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# The DBM Bulletin

The Official Newsletter of the Department of Budget and Management



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# DBM's 84<sup>th</sup> ANNIVERSARY



## MESSAGE *from the* SECRETARY

*(Excerpts from the Secretary's Anniversary Message)*

The 84th founding anniversary of the Department of Budget and Management (DBM), which we mark on April 25, will stand out as a celebration unique and peculiar in all of our history, as we take part in it, at home. Literally and figuratively, where we are, in the safety of the place we call home.

These challenging times have kept most of us in quarantine and physically confined in the dwellings we call home, with the rest of our family members. “Home” for now is where we must be to ensure that life and security go on for the rest of the Filipino people. In a larger context though, home to us is the DBM, and our fellow DBM employees, our family.

Unlike in our past anniversaries, we will not be able to gather as one big DBM family for a very important event, participate in physical games and contests, show off our dancing or singing talents, and take unlimited selfies and groupies with our colleagues to immortalize special moments of excitement, joy, and happiness.

But celebrating an anniversary when we are physically apart does not mean we honor and cherish the occasion any less than when we celebrate it together. This time, in fact, could be the most memorable and meaningful anniversary of the DBM in history as we seek and discover special ways to celebrate it. This year, we will set aside the merrymaking and instead commemorate the event with courage, faith, and hope as we brace for the new normal.



In these trying times where the world is engaged in battle with the Coronavirus disease-2019 (COVID-19), it would be safe for all of us to stay at home and remain positive that this too shall pass, and hopefully soon. Know that our simple acts can help ease our everyday struggle. Our celebration may be different this time, but always remember that we are one. We may celebrate apart, but the virus can never ruin the relationship we have as one home, one family.

To my DBM family, stay strong, stay safe. God bless, protect and be with us always.

WENDEL E. AVISADO

# Our Stories: Surviving the Pandemic

By: Rey Angelo Jose M. Gonzaga & Emil John T. Manguerra

The Coronavirus Disease-2019 (COVID-19) has created a global crisis that has somehow affected every aspect of our everyday lives. Confronted by this pandemic of unprecedented proportions, we were all forced to deal with interruptions, disruptions, and changes in our lives and now are faced with the reality of having to cope with the “new normal.”

Over the past few months, people have been taking action and developing their own creative ways to survive these challenging times – whether by prioritizing self-care, helping their community, finding innovative ways of coping, learning new skills, looking after relatives and loved ones, and many more.

To reconnect as a community, we are sharing these stories from our colleagues, of their experiences during the community quarantine. The crisis unfolds differently for everyone, but learning from each other is important to survive this pandemic together. When we begin to move forward, may we look at these stories together with newfound strength and guidance to carry us into the future.

## Kevin Rebultan Procurement Service

Since the Enhanced Community Quarantine (ECQ) was imposed in Metro Manila, I have been working from home on weekdays, except every Tuesday when I am part of the skeletal force that reports at the Procurement Service (PS) office in Paco, Manila.

As I make sure that I still get the job done despite being away from the office, I see to it that I am also updated on the latest developments on the crisis. I watch the news, read articles, and consume everything of relevance — health tips, safety precautions, facts about the virus, myth debunkers, public service announcements, etc. Not only for me, but for the people with whom I can share the information. I have also started paying attention to my general well-being, having realized only recently that prevention is indeed better than cure.

The current work set-up is not without its hurdles though. As part of the PS Marketing and Sales Division, among my tasks is to write. Unlike before when we could just print out the draft and hand it over personally to the editor or supervisor, email has become the primary channel of conversations and submissions. With the countless emails we receive each day from client-agencies that hope to procure COVID-19 response items from PS, my drafts usually take some time to be finalized.

Also, in an effort to foster integrity and transparency in government procurement, PS has now become more active on social media. The use of social media is actually favorable to people who work from home, but getting information personally from your source is still much safer than acquiring details via email interview or messages. In compliance with the social distancing protocol and travel restrictions, however, we can only afford to do the latter.

This pandemic has taught me the truth about many previously ignored clichés in life: Health is wealth. Time is gold. And time management is just as valuable. Good things happen when you set your priorities straight. Most importantly, this work arrangement proves that there is really no place like home. I’m kidding—or maybe I’m not.

## Keith Censoro DBM RO VI

I was in Manila when the government announced that it would impose a total ban on domestic air flights due to the COVID-19 pandemic. Fortunately, I was able to get a flight back to Iloilo City a day before the ECQ started. When I arrived in the city, I immediately reported to the Barangay Health Emergency Response Team (BHERT), and submitted to their protocols. I was then categorized as a Person Under Monitoring (PUM) due to my travel history, and was also subjected to a 14-day mandatory quarantine.

Day after day, I tracked my activities – the people I met and got exposed to, and the places I visited. At that time, I already considered myself as COVID-19 positive to effectively isolate myself from everyone. The days spent in quarantine seemed really unproductive, until I decided to remain committed to my advocacy and serve my community. I contacted the One Calinog Organization, the community organization that I co-founded in 2015, to initiate several activities in the fight against COVID-19.

With the help of our sponsors, donors, and partners, we were able to produce 2,000 localized face masks that were distributed to frontliners in our community. We also initiated the “LOVEvabo Project,” a health project aimed at raising public awareness on the importance of hand-washing in the fight against COVID-19. The team used old metal drums, water jugs, and other industrial waste materials to build improvised hand-washing stations that were deployed all over the community.

