



LEAGUE OF PROVINCES OF THE PHILIPPINES

FORTIFYING THE FRONTLINES BY EMPOWERING LGUs AMID COVID-19

**A Position Paper Submitted to the
Senate Committee of the Whole**

PART 1: BACKGROUND

Local Autonomy under the Bayanihan to Heal as One Act

The *Bayanihan to Heal As One Act (Bayanihan Act)*, made effective on 25 March 2020 sought to efficiently and effectively manage the COVID-19 pandemic. Under Section 4(g) thereof, President Duterte was empowered to adopt emergency measures to “ensure that all Local Government Units (LGUs) are acting within the letter and spirit of all the rules, regulations and directives issued by the National Government pursuant to this Act.”

While the *Bayanihan Act* is limited to three (3) months only, or until 25 June 2020, and in view of the declaration of National Emergency, it still accorded the National Government supervision over the LGUs, albeit a seemingly enhanced one since it set the rules that the LGUs should comply with.

Consequently, the National Government, without intending and in the exigency of service, formulated policies and programs without LGU representation in the IATF, or with minimal consultation with the LGUs, has resulted in the delay and confusion during the implementation of the *Bayanihan Act* and policies in furtherance thereto.

Hence, until the pandemic exists, and even after the effectivity of RA 11469, LGUs must continuously be involved in every stage of policy formulation, implementation and ensuring the proper management of the crisis. LGUs, as frontliners, are in the best vantage position to address COVID-19-related concerns within their respective territorial jurisdictions.

Control and Supervision over LGUs in Times of Epidemics

The occurrence of pandemic is a reality addressed and anticipated under the 1991 LGC. Under Section 105 thereof, the national government, through the Department of Health, assumes control and supervision over the health operations of LGUs during this national emergency. While it provides that consultation with LGUs is required within its six (6) months implementation, in excess of this 6-month period, the LGUs' concurrence is required if it needs to be further extended, thus:

Section 105. ***Direct National Supervision and Control by the Secretary of Health.*** - **In cases of epidemics**, pestilence, and other widespread public health dangers, the Secretary of Health may, upon the direction of the President and in consultation with the local government unit concerned, temporarily **assume direct supervision and control over health operations** in any local government unit for the duration of the emergency, **but in no case exceeding a cumulative period of six (6) months.** **With the concurrence of the government unit concerned, the period for such direct national control and supervision may be further extended.**" (underscoring supplied for emphasis)

LGUs are well aware that they need proper guidance on the expertise of the DOH with regard to COVID-19 management, as well as the augmentation of funds from the national government to effectively cope with this crisis. As to the implementation of such policies and programs, LGUs are in a better position to anticipate and resolve its local issues. Given that Provinces assume a pivotal role for the integration of health system into province-wide and city-wide health systems, pursuant to Section 19 of R.A. No. 11223, otherwise known as the Universal Health Care or UHC Act, their involvement in the formulation of national policies and programs are paramount in order to ensure sustainability of its implementation in the medium and long-term.

As borne during the distribution of DSWD's social amelioration program (SAP), the active participation of LGUs in the planning and implementation was crucial. In the end, the LGUs, in many cases, provided for similar assistance programs to vulnerable and affected sectors within their respective jurisdictions.

In fact, even if a cure or a vaccine is discovered, administering the same will be difficult if the same is not properly streamlined and does not involve LGUs from its formulation to implementation of any national program or project.

PART 2: THE ISSUES AND CONCERNS

Support for President Duterte's Administration

The League (LPP) conveys its unwavering and full support to the administration of President Rodrigo Roa Duterte. He can count on the continued vigilance of LGUs in the fight against COVID-19, as Provinces perform their mandate and supervisory role over concerned component cities and municipalities, as well as their barangays, in delivering basic services and ensuring the general welfare of their respective constituents.

Considering that LGUs have limited resources, LPP proposes that the augmentation reforms for additional financial support from the national government to LGUs be sustained even after the effectivity of the *Bayanihan Act*.

With the bi-monthly automatic releases by the DBM and the Bureau of Treasury (BoT) of the LGUs' just share in the national taxes, LGUs' funds, including their calamity funds, their share and the manner of releases have become restrictive. Having initially recommended, the LPP reiterates that the Internal Revenue Allotment (IRA), or the

“National Tax Allotment” or NTA,¹ should be automatically released on a “quarterly basis” in strict compliance to Section 286 of 1991 Local Government Code (1991 LGC).² The releases of the correct share on a timely basis, plus a sustained financial assistance, will provide enough elbow room for LGUs in responding more effectively to the pandemic.

