021	
Expand spending on medical infrastructure: new hospitals, health, and critical care facilities, laboratories, as well as acquisition of medical equipment, medevac and ambulance vehicles, and stockpiling of PPEs, test kits, medicines, vaccines, etc.	DOH, LGUs
Sustain budget for regular health programs (e.g., Immunization Program, Maternal, Newborn and Child health, Tuberculosis, HIV-AIDS, Family Planning, etc.)	DOH, LGUs
Incentivize, subsidize, and support researchers and research institutions who will engage in research and development related to development of test kits, medical equipment, vaccines (e.g., COVID-19 vaccine), medicine, and others.	DOST-Philippine Council for Health Research and Development, DOH, Commission on Higher Education (CHED), higher education institutions
Increase budget to improve health data systems (Unified Health Data Dashboard for disease surveillance and monitoring; and Health Information Exchange)	DOH, LGU
Sustain budget for indigents under PhilHealth to cover emerging or re-emerging diseases	PhilHealth
Draft the National HRH Masterplan, the long-term strategic plan for the management and development of HRH to include contingency plans for national public health emergencies (i.e., recruitment for medical reservists), and the National Health Workforce Registry	DOH
Ensure budget for the implementation of the UHC Law and First 1000 Days	DOH, PhilHealth, National Nutrition Council

³⁵ Office of the Executive Secretary, ARTA, Office of the Cabinet Secretariat, DBM, NEDA, DICT, DILG, and DAP.

³⁶ Composed of the DTI Secretary (Chair), ARTA Director General (Vice-Chair), DOF, DICT, and DILG Secretaries, and two representatives from the private sector as members.

Social protection

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES
For the rest of 2020	
Various programs: Assistance to Individuals in Crisis Situations, distribution of food and non-food items, livelihood assistance grants, and supplemental feeding for daycare children	DSWD, LGUs
Quick Response Funds	DSWD
Integration of savings mobilization as a component of all social protection programs	DSWD
For 2021	
Provision of automated teller machine cards to senior citizens	DSWD, LGUs

Education

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES
For the rest of 2020	
School-based feeding program	DepEd
Improve existing online platforms	DepEd, CHED, TESDA
Tap the ICT for the Alternative Learning System (ICT4ALS) Project of DepEd and UNICEF	DepEd
Realign funds for teacher training to enable them to teach flexible learning options and blended learning	DepEd, CHED, TESDA
For 2021	
Develop learning and teaching modules for flexible learning options, and radio or TV classes, including e-learning materials (modularized for students, teachers, and parents)	DepEd, CHED, TESDA
Provide communication/internet allowance for teachers and StuFAP beneficiaries	DepEd, CHED, TESDA
Expand the Government Assistance to Students and Teachers in Private Education (GATSPE) coverage to elementary	DepEd
Expand DepEd's Computerization Program	DepEd
Develop a national e-learning platform (web-based and app-based)	DepEd, CHED, TESDA, PRC, DICT
Increase budget for the Universal Access to Quality Tertiary Education and Technical-Vocational and Education and Training	CHED, TESDA
Realign funds for the improvement of information technology (IT) infrastructure (both hardware and software) for the TESDA Online Program courses	TESDA
Develop a Learning Management System to easily track learner progress and performance	TESDA
Procure courses from other online institutions and develop future-ready courses in TESDA Online Program and MOOCs of higher education institutions (HEIs)	TESDA, CHED

Labor and employment

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
Conduct skills retooling programs through flexible and blended training arrangements to improve employability of displaced workers	TESDA, DOLE
Tap and fast-track the implementation of the <i>Tulong Trabaho</i> Fund	TESDA
Expand unemployment benefits to include temporarily laid off workers	SSS, DOLE
Expand awareness and coverage of the Employees' Compensation Program	Employees' Compensation Commission, DOLE
Institutionalize the provision of PPEs by employers to prevent spread of COVID-19 and other viruses.	DOLE
For 2021	
Improve social protection programs and income support systems through unemployment insurance, emergency employment, and wage subsidies	SSS, DOLE
Intensify financial literacy programs for the vulnerable sector	DOLE, PESOs
Issue training vouchers to individuals, which can be availed through institution-based, enterprise-based, or online modalities for the upskilling or retooling of learners and workers (similar to the Skills Future Singapore model)	TESDA
Establish additional MTLs and equip all these laboratories with computers and internet connectivity	TESDA