It was indeed dreadful and frustrating to be a PUM. But with the help of our organization, I was able to turn otherwise unproductive mandatory quarantine days into a life-changing and meaningful period in my life.





**Atty. Juan Emmanuel M. Reyes**  
**Administrative Service**

"You can check out any time you like, but you can never leave."

This is the enigmatic last line of "Hotel California," one of the first songs that I listened to when the ECQ started. That time, the lyrics conveyed a sense of unwelcome restraint on personal freedom. As part of the working class juggling multiple jobs and commitments, I just had so many things to do. I simply could not afford to stop or slow down.

But heading towards the end of the ECQ, the lyrics struck a new chord and took on a whole new meaning for me. I can already check out, but at the same time, I simply do not want to, or at least not yet.

This is the existential ambivalence that I now labor under. While I miss the hustle and bustle of the "old normal" daily routine, I also feel unnerved to suddenly let go of something I had become accustomed to. It is not the inertia of the indolent, as I am not a couch potato. Rather, it is more of a natural resistance to abandon a "new normal" to which I have now adapted. On a personal level, and without any desire to disparage or undermine others' experience, part of me says that I like things the way they are now.

Looking back at this meaningful period, I can say with pride that there was no time wasted. I accomplished quite a lot, more than I had imagined. In fact, I feel that I have grown more mature, wiser, and more resilient in the process. Initially, probably as with the rest, I struggled to put a rigid and intelligible structure to the new set-up and struggled to be productive. At my age, dreading the onset of midlife crisis, I was reminded how desperately I was in need of a breather and a moment of self-examination, away from the cruel and hectic pace of modern life.

I painstakingly found a way each day to channel frustration into productivity. I managed to finish an overdue term paper on Michel Foucault and the law. Of course, I worked on some office stuff as well. I brought out and cleaned some pieces from my guitar collection that have been collecting dust, and also learned to play a couple of songs. In the afternoon, after the trademark "DBM AS siesta," I was off to an hour's ride on my dusty spinning bike. Then, I got back to my workspace again, until I retired for the night. Throughout, I listened to an average of 4 to 5 CDs a day.

But more than anything else, I was tenderly wrapped in the embrace of my beloved family during the whole ordeal – proximally and virtually. Right before my very eyes, I saw my 3-year-old significantly improve his communication skills day by day. A premature baby who at an early age was an autism/Global Developmental Delay-candidate, my son now shows signs that he might be on the road to normalcy.

I could not have experienced these morally uplifting and therapeutic moments if it were not for the ECQ. In any event, I hope that we all come out wiser and more attuned to our finite existence, especially as we adjust to the so-called "new normal." For me, it has all been worthwhile. But all our efforts must not stop after ECQ. The vigilance and Bayanihan spirit

must carry on, especially in the workplace. With excitement and bated breath, I yearn for the much-awaited reunion with the nice people of the DBM, especially those from the Administrative Service.

**Judith Pagsuyuin-Hakim**  
**Administrative Service**

The implementation of the ECQ has thrust me into the work from home mode that enabled me to take care of my children aged 9 to 13, as my husband had to continue on active assignment with the Philippine Navy. While we were able to help some relatives and friends with the government's support, we also had to cancel our trip to Bataan for my father's birthday, and to Batangas to attend the wake and burial of my uncle.

The pandemic reminded me to prioritize my family, work, and health. Personally, the most challenging part was overcoming fear and keeping myself and my children safe and healthy. My eldest has attention deficit hyperactivity disorder (ADHD), so I must do everything I can to help him cope with this situation.

Now that we have more free time though, I have been able to do things I have wanted to do but never seemed to have the time for – including urban gardening, playing the guitar, and reaching out to family and friends online.

I also make it a point to support friends who organize donation drives of food packs for displaced workers and personal protective equipment (PPE) for medical frontliners. I have linked friends affiliated with hospitals to a friend associated with a foundation that provides PPE, masks, and alcohol. Aside from these, we have also sent donations to Isabela and Zamboanga.

This ECQ took me back to the time before I joined the DBM, when I was a full time mom for seven years, after having been a banker for 12, and a government employee for four. Now with the scenario reversed once again, I have come to realize how opportunities can really change our lives. Indeed, I am grateful that the DBM has somehow given me a new lease and a new perspective on life.

**Elizabeth Seva**  
**DBM RO IV-B**

Before the COVID-19 pandemic, I always had to juggle work and family. I had to struggle on weekdays to reach the office on time, spending several hours commuting from my residence to the office and vice versa, and stretching my patience waiting for public utility vehicles, especially during rush hours.

On weekends, I made sure to bond with my family as a form of relaxation. We often spent time together by going to malls, visiting relatives, going to the salon, or going on staycations especially on special occasions.

Suddenly, all of these changed when the ECQ started. In our community, we are only allowed to go out twice a week. I now have to work from home, and I don't have to deal with commute challenges like the long hours of traffic and pollution. No more



shopping, staycations, and visits to relatives. We now also have to participate in Sunday masses via television.

My family members whom I only used to see only for a few hours each day are now with me 24/7. Suddenly I now have much time for them and for myself.

