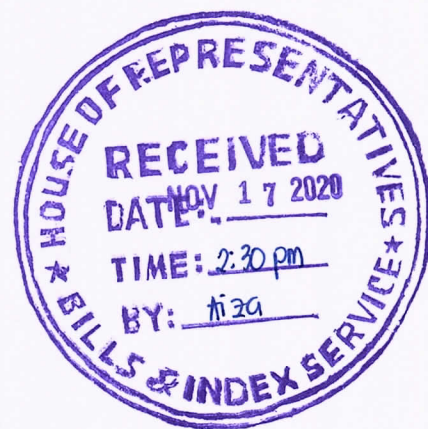


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8031



Introduced by **Representative Stella Luz A. Quimbo**

**AN ACT PROVIDING FOR ADDITIONAL MECHANISMS TO ACCELERATE
THE RECOVERY AND BOLSTER THE RESILIENCY OF THE PHILIPPINE
ECONOMY, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

On March 24, 2020, soon after the President declared a state of emergency due to COVID-19 and imposed the first community quarantine measures, the Bayanihan to Heal as One Act (Bayanihan I) was enacted. It granted the President emergency powers to better equip the government in addressing the pandemic and in providing aid to our countrymen. Bayanihan I helped build the capacity of the health care sector and provided immediate relief to those whose livelihoods had been disrupted by the lockdown, particularly through social amelioration and cash-for-work programs. This law expired in June with the adjournment of Congress' first regular session.

As the COVID-19 pandemic continues and with no end in sight, we have seen its increasingly negative impact on our economy and on people's livelihoods. In June, the Philippine Statistics Authority (PSA) reported a record-high in unemployment at 7.3 million Filipinos (17.7 percent) as of April 2020. With the need for government to turn its attention towards supporting businesses and restoring jobs, Congress enacted the Bayanihan to Recover as One Act (Bayanihan II), which allocates a total of 165 billion pesos towards the country's COVID-19 health and economic response.

Similar to its predecessor, Bayanihan II grants emergency powers to the Executive to help combat the pandemic and includes measures for health care and social amelioration. Moreover, Bayanihan II places more emphasis on economic response and recovery. With businesses cash-strapped after months of hampered operations, Bayanihan II provides for capital infusion to government financial institutions to boost liquidity in the economy through low-interest loans and credit guarantees, as well as regulatory relief for loans, rent, and utilities. It targets assistance to key sectors such

as transportation, tourism, education, and other small businesses that have been critically impacted by the pandemic. It also provides significant assistance to the agricultural sector to improve our food security, thereby boosting our long-term resilience to future shocks.

While these pieces of legislation have increased government's capacity to respond to the demands of the ongoing crisis, they are not sufficient for the genuine economic recovery of the country. Government must also anticipate the need for additional response measures, given that Bayanihan II shall cease to be in force and effect by 19 December of the current year while the effects of the pandemic, and the virus itself, are expected to prevail well into 2021.

Forecasts for the overall growth rate of the Philippine economy in 2020 are unsurprisingly bleak. The DBCC, as basis for the 2021 national expenditure program, predicted a contraction of around 4.5 to 6.6 percent for 2020. Meanwhile, various credit rating agencies and international organizations, including the International Monetary Fund and the Asian Development Bank, predict even deeper contractions from around 7.3 to 9.5 percent. The latest data from the Philippine Statistics Authority show that the Philippine economy contracted by 16.5 percent and 11.5 percent in the second and third quarters of 2020, respectively – the worst quarterly contractions of our economy on record. Given the latest forecasts and an expected contraction for the year that is even deeper than what was assumed by the DBCC for budget purposes, an additional economic stimulus package is needed to ensure that recovery targets are met as planned.

Further, the current measures in place, particularly, Bayanihan II, will not completely address the economic damage brought about by the pandemic. Government needs to provide subsidies to workers for COVID-19 testing, paid sick leaves, and payment of wages such as overtime pay to encourage multiple shifts so worker deployment and re-employment can be maximized. Government must also provide capacity building for critically impacted sectors in order to support business innovation and facilitate access to new market opportunities. Meanwhile, in the education sector, there is a need to provide allowances to teachers and students who must now conduct their classes online. A Department of Education survey revealed that only 49 percent of the 687,911 public school teacher respondents had internet connections at home as of July 2020.¹ Overall, only 17.7 percent of all households have their own internet access, according to a survey by the Department of Information and Communications Technology.² Thus, the new mode of class instruction will create added monthly expenses on the part of teachers and students which may be difficult for many to accommodate.

The recent onslaught of natural disasters such as typhoons Quinta, Rolly, Siony, and Ulysses has brought further devastation to our people's lives and livelihoods.


¹ DepEd Basic Education Learning Continuity Plan in the Time of COVID-19. Retrieved from https://www.deped.gov.ph/wp-content/uploads/2020/07/DepEd_LCP_July3.pdf.

