

ANATOMY OF A FAILED PANDEMIC RESPONSE

A Series of Critical Papers on Duterte Administration's COVID-19 Interventions

Senator Leila M. de Lima



Photo by Lisa Marie David

PART I

**DUTERTE'S BOTCHED BUDGETARY
INTERVENTIONS** (WITH CO-AUTHOR ZY-ZA NADINE SUZARA)

PART II

**DUTERTE'S FLUNKED PROGRAM ON WELFARE
AND SOCIAL PROTECTION**



Photo by KJ Rosales

On Monday, 27 July 2020, President Rodrigo R. Duterte will deliver his penultimate State of the Nation Address (SONA). At front and center of today's public discussion is his administration's response to the COVID-19 pandemic. As the effectivity of Republic Act No. 11469, or the "Bayanihan to Heal as One Act" had lapsed last June 25, Sen. Leila M. de Lima embarked on an analysis of key areas of the government's response, particularly: (a) budget interventions; (b) welfare and social protection; (c) medical response and health sector support; and (d) human rights and peace & order.

Regularly submitting her comments to the Joint Congressional Oversight Committee with respect to all 14 weekly reports from President Duterte, pursuant to Section 5 of RA No. 11469, Senator De Lima has optimally used her lenses as human rights and social justice champion, being the Chairperson of the Senate Committee on Social Justice, Welfare and Rural Development.

These weekly comments, along with additional research inputs from her office's Legislative Affairs Unit, have provided the bases for a series of analysis reports on the Duterte administration's implementation of the Bayanihan Act, which the Senator has dubbed as the "*Anatomy of a Failed Pandemic Response*".

Published today, 22 July 2020, here's the first half of the series, with Part I delving on budget interventions, and Part II tackling the welfare system for marginalized and vulnerable groups.

Part III and Part IV which focus on medical response and human rights at the time of pandemic, respectively, will be published tomorrow.

DUTERTE'S BOTCHED BUDGETARY INTERVENTIONS

By Senator Leila M. de Lima &
Zy-za Nadine Suzara

On Wednesday, July 8, the Philippines recorded its highest number of cases in a single day since the outbreak of COVID-19 in the country. The figure is alarming 2,539 cases brought the total number of active cases past the 50,000 mark. Not even two weeks later, as of 21 July 2020, we already have 70,764 confirmed cases of COVID-19 infection.

As number of cases continue to rise each day and the capacity of hospitals reach seriously critical levels, one wonders if Duterte's highly securitized pandemic response can save us.

Three months of lockdown may have slowed down the rise of cases, but the militaristic approach to this public health crisis has been extremely ineffective. Quite predictably, treating a pandemic like a peace and order problem has proven to be a failure.

Unlike our Southeast Asian peers who have managed to bring down the number of new cases per day in a matter of months, our situation is far worse.

It is all too obvious that absent competent leadership and good governance, the public greatly suffers the threats of the pandemic and the socio-economic impacts of our ailing economy.

The symptoms of Duterte's failures are most evident in the wrong priorities of the administration, poor spending on public and social protection, and his administration's lack of accountability and transparency.

Wrong Priorities, Old Spending Patterns

Soon after the lockdown was imposed, Congress passed the Bayanihan to Heal as One Act giving Duterte the powers he said he needed to mitigate this crisis - a very late reaction at that, considering his refusal to ban flights from China early on in the crisis.

Duterte was also given the power to reallocate, reprogram, and realign funds in the 2019 and 2020 Budgets. This flexibility allowed Duterte to immediately channel resources into ramping up mass testing and contact tracing, including increasing healthcare capacity.

It also enabled him to provide emergency cash subsidies to cushion the economic impact of the lockdown on the poorest and most critically affected sectors of society.

As of end June 30, 2020, Duterte reallocated a total of Php371 billion for the pandemic response sourced from unreleased appropriations in both the 2019 and 2020 Budgets.