However, these times are not without challenges. One of the greatest challenges now is keeping myself and my family healthy and safe. And because I have so much time on my hands, there is a challenge to be more productive each day.

These are indeed trying times. As we adjust to the so-called “new normal,” we must abide by the policies and guidelines set to effectively “flatten the curve.” Along with everyone else, we must care for, not only ourselves, but also our frontliners who are risking their lives in the fight against COVID-19.

## Changing Gears

Jimmy Atanacio, Administrative Aide IV, used to wear the traditional barong as uniform at work. But as the country continues its battle against COVID-19, he now sports a camouflage suit for a special mission – to be a military frontliner.

Unknown to many of his colleagues and co-workers, Atanacio is also an Airman First Class of the Philippine Air Force. In 2017, he joined the Air Force as a military reservist to fulfill a childhood dream.

“When I was a kid, it was really my dream to be part of the military. So when my friend introduced to me the reserve program of the Philippine Air Force, I immediately joined in,” he said.

He never expected that a virus would turn out to be one of his toughest rivals. When the Air Force called him to augment the personnel in checkpoints, he did not hesitate to volunteer. He knew then that volunteering would be a risk to his life and health but he still pushed through.

“I volunteered because I wanted to help other people and the entire military team to the best that I can. It has always been my passion and advocacy to serve our country,” he said.

Atanacio was assigned in one of the borders of San Jose Del Monte in Bulacan. As a frontliner, he helps ensure public order, particularly in controlling the influx of people to prevent the spread of the virus.

Atanacio shared that being at the frontlines requires strength and patience. Along with his team, he has experienced rantings from irate residents. Aside from this, he needs to endure long exposure to heat.

Despite these challenges, he shared that seeing more people cooperate with them never fails to bring a smile to his face. He feels that what he is doing is worth all the sacrifices.

He could have been in the comfort of his home. But for now and given needs of the times in the face of the crisis, helping people seems to be, as always, more fulfilling.

## DBM employee's 'Almusal Pack Project' brightens up mornings of the homeless, frontliners

Breakfast is the most important meal of the day, diet and nutrition experts stress, affirming the popular adage that one should feast like a king in the morning, to load up for the rest of the day.

For many poor and homeless families, however, breakfast is often a special privilege, available only when one has the money and the time for it. Understanding this reality, and hoping to respond to it, was one of the reasons Emil John T. Manguerra, Information Officer II at the Budget Information and Training Service, and his friends organized an outreach activity to provide breakfast food for dozens of homeless individuals and families in Valenzuela City.

“I’ve seen a lot of individuals who still remained on the streets despite the threat of the virus. Most of them were simply looking for food,” Manguerra said.

Manguerra, who is also the Project Lead of the Almusal Pack, shared that he gathered his friends online to sound them out on the idea and plan how to execute the activity. His team worked together in designing posters to collect donations from their friends via the different social networking sites, as well as in packing and distributing the food packs.

Organizing an outreach activity in a time of restrictions and strict measures to prevent the spread of the COVID-19 has been challenging for the group. From preparation to the execution of the project, they needed to walk some distance to buy goods from different stores and distribute them to different families.

“Since the local government of Valenzuela implements an Anti-Hoarding Ordinance, we had to hop from one store to another to buy the allowable number of products,” Manguerra shared. With their teamwork, they were able to provide a breakfast pack which contains breads, coffee, milk, and various flavors of spreads to 133 individuals and families.



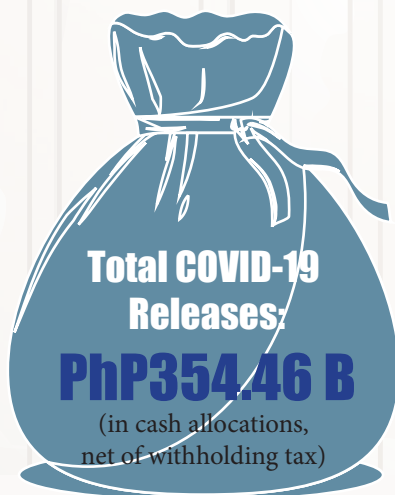
# We Heal as One: COVID-19 Response

By: Joy S. Almazan

How do you fight a deadly and invisible enemy like Coronavirus disease-2019 (COVID)-19, which has brought the world to a standstill? How do you stop it from claiming any more lives? How do you rebuild an economy dragged down by this deadly pandemic?

There are no easy answers to these questions, nor is there a single formula to respond to the world's current dilemma – the COVID-19 crisis. But, as warriors in this “invisible war,” all must respond in unity, all must do their part – big or small.

To heal as one, Congress enacted Republic Act No. 11469 also known as “Bayanihan to Heal as One Act” which gave President Rodrigo Duterte emergency powers to realign national funds to respond to the COVID-19 crisis. The Department of Budget and Management (DBM), for its part, issued National Budget Circular No. 580 on April 22, 2020 to provide funds for the COVID-19 response. The Circular includes measures such as the discontinuance of all appropriated programs, projects, or activities of government agencies including government-owned or –controlled corporations (GOCCs) in Fiscal Years 2019 and 2020. As of June 22, 2020, PhP354.46 billion in cash allocations have been released for various COVID-19 related programs and activities.