² DICT 2019 National ICT Household Survey

Government must also provide additional economic stimulus to rehabilitate typhoon-devastated areas and mitigate future risk from such disasters. Additional funding and support are an utmost need for the victims in these areas to rise up from the deluge of crises that have hit them, and to help recover from the economic losses sustained.

As part of our country's response to the COVID-19 pandemic as well as the impact of recent typhoons, this bill proposes to allocate 100 billion pesos to subsidize business' payments of wages or other worker-related expenses, 100 billion pesos for capacity building to impacted sectors, 90 billion pesos for additional social amelioration to impacted households (of which 20 billion pesos is targeted to households in typhoon-devastated areas), 30 billion pesos for assistance to displaced workers (including cash-for-clean up and cash-for-home building in typhoon-devastated areas), 50 billion pesos for the rehabilitation of typhoon-affected areas, 25 billion pesos for COVID-19 treatment and vaccines, and 5 billion pesos for the provision of internet allowances to teachers and students. The bill also proposes to extend Bayanihan II until June 4, 2021 to ensure its full implementation. Further, a joint executive and legislative council shall be formed to ensure effective implementation and monitoring of the country's COVID-19 response. The bill also mandates NEDA to craft plans and reforms that will improve our country's long-term economic and disaster resilience.

Uncertainty is the primary effect this pandemic has on every aspect of our lives. Government, therefore, must take charge and manage these uncertainties so as to promote and improve business and consumer confidence and social welfare. Increased spending is one vital approach to achieve these goals. These interventions shall stimulate the economy and subsequently, lead to full recovery.



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Quezon City, Metro Manila

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SEC. 1. Short Title. - This Act shall be known and cited as "Bayanihan to Arise As One Act".

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty, particularly in the aftermath of natural and man-made disasters, through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all. Towards this end, and in cognizance of the adverse impact of the 2019 Coronavirus Disease (COVID-19) pandemic to the Philippine economy and society, the State shall introduce additional mechanisms to achieve the following objectives:

- (a) Mitigate the economic cost and losses stemming from the COVID-19 pandemic;
- (b) Restore public trust and confidence on social and economic institutions; and
- (c) Accelerate the recovery and bolster the resilience of the Philippine economy through measures grounded on economic inclusivity and collective growth.

SEC. 3. COVID-19 Response and Recovery Interventions. - The following shall be undertaken and implemented as COVID-19 response and recovery interventions:

- (a) The provision of any of the following wage or non-wage subsidies:

- (1) Cash subsidies to support overtime pay of workers deployed by firms which undertake staggered workhours or multiple shifting in order to maximize deployment of their workforce;
 - (2) Transfers directly paid to the Social Security System (SSS) to subsidize payment of the employee share of premium contributions for micro, small, and medium-sized enterprises (MSMEs);
 - (3) Transfers to the SSS to ensure expanded sick leaves for workers who contract COVID-19;
 - (4) Subsidies for COVID-19 testing of workers; and
 - (5) Other forms of subsidies that have the effect of increasing deployment of vulnerable workers or re-employment of displaced workers.
- (b) The provision of capacity building to critically impacted sectors that are strategic for economic growth, as determined by the Department of Trade and Industry (DTI) and the Development Budget Coordination Committee (DBCC);
 - (c) The provision of internet allowances to teachers and students in primary, secondary, and tertiary public schools; and
 - (d) The use of savings to fund government projects or measures which are implementation-ready and with large multiplier effects, such as infrastructure projects, including but not limited to flood control and socialized housing projects. Notwithstanding any law to the contrary, the President shall have the power to reprogram, reallocate, and realign from savings on other items in the FY 2020 GAA in the Executive Department, as may be necessary to implement this provision.

SEC. 4. Calamity Response Interventions. - The following shall be undertaken and implemented as response to recent typhoons that have impacted the country:

- (a) The provision of emergency subsidies to households that have been severely impacted by recent typhoons;
- (b) The provision of unemployment assistance or cash-for-work for displaced workers, including cash for clean-up duties and home building for typhoon affected areas; and
- (c) The relief and rehabilitation of flood and typhoon victims and the repair, reconstruction and/or construction of all flood control works, roads, bridges, public buildings and other damaged public works, to be distributed proportionately among the provinces and cities affected.