THE BAYANIHAN ACT: “NGA-ENABLED AND LGU-LED”

Presently, IATF-MEID’s proposed strategy in responding to the pandemic prior to 25 June 2020, or during the effectivity of RA 11469, has been known “*NGA-Enabled and LGU-Led.*” It may mean that NGAs will be enabled or empowered to handle or authorize the funds for covid-19 response and lay down the national policies, programs, rules and regulations as approved by the President, for the eventual implementation by LGUs under the direction and guidelines set by the NGAs. But this is for the short-term plan.

As pointed out above, the experience in the implementation of the *Bayanihan Act* should provide the basis in improving the system in managing the pandemic. As constituted, membership of IATF-MEID is limited to NGAs. While DILG is represented, LGUs are not actively involved in the planning but merely tasked to implement the NGA-approved policies on community quarantine and programs to provide support to affected families, and to strictly comply with the IATF guidelines lest they be sanctioned or penalized for non-compliance.

LGUs have been blamed for any shortcomings in responding to the pandemic. Where LGUs adopted more stringent measures, they were directed by DILG to show cause why they should not be held criminally and administratively liable under RA 11469. LPP urges that due process must still be observed at all times prior to any actual suspensions or impositions of penalties and sanctions.

ISSUES AND CONCERNS OF LGUs

To support the proposed plans, the LPP has consolidated the issues, concerns, and recommendations of its members with regard to the National Government’s response to COVID-19, as follows:

1. Stepping up COVID-19 for Expanded Target Testing Capabilities and Facilities

President Duterte has repeatedly expressed apprehensions of a possible second and third waves of infections once the community quarantines are lifted and the country braces for the “new normal.” With the UHC in place, the national government,

¹ *Mandanas v. Ochoa and Garcia v. Ochoa* (G.R. Nos. 199802 and 208488).

² Section 286 of R.A. 7160, states: (a) The share of each local government unit shall be released, without need of any further action, directly to the provincial, city, municipal or barangay treasurer, as the case may be, ON A QUARTERLY BASIS WITHIN FIVE (5) DAYS AFTER THE END OF EACH QUARTER, and which shall not be subject to any lien or holdback that may be imposed by the national government for whatever purpose. (*Underscoring supplied*)

particularly the DOH, must undertake a targeted and strategic partnership with LGUs, particularly with the provinces, HUCs and ICCs in developing their local health facility that will be able to specifically handle COVID-19 treatment, care, and massive testing.

As government pushes itself to beat its 30 May 2020 deadline to ramp up its capabilities to process at least 30,000 tests a day, it should also look at further expanding the territorial breadth of its facilities to all provinces, HUCs and ICCs. This way, the processing and analysis of the samples are not only done, but done faster, and more accessible or geographically and strategically nearer to the LGUs.

In this respect, the DOH can assist the provinces, HUCs and ICCs in identifying and forging partnerships with both state and private universities offering molecular biology, to jointly operate these testing facilities. The Province of Cavite has already demonstrated that such LGU-run testing facility, duly accredited by the DOH, is possible.

While large-scale testing would be ideal, the limited number of facilities for the processing and analysis of samples would only further exacerbate the already overburdened system. LGUs are using the RDT to initially screen out possible infections in the community under the local massive testing program, but a number of them want to use the PCR testing. Inasmuch as the cost of the PCR testing is prohibitive and aggravated further by nearly-depleted local funds, provinces are petitioning DOH in the bulk purchasing of test kits for the use by provincial and district hospitals.

Improving the capacity for testing is vital in view of the spiking number of infected persons and rising mortality rate. The delay in the release of results of COVID-19 PCR testing consequently results in an overburdened health system, to accommodate all PUMs awaiting test results, to the detriment of other non-COVID patients.

2. Availability of medical personnel and PPEs

Even prior to the pandemic, LGUs' health facilities, especially those outside of the metropolitan areas, have been suffering from lack of medical and technical personnel. The pandemic further highlighted this problem. Thus, there is a need for DOH to rationalize its health human resources deployment program under the UHC to ensure that priority is given to the understaffed provincial and district hospitals to effectively address future outbreaks and other health emergencies, particularly this Covid-19.

Further, among the key challenges faced by frontliners was the unavailability of personal protective equipment, which highlights the need for the DOH and the national procurement service to ensure a steady supply of the same as a matter of national policy.