## FUNDING SOURCE

### Discontinued Programs, Activities, & Projects

2020 GAA: PhP215.88 B  
2019 GAA: PhP30.75 B

### Regular Agency Budget

2020 GAA: PhP9.76 B  
2019 GAA: PhP196.3 M

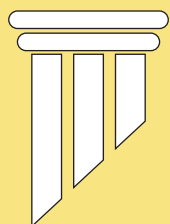
### Special Purpose Funds

FY 2020 National Disaster Risk Reduction and Management Fund: PhP600 M  
FY 2020 Contingent Fund: PhP520.6 M  
FY 2020 Unprogrammed Appropriations: PhP96.7 B

### Trust Receipts

PhP42.8 M

The government's COVID-19 response is anchored on the Duterte Administration's Philippine Pillar Program for Recovery with Equity and Solidarity (PH-PROGRESO).



## PILLAR I

### Emergency Support for Vulnerable Groups

- **Emergency subsidy program for 18 million low-income families in the informal sector**

**PhP199.95-B** released to the Department of Social Welfare and Development (DSWD) to fund its Social Amelioration Program (SAP) intended for 18 million household beneficiaries, and other various programs to mitigate the impact of the pandemic.



- **PhP37-B additional support to local government units (LGUs)**

**PhP6.2-B** for the “Bayanihan Grant to Provinces (BGP)” to cover the funding requirements for the one-time financial assistance to provinces intended to support the government’s efforts in response to the COVID-19 pandemic. The amount is equivalent to one half (½) of the one-month FY 2020 Internal Revenue Allotment (IRA) share of 81 provinces nationwide.

**PhP30.8-B** for the “Bayanihan Grant to Cities and Municipalities (BGCM)” to cover the funding requirements for the one-time financial assistance to cities and municipalities to boost their capacity in responding to the COVID-19 situation. The one-time BGCM is equivalent to a one-month FY 2020 IRA share of the cities and municipalities.

- **PhP51-B wage subsidy program for employees of small businesses**

**PhP51-B** released to the Department of Finance-Social Security System for the implementation of the Small Business Wage Subsidy Measure. Said measure provides a wage subsidy of between PhP5,000 to PhP8,000 per month per eligible employee to alleviate the impact of the quarantine.

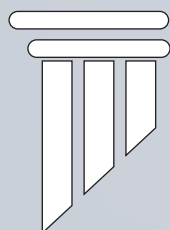
- **Boost food security**

**PhP8.5-B** has been released to the Department of Agriculture for its Rice Resiliency Project (RRP) under the Ahon Lahat, Pagkaing Sapat (ALPAS) Kontra COVID-19 Program. The RRP aims to ensure the availability of rice supply through increased local rice production during the 2020 wet season.

- **Cash assistance to affected workers**

**PhP7.57-B** released to Department of Labor and Employment (DOLE) to fund, among others, its COVID-19 Adjustment Measures Program (CAMP) and Tulong Panghanapbuhay sa Ating Displaced/Disadvantaged (TUPAD) Workers Program #Barangay Ko, Bahay Ko Disinfecting/Sanitation Project, and other various programs to mitigate the impact of COVID-19 to affected disadvantaged/displaced workers due to the ECQ.

Of said amount, PhP130 million was released to DOLE-Overseas Workers Welfare Administration (OWWA) for the implementation of its Emergency Repatriation Program.



## **PILLAR II Resources to Fight COVID-19**

**PhP48.2-B** released to the Department of Health (DOH) to address the COVID-19 crisis. Of which:

- PhP1.8-B for the procurement of Reverse Transcription Polymerase Chain Reactor (RT-PCR) Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-COV-2) Detection Kits
- PhP45.7-B to cover the funding requirements for the efficient implementation of Republic Act No. 11469 or the “Bayanihan to Heal as One Act” programs of the DOH

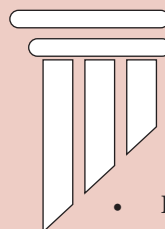
**PhP54.9-M** released to the Department of Science and Technology for the production of 1,300 COVID-19 testing kits for 26,000 tests, including delivery, training of those who will administer the tests, and cost of genome sequencing validation; and for the rollout of 1,000 RxBox Telehealth Devices in selected Rural Health Centers in the country.

**PhP400-M** released to the Philippine General Hospital to augment its operational budget.



## **PILLAR III Fiscal and Monetary Actions**

- PhP436.9-B projected official development assistance financing from various multilateral and bilateral sources
- PhP300-B Bangko Sentral ng Pilipinas (BSP) repurchase agreement to fund COVID-19 response measures
- PhP200-B estimated additional liquidity from the BSP as a result of the 200-basis point reduction of the reserve requirement ratio that took effect in April 2020



## **PILLAR IV Economic Recovery Plan**

- Proposed Bayanihan II and Corporate Recovery And Tax Incentives for Enterprises Act (CREATE) program to help businesses recover and create jobs
- Nationwide survey conducted to assess the damage to industries, the results of which were used in crafting the bounce-back program.
- Continued investment in social and infrastructure programs to revive and sustain economic growth



# We Recover as One: Getting Ready for the "New Normal"

By: Crispin Mahrion Abacan

The COVID-19 pandemic has radically altered life as the world knew it. In almost all countries around the globe, people suddenly found themselves confined to their homes and kept apart from loved ones and friends, their jobs sidelined or even lost, as they continued to grapple with a vicious yet invisible enemy. Over such a short period of time, the crisis exacted a heavy toll on economies, and worse, in massive losses of lives – even of those at the forefront of the battle, tasked to protect and save the rest of the population.