SEC. 5. Procurement of COVID-19 Drugs and Vaccine. - Notwithstanding any law to the contrary, the requirement of Phase IV trials for COVID-19 medication and vaccine stipulated in the Universal Health Care Law is hereby waived to expedite the procurement of said medication and vaccine: *Provided*, That these are recommended and approved by the WHO and/or other internationally recognized health agencies: *Provided, further*, That the minimum standards for the distribution of the said medication and vaccine shall be determined by the FDA and HTAC, as may be applicable: *Provided, further*, That notwithstanding any laws to the contrary, advance payment not exceeding fifty percent (50%) of the contract amount, unless otherwise

directed by the President, shall also be allowed for the procurement of COVID-19 drugs and vaccines: *Provided, further,* That nothing in this Act shall prohibit private entities from conducting research, developing, manufacturing, importing, distributing or selling COVID-19 vaccine sourced from registered pharmaceutical companies, subject to the provisions of this Act and existing laws, rules and regulations: *Provided, finally,* That this section shall remain in effect until such time that the Department of Health has fully implemented its COVID-19 program notwithstanding the expiration of this law.

SEC. 6. Procurements Made to Respond to Calamities. – Notwithstanding any law to the contrary, goods required to address contingencies arising from natural or man-made calamities shall be procured in the most judicious, economical, and expeditious manner, as exemptions from the provisions on bidding processes required under Republic Act No. 9184 or the “Government Procurement Reform Act” and other relevant laws, *Provided,* That the following information and documents related to the procurement shall be published in the Government Procurement Policy Board (GPPB) online portal, the website of the procuring entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the procuring entity within five (5) working days from the date of acceptance of the award:

- (i) Project name;
- (ii) Approved budget for contract;
- (iii) Contract period;
- (iv) Name of winning supplier, distributor, manufacturer, contractor, or consultant;
- (v) Amount of contract as awarded;
- (vi) Notice of award;
- (vii) Date of award and acceptance;
- (viii) Contract or purchase order; and
- (ix) A certification stating that the procuring entity exerted all efforts to secure the most advantageous price to the government based on existing price data of the agency, the DTI, or other relevant agencies or preliminary market scanning done by the agency showing prevailing market prices and practices.

Provided, further, That notwithstanding any laws to the contrary, advance payment not exceeding fifty percent (50%) of the contract amount, unless otherwise directed by the President, shall also be allowed for the procurement of goods under this Section.

SEC. 7. Regularization of MSMEs. – To ensure that MSMEs are able to avail of programs, the Commissioner of the Bureau of Internal Revenue shall waive registration and other related fees of MSMEs for the duration of the effectivity of this Act and if necessary, provide accommodation for the registration process and compliance of MSMEs.

The Secretary of Trade and Industry shall issue the necessary rules and regulations to provide special accommodation for the registration and compliance with regulatory requirements of MSMEs, including those registered under the SEC.

LGUs shall be encouraged by the DILG and the Department of Finance-Bureau of Local Government Finance (DOF-BLGF) to waive similar local registration and processing fees.

The Negosyo Centers under the DTI shall coordinate with national and local government agencies and LGUs to ensure the widest dissemination of information and benefits under this program, as well as programs offered by sectors, donor agencies, and bilateral partners.

SEC. 8. Credit Mediation and Restructuring Service. - To ensure that MSMEs are able to fulfill obligations under more favorable terms of credit, to strengthen the liquidity and financial position thereof, and to expedite the country's economic recovery, there shall be created a Credit Mediation and Restructuring Service (CMRS), through the Negosyo Centers or any other business assistance office of the LGU, to act as credit advisers and mediators between MSMEs and the banks and lending institutions, and assist MSMEs in obtaining favorable credit and loan terms from the banks and lending institutions.

The CMRS shall: (i) ensure that an MSME is given sound financial advice on, among others, the proposed borrowing, the risks involved, and the financial position and operation of the relevant MSME; (ii) assist in evaluation of the financing; (iii) oversee the negotiation process until terms of financing are agreed upon; and (iv) ensure that an MSME is given better access to financing and to a fair and transparent borrowing and appeals process.

The Negosyo Centers shall coordinate with LGUs, financial institutions and government agencies to ensure the widest dissemination of information and benefits under this program.

The Secretary of Trade and Industry, together with the head of private sector associations representing MSMEs and financial institutions, shall jointly issue the implementing rules and regulations of this Section within ten (10) days from the effectivity of this Act.

SEC. 9. Long-term Plan for Economic Resilience. - The National Economic and Development Authority (NEDA) shall submit to Congress a long-term plan for building economic resilience, not later than six (6) months after the effectivity of this Act. The Economic Resilience Plan (ERP) shall include a strategy for measuring and monitoring economic resilience and identification of structural reforms needed to increase the ability of the economy to withstand and recover from shocks. The plan shall include the institutionalization of national measures that account for ecosystem services and natural capital accounting and ensure that the totality of government

medium term development plans and projects are well within the capacities to produce materials or sinks as may be determined by NEDA. The ERP shall include the following:

- (a) The required investments in the health care sector in the next ten (10) years to ensure its ability to respond to the health care needs of the population, including emerging infectious diseases similar to COVID-19;
- (b) The required investment in digital infrastructure to improve connectivity and access to digital technology to enable Philippine businesses and households to cope with crisis and shocks;
- (c) The required database to ensure the responsiveness of social protection programs of the government for vulnerable and displaced households during period of external shocks such as the outbreak of COVID-19; and
- (d) The required key climate change adaptation and mitigation investments to operationalize a low emissions and climate-resilient development pathway toward a green economy.