The amount may seem huge, but Php371 billion is a tiny fraction of the combined total of the 2019 and 2020 Budgets, which is Php3.8 trillion and 4.1 trillion, respectively.

A large portion of the Php371 billion realigned budget went to the emergency subsidy program of DSWD. It was meant to provide aid for 18 million poor families affected by the lockdown.

About Php37 billion went to additional funds for local government units, while Php51 billion was downloaded to the DOF to be able to extend wage subsidies to small businesses.

A total of Php48 billion was also released to the DOH for the purchase of PCR kits, PPEs, and equipment in the midst of the scramble to protect frontliners from the deadly disease.

But in the midst of the pandemic, Duterte

and his allies were more interested in the shutting down ABS-CBN, the conviction of Rappler CEO Maria Ressa, as well as the ill-timed passage of the Anti-Terror law.

The police force, for its part, carried out the lockdown with heavy-handed enforcement, threatening erring citizens and those critical of the government's botched pandemic response with arrests and sanctions. The pandemic response was also left to the generals.

Meanwhile, Duterte's economic managers were convinced that the way out of our economic downturn was to continue implementing 'Build, Build, Build' as if the country's health depended on it.

As such, despite the need for better healthcare systems and social protection, the economic managers refused to touch the budget set aside for infrastructure projects.

Overall, Duterte's misguided priorities are reflected in the way the budget is spent.

The Institute for Leadership, Empowerment and Democracy ranked the top spending departments based on the spending reports published by the Department of Budget and Management.

From January to May, despite being granted sweeping powers to recast two existing budgets, the spending pattern of government remains fundamentally the same as follows:

1. Department of Education (Php209.3 billion)
2. Department of Social Welfare and Development (Php158.4 billion)
3. Department of Public Works and Highways (Php136.6 billion)
4. Department of the Interior and Local Government (includes PNP) (Php111.8 billion)
5. Department of National Defense (Php98 billion)

Under Duterte's government, that means even in the face of an unprecedented global pandemic, public spending for infrastructure as well as the operations of the police and the military are favored over health and social protection.

At Php72 billion, the DOH is only the 6th top spender, with a total spending that is a lot lower than the spending of the police and the military.

Never mind that the Department of Education emerged as one of the top spenders since the start of year. DepEd spends mostly on the salaries of teachers, and the Constitution expressly provides that Congress should prioritize education in budgetary allocations. DSWD which received a Php200 billion top-up in its funds would have been the top spender if only it didn't fail to spend as fast as it should.

Poor Spending, Poor Accountability

The emergency cash subsidy program was meant to tide over the lack of income for poor families.

In April, the DBM hastily released the allotments necessary to roll-out the subsidies, while the Treasury made sure cash would be available to the DSWD.

While funds were readily available to the DSWD, discrepancies in the beneficiary lists, rigid implementation rules and the "quota system" imposed on LGUs hampered the swift distribution of aid.

Local officials were left on their own to explain why some families weren't qualified for aid, while many beneficiaries waited several weeks to receive the aid they were promised.

With DSWD extending the deadline thrice, it took three months for the beneficiaries to receive the first tranche of the subsidy.

As a corrective measure, Duterte announced that aid distribution will be done by the DSWD itself in partnership with the DND and the AFP.

But why task the armed forces to distribute aid when social protection is not even their mandate? How can the military properly identify and validate the beneficiaries?

With no rhyme or reason, Duterte's directive only cause further delay in the distribution of the second tranche of the emergency subsidy.

Yet in Malacañang's official reports to Congress, the Office of the President blames the LGUs for the inefficient process of aid distribution.

They say that the causes of delay were threats made by LGUs officials against DSWD personnel and the slow processing at the barangay level due to politicking.

These reasons only betray what this administration truly lacks: public accountability. Blaming the LGUs is but an unsuccessful attempt to mask the real reasons for the failure of aid distribution, i.e., the lack of sound directives, clear implementation plans and distrust against local government. This comes at a time when clear policies as well as strong partnership between the national and local government should be paramount.