Weeks have gone by, but the crisis is still not over. Nor will it be any time soon, particularly in terms of the expectation of going “back to normal.” For even while still dealing with the struggles and challenges of the crisis, nations, governments, and populations have already begun preparing for a post-pandemic scenario that experts refer to as the “new normal.”

What will this “new normal” be like for the Filipino people? How will they resume or begin their lives anew? How will the government lead the way to this “new normal”? And what is this “new normal” anyway?

## Laying the groundwork for the COVID-19 Response

Crucial to the success of the Philippines’ efforts to recover from the COVID-19 crisis is a targeted strategy to address the economic effects of the pandemic. Recognizing this, the Duterte Administration’s Economic Team, of which the Department of Budget and Management (DBM) is a member, has proposed a four-pillar socioeconomic strategy to manage the impact of COVID-19.

Dubbed as the Philippine Program for Recovery with Equity and Solidarity or PH-PROGRESO, the PhP1.74-trillion recovery plan provides the following pillars to address the impacts of the pandemic on the country and the people: 1) Emergency Support for Vulnerable Groups and Individuals; 2) Resources to fight COVID-19; 3) Fiscal and Monetary Actions; and 4) An Economic Recovery Plan.<sup>1</sup>

The PH-PROGRESO (as of May 13, 2020) lays out an array of policies and programs, activities, and projects (PAPs) to be implemented in three general stages, to make the Philippines more resilient and better prepared for the future: 1) Emergency Stage, 2) Recovery Stage, and 3) Resiliency Stage. (See: [http://www.neda.gov.ph/wp-content/uploads/2020/05/Economic-recovery-program-v9-short-for-Sulong\\_1589436221.pdf](http://www.neda.gov.ph/wp-content/uploads/2020/05/Economic-recovery-program-v9-short-for-Sulong_1589436221.pdf))<sup>2</sup>

Given the uncertainties, the Duterte Administration’s economic managers also believe that economic recovery programs should be realistic and fiscally sustainable. During the Sulong Pilipinas

E-Conference last June 8, 2020, the Department of Finance Secretary Carlos G. Dominguez identified four legislative imperatives to revive the economy: 1) infusing more capital to government financial institutions (GFIs) to enable them to assist micro, small and medium enterprises (MSMEs) and other companies hit hard by the pandemic; 2) allowing banks to dispose of non-performing loans and assets; 3) reducing the corporate income tax (CIT) rate from 30 to 25 percent and other investor-friendly reforms through the swift congressional approval of the recalibrated Corporate Recovery and Tax Incentives for Enterprises Act (CREATE); and 4) amending the Agri-Agra Reform Credit Act to make it easier for banks to pump fresh capital into the farm sector.<sup>3</sup>

Aside from these, the Congress is also deliberating several legislative measures on economic stimulus package. Such bills include, among others, the proposed Accelerated Recovery and Investments Stimulus for the Economy in the Philippines (ARISE) and the Bayanihan to Recover as One Act. The DBM, in coordination with the economic managers, has crafted its position paper on these bills to signify its comments and recommendations to further improve the provisions in the bills.

## Recalibrating the Budgets to Address the COVID-19 Crisis

To provide the much needed funds to help the country recover and sustain its recovery, the DBM, pursuant to Republic Act No. 11469 or the Bayanihan to Heal as One Act (hereafter referred to as Bayanihan Law), issued National Budget Circular No. 580 dated April 22, 2020, to provide measures for reallocation and realignment of funds, and in the use of these funds for PAPs implemented in connection with the pandemic.<sup>4</sup> The NBC advises that 35 percent of programmed appropriations of

### Phased and Adaptive Recovery Approach

	EMERGENCY STAGE	RECOVERY STAGE	RESILIENCY STAGE
Period	March to May 2020	June to December 2020	2021 onwards
Law	Bayanihan I	Bayanihan II, CREATE	2021-22 GAA and other reform laws
Pillar	Pillars I and II	Pillars III and IV	Pillars III and IV
Key features	<ul style="list-style-type: none"> <li>Budget and procurement flexibility</li> <li>Subsidy to poor and low income</li> <li>Small business support (grace period, wage subsidy)</li> <li>Support to key sectors (e.g., agri and OFW)</li> <li>Health system, capacity, and insurance</li> <li>Support frontliners</li> </ul>	<ul style="list-style-type: none"> <li>Budget and procurement flexibility</li> <li>Reprioritization of 2020 budget</li> <li>Priority BBB resumption</li> <li>Demand side to raise income and create jobs: better targeted and implemented Bayanihan I programs</li> <li>Supply side to support firms: Liquidity and equity infusion, and guarantee thru the financial sector</li> <li>Targeted tax incentives</li> </ul>	<ul style="list-style-type: none"> <li>Reprioritization of the 2021 and 2022 budgets</li> <li>Structural reforms to turn crisis into opportunity to prepare for the new normal</li> <li>Support Balik Probinsya, Bagong Pag-asa (BP<sup>2</sup>) Program</li> </ul>

Source: NEDA



covered government instrumentalities under the FY 2020 GAA shall no longer be made available for release effective April 1, 2020, and at least 10 percent of the total released allotments for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) of certain entities shall no longer be made available for obligation. Likewise, consistent with the prescribed one-year validity of appropriations, allotments shall not be released for PAPs which are not likely to be implemented within the current fiscal year.