3. LGU Representation of LGUs in National Policy-Making Bodies

Under a devolved government set-up, LGUs play a vital role in the implementation of both national and local policies, programs and projects, as the national government sets the over-all directions, goals, targets and policies.

Given the direct subsidiarity and iteration of these two levels of government, the active consultation and participation of LGUs in government policy-development and decision-making is vital. Thus, LPP reiterates the need for representation of the different levels of LGUs in vital policy-making bodies such as the IATF-MEID and the Balik-Probinsiya Bagong Pag-Asa (BP²) Council.

4. Implementation of SAP and other Social Protection Programs

The implementation of the Social Amelioration Program or SAP gave rise to a number of challenges. There was unclear role to be played by the provinces in the identification and validation of the target list of beneficiaries. Under the DSWD Guidelines, the definition of “LGUs” did not include “Provinces” but only referred to “Cities and Municipalities,” in contravention with the LGC, which defined LGUs as provinces, cities, municipalities and barangays.

There was also a need to validate the list of beneficiaries made by LGUs with that of DSWD’s and tally with other NGAs’ list of beneficiaries to avoid duplication. Likewise, there is a need to include SAP beneficiaries residing in provinces, HUCs and ICC under GCQ in the 2nd tranche inasmuch as *Bayanihan Act* explicitly entitles them to the two-months assistance during the community quarantine regardless of the LGUs’ status.

5. Identification of the Poor or SAP Beneficiaries

The implementation of the Social Amelioration Program (SAP), together with its accompanying challenges in the identification of beneficiaries, has underscored the need for a comprehensive locality-based database of who are the poor in the country.

While the *Bayanihan Act* pegged the number of poor families in need of government assistance during the time of community quarantine at 18 million, the implementation of the SAP revealed that the number of these families in need actually numbered 23 million, according to DSWD.

Taking on the lessons learned from the challenges in the implementation of the SAP and other social protection programs under the COVID-19 response, the operationalization of the Community-Based Monitoring System (CBMS) is a matter of urgency. The development and utilization of a localized comprehensive database, using the CBMS modules, should be implemented immediately as a matter of national policy. This way, LGUs are held accountable for the identification of their constituents, and their respective household conditions. This will guide LGUs in the development of targeted local interventions, and for national government to have a more complete and more cohesive picture of who are the poor and where they are. The implementation of the National Government’s Identification System needs to be implemented as well.

6. Handling of Returning Overseas Filipinos (ROFs) and Locally Stranded Individuals (LSIs)

The handling of returning overseas Filipinos (ROFs), and the locally stranded individuals (LSIs) is of special concern for receiving LGUs, whose primary objective is to avoid imported infections from entering their territorial jurisdiction. The IATF Guidelines should be streamlined as it is observed to contain so many requirements and procedures.

LGUs are requesting for a smooth coordination between the sending agencies and LGUs and the receiving LGUs. The former must give advanced information and a list of these inbound ROFs and LSIs to the latter to give them ample time to prepare. Hopefully, they have undergone PCR testing and are found to be negative. LGUs reiterate, however, the need to implement their local policies lest they put the public health of their constituents at risk of contamination.

Recently, DILG MC 2020-087 requires LGUs to not refuse entry of these ROFs and LSIs even those with incomplete requirements, subject to the LGUs' local health protocols. LGUs must comply and help the national government and will bravely face this herculean task with the on-going exodus of ROFs and LSIs from NCR to their provinces.

7. DILG Show-Cause Orders issued to Local Chief Executives (LCEs)

The issuance of the DILG show-cause orders among governors distracted their attention away from their local COVID-19 response. However, proper distinction must be made between a willful disobedience to complying with IATF guidelines or a mere misinterpretation of the said guidelines considering that such rules have been constantly changing causing confusion to the ground. For one thing, there are too many task forces on COVID-19 and too many guidelines that are incessantly being changed in that there is a possibility of misinformation or miscommunication specially through social media. In this connection, the following measures are recommended:

- ✓ Initial coordination with LPP be made prior to the issuance of a show cause order to a Governor for possible reconciliation. If possible, a letter from DILG will suffice;
- ✓ Extension of the 48 hours given to an LCE to submit an explanation due to the current situation, especially when it falls on a weekend;
- ✓ Observance of due process, including the filing of an official complaint and requisite investigation before the issuance of any suspension order, pursuant to the 2017 Rules on Administrative Cases in the Civil Service (RACSC), and
- ✓ No unwarranted publicity of said show-cause orders.