Lack of Transparency

As Duterte and his most trusted men lack public accountability, so do they lack full transparency to public.

Section 5 of the Bayanihan to Heal as One Act mandates that the weekly report of the President to the Congressional Oversight Committee has to "include the amount and corresponding utilization of the funds used, augmented, reprogrammed, reallocated and realigned".

The provision is very explicit in what the Duterte is supposed to submit to Congress. This is the essence of transparency. It is not only meant to aid Congress in performing its oversight function, but more importantly it is to provide the taxpaying public with the information they deserve.

For the past 14 weeks, not once has Duterte included a section that provides an accounting of how the funds released by the DBM to the various agencies were utilized.

It has even failed to mention in its reports the Php45.7 billion that the DBM released to the DOH for the purchase of PPEs, equipment and other requirements related to the implementation of the Bayanihan Act. The information was only made available in an earlier version of the DBM's COVID-19 fund releases.

Week after week, there is also no information as to which specific programs, activities, and projects were discontinued or what particular projects were abandoned.

Duterte's weekly reports to Congress are simply accomplishment reports - a rundown of what the departments and agencies of the Executive branch managed to accomplish during the week. The report, however, lacks the big picture context and even the metrics by which we can judge how we are faring in terms of the pandemic response.

But if we were to just compare our situation with the rest of our ASEAN peers, we can only conclude that Duterte and his Cabinet has miserably failed to manage this crisis.

As of July 21, we now hold the second most number of COVID-19 cases in Southeast Asia behind Indonesia.

DUTERTE'S FLUNKED PROGRAM ON WELFARE AND SOCIAL PROTECTION

By Senator Leila M. de Lima

The special and expanded powers granted by the 18th Congress to President Rodrigo Duterte paved the way to the implementation of the Social Amelioration Program or SAP, the largest direct cash assistance program granted by the government to Filipino families in our country's history as bragged by the Duterte administration.

Grand as it may sound, I can't help but instantly feel a sense of déjà vu as I recall the same narrative we all heard with the 'Build, Build, Build' program – a seemingly grandiose, massive and impressive program waiting to unfold. I came to manage my expectations on what this government can deliver considering their apparent obsession and compulsion for coming up with massive programs yet the results can undeniably and evidently describe in one word – *"Palpak"*.

Snail-paced instead of an accelerated response

The Department of Social Welfare and Development (DSWD) is always on the forefront of disasters and calamities. Its personnel and system are made ready for these circumstances. Although this pandemic is unprecedented, it took the government three long months to disburse the first tranche of the SAP-AICS for April, which is totally unacceptable.

As I pointed out in my comments to the

Weekly Reports of the President to Congress, the highly cumbersome process which accounts to 30 steps and the perennial changing of the policies and guidelines have caused widespread confusion and disorientation among the LGUs and the targeted recipients. These were among the major factors that contributed to the delay of the distribution of the cash subsidy.

In a deeper analysis of what led to the Department's unsatisfactory performance, the challenge may also be primarily linked to the composition of the agency's senior management. The Secretary and 4 other retired generals are at the helm of the DSWD^[1]. They may have served the flag and the nation in the security sector well but mind you, the practice of social work demands different competencies and skills-set.

Consequently, the Bayanihan Law lapsed last June 25, 2020, but the agency continues to be heavy-footed in the distribution of the 2nd tranche of the SAP-AICS. This leaves behind almost 7 million non-4Ps families, who were part of the 1st tranche, in addition to 3 million waitlisted non-4Ps beneficiaries, who were added to the list of qualified recipients. These 10 million low-income families expectedly continue in their agony because of hunger and shortage of access to basic needs. The DSWD should be reminded of the popular Filipino saying, *"Aanhin ang damo kung patay na ang kabayo?"* The law has expired yet the poor still awaits the much needed assistance. Is this the "best" service we can offer our people?