As of June 22, 2020, the DBM has released PhP355.68 billion allotments and PhP354.46 billion cash allocations to various government agencies for this purpose. Of this amount, PhP246.6 billion, equivalent to nearly 70 percent of total releases, were sourced from discontinued PAPs pursuant to Section 4(v) of the Bayanihan Law. Further, PhP11.74 billion were charged within the FY 2020 and FY 2019 Continuing Appropriations pursuant to Section 4(x) of the Bayanihan Law, while the remaining PhP96.72 billion were charged within the FY 2020 Unprogrammed Appropriations pursuant to Section 4(y) of the Bayanihan Law.

For FY 2021, the DBM issued National Budget Memorandum (NBM) No. 136 or the Budget Priorities Framework for the Preparation of the FY 2021 Agency Budget Proposals last May 21, 2020, providing information on fiscal space, key strategies, and budget proposal formulation guidelines, among others. In line with this, the proposed budget for FY 2021 is being reviewed and reprioritized to make it more pandemic-responsive by further buttressing the health care system, ensuring food security, enabling a digital government and economy, and helping communities to adjust to the “new normal.”

The cash appropriation for FY 2021 is pegged at PhP4.335 trillion, 5.7 percent bigger than this year’s cash-based budget, to support efforts in containing the spread and mitigating the effects of COVID-19 while sustaining economic activities under the “new normal”. Of this amount, about 40.7 percent of PhP1,767.3 billion is earmarked for the cost of ongoing PAPs in Tier 1 while about 39.8 percent or PhP1,726.2 billion is earmarked for automatic appropriations and special purpose funds. This thus leaves a fiscal space of PhP841.7 billion for expanded and new PAPs for Tier 2.

Consistent with the vision of National Economic and Development Authority’s “We Recover as One” report, the NBM also identifies various banner programs to be prioritized for next year. These include, among others, the following PAPs:

1. **Health Sector:** (i) establishing more health facilities; (ii) purchasing necessary hospital equipment, test kits and vaccines; (iii) ensuring sufficient and efficient deployment of health personnel to address COVID-19 and other infectious diseases; and (iv) implementation of the Universal Health Care Law.
2. **Food Security:** (i) ensure unhampered movement of agricultural goods and services through efficient transport and logistics systems; and (ii) intensify the provision of farm machineries and equipment to farmers and agriculture-based enterprises for their modernization.

3. **Infrastructure:** (i) implementing crucial and shovel-ready projects under the Build, Build, Build Program focusing on health-related facilities and digital infrastructure; and (ii) constructing and enhancing logistics and road infrastructures.

4. **Industry and Livelihood:** (i) assisting micro, small and medium enterprises (MSMEs) through the MSME Resiliency Program; (ii) expanding Shared Service Facilities and Regional Inclusive Innovations Centers; and (iii) promoting the Balik Probinsya Program.

5. **Governance:** (i) fast-tracking the implementation of the Philippine Identification System; and (ii) support the programs of the Department of Information and Communications Technology (DICT) by investing in ICT facilities, e-learning platforms, and digital upskilling that are critical for online and remote government operations.

Understandably, infrastructure spending has had to take a back seat this year, with only PhP775.1 billion or 4 percent of the gross domestic product (GDP), in order to finance more immediate needs for the pandemic response. However, higher infrastructure investments are expected for FY 2021 with PhP1.131 trillion or 5.3 percent of the GDP to cover next year’s public infrastructure. This is also expected to generate around 140,000 to 220,000 additional jobs through direct and indirect employment, thereby further driving economic growth and recovery.

## Conclusion

The COVID-19 pandemic has exposed a healthcare system that is not ready for a pandemic, according to a doctor and UP Manila professor Ronnie Baticulon.<sup>5</sup> In the case of the Philippines, the limited number of health facilities, equipment, and medical professionals vis-à-vis population could easily get overwhelmed by the number of patients alone.

As communities reopen after the imposed lockdowns, the government confronts a greater challenge, to ensure that lives and livelihood are both protected. With the help of local government units, private sector, and the public, the national government has been actively responding to address the impacts of the pandemic and provide a safe and economically-healthy transition to the “new normal.” After all, it will surely take a “community” for the Philippines to heal and recover from this pandemic.