8. Public Communication and the Lifting of the Community Quarantines Toward the Shift to the "New Normal"

After two months into community quarantine, the economy, at some point, needs to be jumpstarted and local economic activities need to be resumed. The shift from various levels of quarantine -- from ECQ to Modified ECQ to GCQ to Modified GCQ -- has brought

it its own share of confusions and questions over policy guidelines on what to expect from these constant shifts.

The accessibility of information, especially online and through social media, is imperative for a clear, cohesive and unequivocal public communication of government policies, programs, and guidelines. Any inconsistent, confusing and equivocal public statements leads to unnecessary misinformation.

Likewise, as the primary implementors of these policies, programs and guidelines, LGUs should have access to these necessary and accurate information ahead of time, even before the same are announced publicly, through the regular press conferences being done by national government officials.

Based on the experiences of LGUs in the implementation of the ECQ, MECQ, GCQ and MGCQ, the delayed communication of the policies and guidelines from the IATF resulted in unintended conflicts in local policies to implement national guidelines. Such situation would have been averted had LGUs been adequately and timely informed beforehand of new national policies.

ON LGUs' RESPONSE TO COVID-19

The LPP fully supports ULAP's #beatCOVID19 advocacy, as a campaign banner, to define the four (4) pillars of the action framework for the reinforcement of LGUs and their role in the fight against the virus, to wit:

- B** - **Boosting** Local Response Capacities;
- E** - **Enabling** Mechanism & Environment that need to be in place;
- A** - **Amplifying** LGU perspectives within the national response framework; and
- T** - **Towards** building partnerships to support the LGUs and the National Action Plan Against COVID-19.

PART 3: THE RECOMMENDATIONS AND LPP RESOLUTIONS ADOPTED

PROPOSED SUSTAINABLE MEDIUM AND LONG-TERM POLICY

To revive the economy, LPP proposes for the adoption of a sustainable medium and long-term policy or strategy, similar to the ones being adopted by other countries, in responding to the pandemic. One that is not only *NGA-Enabled*, but rather an *NGA-LGU enabled*, being vital partners in this pandemic as in any government undertaking. Afterall, LGUs are an integral and an essential part of the Executive branch.

First, the stimulus package that shall be adopted by Congress to support MSMEs and other essential services must include and consider the inclusion of LGUs, particularly those outside of the National capital Region. The *Bayanihan Act*, should Congress decide to extend it, or a similar law must include sufficient funding for LGUs for this purpose. A cap of 1.5% interest rate on LGUs' loans where their IRA or NTA is used as

collateral by government-accredited banks is being recommended, to be paid beginning 2022 when the government starts to implement the Supreme Court decision on the Mandanas and Garcia case.³

The LPP supports the *Balik Probinsya* program being adopted now pursuant to E.O. No. 114, which aims to redistribute wealth and economic opportunities in other regions being left behind to effectively decongest NCR. In order to sustain this, the situs of taxation must also be revisited to equitably allocate the long-standing lopsided collection of local revenues by Metro Manila cities where the head offices of 86% of business establishments are located. LPP reiterates its appeal to include the League as part of the regular member of the so-called *BP² Council*.

Second, towards this end and in compliance with the Constitution and the 1991 LGC,⁴ governors and mayors should be allowed, without additional restriction, to “*carry out emergency measures during man-made and natural disasters and calamities.*”

Third, at the risk of repetition, LGUs must be represented in policy formulation and planning through the Union of Local Authorities of the Philippines (ULAP) and the four LGU Leagues -- the LPP, the League of Cities of the Philippines (LCP), the League of Municipalities of the Philippines (LMP), and the Liga ng mga Barangays (LnB).⁵ Meanwhile, it will be the duty and responsibility of the regional, provincial, city, municipal and barangay governments to adopt and implement local legislations and policies that are consistent with the National Government’s IATF-MEID policies.

LGUs have been at the frontline during the pandemic, in addition to the task of delivering other basic services to their respective constituent to ensure their general welfare. With the COVID-19 threat, the lives of local executives have also been at risk. Hence, part of the short, medium and long-term plans should include government benefits and additional support commensurate to their hazardous and even heroic service primarily of our barangay officials who are dealing directly with the constituents.

Fourth, as the country prepares to gradually open up its internal borders to jump-start the economy, a paradigm shift to the so-called “new normal” should include adjustments in the processes, planning and budgeting cycles of government.