Poor targeting made it worse

Last April 17, Republic Act 11315 or the Community Based Monitoring System Act" was signed into law by the President. The said law – which I sponsored in the 17th Congress with the strong support of my colleagues –

[1] Rolando Joselito Delizo Bautista (Secretary), Danilo G. Pamonag(Undersecretary for Social Welfare and Development), Jose Ernesto B. Gaviola(Undersecretary for General Administration and Support Services Group), Felicisimo C. Budiongan(Undersecretary for Disaster Response Management Group), Rene Glen O. Paje (Undersecretary for Inclusive and Sustainable Peace)

aims to improve and provide various government agencies with regular and synchronized data collection on our poor households. However, despite the 90-day deadline in the law for the issuance of the implementing rules and regulations (IRR), the IRR was delayed for almost 10 months and was just recently signed last May.

The Weekly Reports of the President to Congress are very telling in that the various government agencies failed to come up with a real or reliable number and location of target beneficiaries of the program. Worse, the implementers of the SAP set a “quota system” for pre-determined yet almost arbitrarily pegged number of recipients per Local Government, without the benefit of updated databases nationally and per locality exacerbated the problem and confusion of our citizens and local chief executives.

Likewise, the parallel program of the Department of Agriculture’s lending programs for farmers encountered the same issue of targeting. Despite the availability of funds to help marginalized small farmers and fishers (MSFFs), DA’s Agricultural Credit Policy Council’s slow disbursement of loans has attributed the causes primarily to the difficulties in identifying beneficiaries, and lack of updated database of MSFFs. This admission confirms my observation that failed targeting and mapping made the supposed interventions worse, coupled with poor planning and lack of foresight.

The money is there but it failed to reach the intended recipients

As early as April 2020, the Department of Budget and Management (DBM) disbursed PhP 200 billion for the distribution of the cash aid to beneficiaries. An additional PhP 25 million was also added to the DSWD’s coffers for the additional 3 million households (which was originally 5 million) as announced by the President himself. However, the DSWD is still unable to successfully dispense this amount to the beneficiaries.

Since until the end of June, the last/14th Weekly Report of the President to Congress revealed that almost P5.5 billion^[2] intended to help the farmers, fisherfolks and other Filipino poor household remains in the banks under certain key programs of the DSWD^[3] and the DA. This is not an isolated incident because the funds for other programs of the government intended for health care workers likewise remains undistributed. We have been flagging this problem in our comments at Senate. I wonder what keeps Mr. Duterte and his people busy that they fail to lawfully use all these amounts just impounded in Landbank.

This pandemic has seriously threatened the gains of our poverty reduction efforts, which have been painstakingly undertaken several administrations. But what has worsened the situation is the ineptitude of the Duterte administration, with its inexperienced managers, sluggish attitude of implementers, uncoordinated actions of agencies and units, and sheer lack of foresight. All these at the expense of people’s money and the lives of the poor and the powerless.

Clearly, this is a case of the blind leading the blind. The numbers speak for themselves and no amount of obfuscation, disinformation and propaganda can change that fact.

[2] DSWD
1 billion for the 1st tranche (consolidated amount undistributed)
48 billion for the 2nd tranche (original non-4Ps families)
25 million (additional beneficiaries in the waitlist)

[3] DA
420 Million (DA ACPC budget for MSFF loans)
1 Billion for agri-fishery MSEs
Estimated total: P5.5 billion Pesos

Senator Leila M. de Lima

A human rights defender and social justice champion, Sen. Leila M. de Lima remains unjustly detained to this day (1245 days and counting) for speaking truth to power. Even as she faces false drug charges filed against her by the government without any material evidence and primarily on the basis of perjured testimonies of convicted criminals, De Lima remains unbowed. With truth on her side and global institutions behind her, De Lima keeps on fighting for her innocence while serving the Filipino people.

Zy-za Nadine Suzara

Currently the Executive Director of the Institute for Leadership, Empowerment and Democracy, a policy think tank that focuses on the public finance, budget and good governance. She is a former civil servant with close to a decade of experience in public policy and governance. She graduated from Ateneo de Manila University.