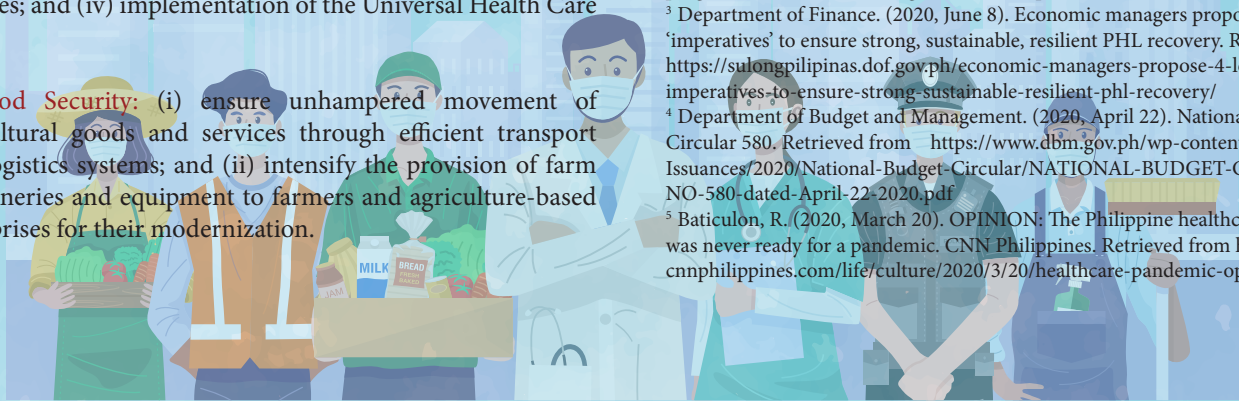
<sup>1</sup> Dominguez, C. (2020, June 8). Welcome Remarks [PDF File]. Retrieved from <https://www.dof.gov.ph/download/welcome-remarks-sulong-pilipinas-e-conference-june-8-2020/>

<sup>2</sup> National Economic and Development Authority. (n.d.). “PH-PROGRESO” - Philippine Program for Recovery with Equity and Solidarity [PDF File]. Retrieved from [http://www.neda.gov.ph/wp-content/uploads/2020/05/Economic-recovery-program-v9-short-for-Sulong\\_1589436221.pdf](http://www.neda.gov.ph/wp-content/uploads/2020/05/Economic-recovery-program-v9-short-for-Sulong_1589436221.pdf)

<sup>3</sup> Department of Finance. (2020, June 8). Economic managers propose 4 legislative ‘imperatives’ to ensure strong, sustainable, resilient PHL recovery. Retrieved from <https://sulongpilipinas.dof.gov.ph/economic-managers-propose-4-legislative-imperatives-to-ensure-strong-sustainable-resilient-phl-recovery/>

<sup>4</sup> Department of Budget and Management. (2020, April 22). National Budget Circular 580. Retrieved from <https://www.dbm.gov.ph/wp-content/uploads/Issuances/2020/National-Budget-Circular/NATIONAL-BUDGET-CIRCULAR-NO-580-dated-April-22-2020.pdf>

<sup>5</sup> Baticulon, R. (2020, March 20). OPINION: The Philippine healthcare system was never ready for a pandemic. CNN Philippines. Retrieved from <https://cnnphilippines.com/life/culture/2020/3/20/healthcare-pandemic-opinion.html>





# COMPENSATION COMPENDIUM

BY THE: ORGANIZATION, POSITION  
CLASSIFICATION, AND COMPENSATION  
BUREAU

**Issue:** Whether or not workers engaged through institutional contract of service (COS), such as security guards and janitors who are assigned to government agencies, could be entitled to the COVID-19 Hazard Pay

## DBM Response:

- Administrative Order (AO) No. 26<sup>1</sup> dated March 23, 2020 authorized the grant of the COVID-19 Hazard Pay to government employees and workers engaged through COS or job order (JO) basis who physically report for work during the implementation of the Enhanced Community Quarantine (ECQ) period at an amount not exceeding PhP500/day per person.

The COVID-19 Hazard Pay is being provided to employees and COS and JO workers who physically report for work during the ECQ period since they could be exposed to health risks and hazards.

The guidelines and conditions on the grant of the COVID-19 Hazard Pay are provided under Budget Circular (BC) No. 2020-1<sup>2</sup> dated March 24, 2020.

- Pursuant to Section 7 of AO No. 26 and Item 9.0 of BC No. 2020-1, government entities may grant the COVID-19 Hazard Pay to their employees and COS/JO workers who physically report for work during the ECQ at rates to be determined by their respective governing boards or agency heads, but not to exceed PhP500/day per person, if the agency has adopted similar work arrangements as provided in Section 2(b) of AO No. 26 and subject to the conditions set in Item 4.0 of BC 2020-1.

Should there be insufficient funds to fully cover the COVID-19 Hazard Pay at the rate of PhP500/day per

person, a lower but uniform rate may be granted for all qualified personnel.

- Relative to the issue raised by the agency concerned, may we highlight that Item 6.1 of Civil Service Commission-Commission on Audit-DBM Joint Circular No. 1<sup>3</sup> states that workers engaged through institutional COS shall remain to be employees of the contractor or service provider.

Said Item also states that the contractor or service provider shall be responsible for providing the institutional COS workers with compensation and benefits compliant with existing labor laws,<sup>4</sup> including the necessary social security and other benefits mandated by law, in addition to the direct compensation as payment for their services.

- In view of the foregoing, the institutional COS workers, albeit their deployment in government agencies, remain to be employees of the private contractor or service provider. Hence, they are not included in the coverage of AO No. 26 and BC No. 2020-1.

- The private contractors or service providers may, at their own discretion, grant a benefit similar to the COVID-19 Hazard Pay to their workers deployed in government agencies during the implementation of the ECQ measures.