Housing and urban development

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES
For 2021	
Housing Rental Subsidy Program for low-income ISFs	Department of Human Settlements and Urban Development, National Housing Authority

Migration

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
Retooling of skills or upskilling for repatriates	TESDA, National Reintegration Center for OFWs
Increased fund allocation for reintegration programs	
For 2021	
Increased budget of OFW-Enterprise Development and Loan Program	OWWA, DOH
Budget for the deployment of more overseas officers to improve the ratio of the Overseas Workers Welfare Administration (OWWA) officers vis-à-vis OFWs	
Additional funding for repatriation assistance	
Funding for migrant health programs, including mental health	
Increased operating funds for welfare-related and emergency assistance programs/activities at posts	

Environment and natural resources

PROGRAM DESCRIPTION	RESPONSIBLE AGENCIES AND UNITS
For the rest of 2020	
<ul style="list-style-type: none"> Provide training on health and safety measures (e.g., proper use of PPEs) for wildlife caretakers and waste collectors/handlers Improve management of infectious wastes during COVID-19 outbreak (i.e., handling and treatment protocols or strategies to manage wastes during virus outbreaks) Establish temporary containment, quarantine, or isolation facilities for infected hospitals wastes Conduct mass media campaign on proper disposal and management of health care wastes, especially masks and gloves Implement proper wildlife handling protocols during wildlife turnover to minimize the risk of transmission of diseases or viruses from wildlife to humans 	DENR and DOH
For 2021	
<ul style="list-style-type: none"> Construct and accredit additional TSD facilities for handling pathogenic or infectious wastes, especially in areas where such facilities are very limited Conduct regular sanitation of public places such as wet markets, parks, and informal settlements Provide technical assistance to LGUs in establishing clustered MRFs and SLFs with proper health and safety protocols to ensure that no untreated healthcare wastes are processed in these facilities 	DENR, LGUs, and private sector.
<ul style="list-style-type: none"> Establish additional wildlife sanctuaries for rescued wildlife with trained wildlife caretakers on proper handling protocols Carry out communication, education, and public awareness campaign against encroachment and illegal wildlife trafficking Create an integrated knowledge management system for more transparent and better access to information on healthcare wastes (e.g., use of geo-informatics) 	DENR

PROGRAM DESCRIPTION

- Implement a comprehensive bioprospecting and biotechnology program to facilitate discovery and development of novel compounds and derivatives for pharmaceutical purposes
- Conduct R&D programs on: (a) capacity and needs assessment of health care facilities, especially government hospitals to manage health care wastes; (b) assessment of existing technologies or processes on waste storage and treatment to manage new viruses; and (c) early detection and rapid response to manage new viruses and other organisms, and its relationship to the environment
- Agroforestry development programs in COVID-19 affected rural communities to support food production and watershed protection
- Biodiversity-friendly and sustainable alternative livelihood programs for local communities to avoid over-extraction of natural resources
- Forest protection, reforestation, watershed rehabilitation and management activities especially in critical watersheds (e.g., Enhanced-National Greening program, enforcement activities through sustainable forest management and integrated watershed management; and pollution control programs of water bodies such as rivers, and lakes, including wastewater treatment to sustain availability of freshwater resources)
- Provide additional budget support for digital technologies or computer applications for forest management (surveying, mapping, and planning), including its knowledge management systems
- Implement water conservation and efficiency measures (e.g. establishment of rainwater harvesting, water reuse and recycling, upgrading/retrofitting of water supply system, excess floodwater storage, among others)
- Implement Water Demand Management Program through: (a) conduct of intensive public education campaign on water demand management; (b) formulation of policies and strategies for efficient water supply system; and (c) conduct researches on water storage and collection system, including efficient irrigation
- Conduct information campaigns on water conservation in traditional and social media platforms

RESPONSIBLE AGENCIES AND UNITS

DENR, DOH, DOST, DA, and the academe

DENR, DA, and DTI

National Water Resources Board