SEC 10. Review of Flood Management Masterplan. - NEDA, in coordination with the Department of Public Works and Highways and the Department of Environment and Natural Resources, shall review, and revise as necessary, the Flood Management Masterplan for Metro Manila and Surrounding Areas in order to improve disaster risk reduction and resilience, considering the proposed plans of LGUs for their respective jurisdictions. The revised masterplan shall be submitted to Congress within three (3) months from the effectivity of this Act.

SEC. 11. Creation of the Bayanihan Council. - A joint executive and legislative council is hereby created in order to monitor disbursements under this Act. The Bayanihan Council (Council) shall be tasked with ensuring that interventions are well-targeted to intended beneficiaries and funds are disbursed properly and in a timely manner. The Council shall publicly publish monthly reports on all actions taken under this Act.

SEC. 12. Composition of the Council. - Members of the Council shall include the President of the Senate, the Speaker of the House of Representatives, seven (7) members of the Cabinet to be designated by the President, one (1) member of the Senate to be designated by the President of the Senate, and three (3) members of the House of Representatives to be designated by the Speaker of the House of Representatives, at least one of whom shall come from the dominant minority party.

SEC. 13. Extension of the Effectivity of the Bayanihan to Recover as One Act. - Section 18 of Republic Act No. 11494 is hereby amended to read as follows:

“Sec. 18. Effectivity. - Except as otherwise specifically provided herein, this Act shall be in full force and effect until **JUNE 4, 2021**. This Act shall take effect immediately upon its publication in a newspaper of general circulation or in

the Official Gazette: Provided, That Section 4(cc) of this Act shall be deemed to be in effect since Republic Act No. 11469 expired.”

SEC. 14. Appropriations. – The following amounts, or so much thereof as may be necessary, are hereby appropriated and shall be used to support operations and response measures to address the COVID-19 pandemic as provided under Section 3 of this Act and Section 4 of Republic Act No. 1149, and the impact of recent typhoons as provided in Section 4 of this Act:

- (a) One Hundred Billion pesos (P 100,000,000,000.00) for worker subsidies provided under Section 3(a) of this Act;
- (b) One Hundred Billion pesos (P 100,000,000,000.00) for the capacity building of critically impacted sectors that are strategic for economic growth, as provided under Section 3(b) of this Act;
- (c) Seventy Billion pesos (P 70,000,000,000.00) for the provision of emergency subsidies and assistance to households impacted by the COVID-19 pandemic through a social protection distribution system, such as but not limited to the Assistance for Individuals in Crisis Situation (AICS) program of the Department of Social Welfare and Development;
- (d) Twenty Billion pesos (P 20,000,000,000.00) for the provision of emergency subsidies and assistance to households that have been severely impacted by recent typhoons as provided under Section 3(c) of this Act;
- (e) Thirty Billion pesos (30,000,000,000.00) for the implementation of unemployment assistance and cash-for-work programs, including cash-for-clean-up and cash-for-home building programs, for displaced workers as may be necessary in the management of, or response to, the pandemic, or to address the impact of recent typhoons and calamities, such as, but not limited to, the Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD), COVID-19 Adjustment Measures Program (CAMP), and Abot Kamay ang Pagtulong (AKAP) programs under the Department of Labor and Employment;
- (f) Fifty Billion pesos (P 50,000,000,000.00) for the relief and rehabilitation of flood and typhoon victims and for the repair, reconstruction and/or construction of all flood control works, roads, bridges, public buildings and other damaged public works, to be distributed proportionately among the provinces and cities affected;
- (g) Twenty-five Billion pesos (P 25,000,000,000.00) for the procurement of COVID-19 medication and vaccines, and to finance logistics and operational expenses related thereto;
- (h) Three Billion pesos (P 3,000,000,000.00) for the Department of Education for internet allowances for K-12 teachers and students as provided under Section 3(d) of this Act; and
- (i) Two Billion pesos (P 2,000,000,000.00) for the Commission on Higher Education for internet allowances for tertiary level teachers and students as provided under Section 3(d) of this Act.

SEC. 15. Separability Clause. - If any part, section or provision of this Act is held invalid or unconstitutional, other provisions not affected thereby shall remain in full force and effect.

SEC. 16. Repealing Clause. - All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 17. Effectivity. - This Act shall take effect immediately upon its publication in the Official Gazette or in a newspaper of general circulation, until adjournment of the Second Regular Session of the Eighteenth Congress on June 4, 2021.

Approved,