<sup>1</sup> Authorizing the Grant of Hazard Pay to Government Personnel Who Physically Report for Work During the Period of Implementation of an Enhanced Community Quarantine Relative to the COVID-19 Outbreak

<sup>2</sup> Guidelines on the Grant of the COVID-19 Hazard Pay

<sup>3</sup> Rules and Regulations Governing Contract of Service and Job Order Workers in the Government dated June 15, 2017

<sup>4</sup> Title II, Book Three of Presidential Decree No. 442, s. 1974 (Labor Code of the Philippines), as amended





# Grant of Personnel Service Incentives to Local Water District Employees<sup>1</sup>

A local water district (LWD) grants Personnel Services (PS) incentives to its employees, which it considers as additional compensation being received by incumbents not integrated into the standardized salary rates in accordance with Section 12<sup>2</sup> of Republic Act (RA) No. 6758.<sup>3</sup>

However, the Commission on Audit (COA) issued an Audit Observations Memorandum against the grant of said PS incentives, on the ground that the correct reckoning date in determining the additional compensation which may be continued after the effectivity of RA No. 6758 is July 1, 1989, as provided under Section 12 of RA No. 6758.

On the other hand, the employees of the LWD contend that the reckoning point for said benefits should be December 31, 1999 as set by the DBM. Said cut-off date was moved because of the Supreme Court's (SC) ruling in Rodolfo S. De Jesus, et al. v. COA<sup>4</sup> that the DBM Corporate Compensation Circular (CCC) No. 10 was ineffective due to its non-publication in the Official Gazette or in a newspaper of general circulation in the country. As it was only published on March 16, 1999, the DBM set the cut-off date to December 31, 1999. Further, since subject benefits were regularly received by the LWD employees, any disallowance made constitutes violation of the policy on non-diminution of pay.

It is emphasized that the SC, in the case of Solito Torcuator v. COA,<sup>5</sup> settled the issue on the reckoning date and ruled that Section 12 of RA No. 6758 is valid and self-executory even without the implementing rules of DBM-CCC No. 10. It is a cardinal rule in statutory construction that statutory provisions control the rules and regulations which may be issued pursuant thereto.

Taking this into consideration, the SC directed the DBM to abide by the explicit provision of the law, i.e., RA No. 6758, which states that July 1, 1989 is the reckoning point for those allowances or fringe benefits that may still be granted to incumbent officers and employees. After the said date, the general rule of integration shall apply to allowances and benefits.



<sup>1</sup> Based on LS Memorandum dated January 7, 2020

<sup>2</sup> Section 12. Consolidation of Allowances and Compensation. – xxx Such other additional compensation, whether in cash or in kind, being received by incumbents only as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized.

<sup>3</sup> Compensation and Position Classification Act of 1989

<sup>4</sup> 294 SCRA 152 (1998)

<sup>5</sup> G.R. No. 210631, March 12, 2019

# The Shadow Pandemic: Domestic Violence in the Time of COVID-19

By: Rey Angelo Jose M. Gonzaga

Staying home is one of the proven strategies to effectively slow down the spread of the dreaded global pandemic we know all too well, or too little – the Coronavirus Disease 2019 (COVID-19). While it is an established protective measure to control the contagion, it triggers what experts refer to as a “shadow pandemic” – domestic violence.

As the COVID-19 pandemic rages on around the world, many women currently find themselves at greater risk of being trapped in their own abode. Globally, one in three women experience violence in their lifetimes. And with the situation brought about by the COVID-19 crisis, this problem seems to be intensifying.

Emerging data from many regions suggest increasing cases of violence against women. According to the data compiled by the United Nations, France has seen a 30% spike in incidents of domestic violence since its lockdown on March 17. Emergency calls for domestic violence cases have increased by 25% in Argentina, 30% in Cyprus, and 33% in Singapore. And increased cases of domestic violence and demand for emergency shelter have also been reported in Canada, Germany, Spain, the United Kingdom, and the United States.<sup>1</sup> As a result, the United Nations is calling on governments to take urgent action to combat the “shadow pandemic” of violence against women.

In the Philippines, women and children who experience physical, psychological, or sexual abuse have been trapped inside the homes they share with their abusers due to the government’s imposition of an Enhanced Community Quarantine. And with movement restrictions and strict

confinement heightening the tensions and strains from security, health, and money worries, violence in homes may also become more frequent and more severe.

The Commission on Human Rights (CHR) has urged the Administration to undertake measures to address and combat this “shadow pandemic.” Such measures suggested include providing access to legal aid such as filing restraining orders even during the crisis, providing shelters and financial aid to those who want to leave their houses, and offering medical and psychological care through helpline services.

According to the CHR, the exact data on instances of violence against women and children in the Philippines during this global health crisis are hard to determine since the cases remain mostly unreported. In addition, many victims find themselves separated from the people and resources that can best help them due to quarantine measures.

COVID-19 has brought upon us an unprecedented “new reality” that has changed our everyday lives. And as we fight to beat the COVID-19 pandemic, we should also incorporate an anti-violence lens into our responses to address this “shadow pandemic” and to aid those suffering because of it.

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<sup>1</sup> United Nations Women. (2020). COVID-19 and Ending Violence Against Women and Girls. Retrieved from <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/issue-brief-covid-19-and-ending-violence-against-women-and-girls-en.pdf?la=en&vs=5006>



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