RECOMMENDATIONS ON ECONOMIC STIMULUS PACKAGE FOR LGUs

The LPP supports and endorses the following proposed amendments by Rep. Joet Garcia to the Economic Stimulus package bill filed in the House of representatives, to the Senate, to wit:

³ G.R. Nos. 199802 and 208488

⁴ Book III, Chapter III, Article 1, Section 444 (b) (1) (vii) (For Municipal Mayors), Section 455 (b)(1)(vii) (For City Mayors) and Section 465 (b)(1)(vii) (for Provincial Governors).

⁵ Book III, Title VI. Leagues of LGUs and elected official Chapter 1 Article 1 (Liga ng mga Barangays); Article 2 (League of Municipalities); Article 3. (League of Cities); and Article 4. (League of Provinces).

SEC. 23. ASSISTANCE TO LGUs (New Section)

(A) TO ENABLE LGUs TO PUMP PRIME THEIR RESPECTIVE LOCAL ECONOMIES, PROVIDE JOB OPPORTUNITY PARTICULARLY TO THOSE DISPLACED BY THE COVID-19 PANDEMIC, AND EMPLOY ADDITIONAL PERSONNEL TO INCREASE SERVICE CAPACITY, THE FOLLOWING MEASURES ARE HEREBY AUTHORIZED:

(I) THE ALLOWABLE DEBT SERVICE CEILING IS INCREASED TO THIRTY PERCENT (30%) OF THEIR ANNUAL REGULAR INCOME INCLUDING THEIR SHARE IN NATIONAL TAXES;

(II) LGUs MAY ALLOCATE NOT MORE THAN FIFTY PERCENT (50%) OF THEIR SHARE IN NATIONAL TAXES FOR DEBT SERVICING;

(III) LGUs MAY REPROGRAM OR REALIGN UNUTILIZED FUNDS UNDER TRUST ACCOUNTS, SUCH AS THE SPECIAL EDUCATION FUND AND THE GENDER AND DEVELOPMENT FUND, TO OTHER URGENT AND PRIORITY PROGRAMS.

(B) LGUs WITH OUTSTANDING LOANS FROM GOVERNMENT-ACCREDITED BANKS AND GOVERNMENT FINANCIAL INSTITUTIONS SHALL BE GRANTED LOAN PAYMENT MORATORIUM UP TO DECEMBER 31, 2021 AND LOAN TERM EXTENSION OF NOT MORE THAN TEN (10) YEARS FROM THE ORIGINAL DUE DATE.

(C) LGUs MAY CONTRACT NEW LOANS FROM GOVERNMENT-ACCREDITED BANKS AND GOVERNMENT FINANCIAL INSTITUTIONS AT PREFERENTIAL INTEREST RATE OF NOT MORE THAN ONE AND A HALF PER CENT (1.5%) PER ANNUM. THE LOAN PROCEEDS SHALL BE USED EXCLUSIVELY FOR DEVELOPMENT PROJECTS DESIGNED TO ENHANCE THE RESILIENCY OF LGUs TO THE EFFECTS OF COVID-19.

LPP RESOLUTIONS ADOPTED ON COVID-19

1. **LPP SPECIAL MEETING RESOLUTION NO. 2020-008**

“Appealing to President Rodrigo R. Duterte to Continue Extending Emergency Subsidies and Benefits to the “18 Million Low-Income Households” For A Period Of “Two (2) Months,” as Stipulated in Section 4 (C) of R.A. No. 11469, such as the DSWD’s SAP, DOLE’s SAP, DOLE’s CAMP, DA’s Assistance to Farmers, and other NGAs’ Assistance Programs, to Be Implemented by All Local Government Units (LGUs) regardless whether They Have Been Placed under General Community Quarantine (GCQ) or Enhanced Community Quarantine (ECQ) as the Law Does Not Make any Distinction therein, since the National State of Calamity Is Still Valid for 6 Months pursuant to Proclamation No. 929.”

2. LPP SPECIAL MEETING RESOLUTION NO. 2020-009
“Requesting the Bangko Sentral ng Pilipinas (BSP) to Mandate All Banks and Duly-Registered Money Remittance Centers to Operate at least Five Days a Week and within Regular Banking Hours, Subject to the Strict Implementation of the Government’s Policies on Physical Distancing, Regular Sanitation and Wearing of Face Masks, to Ensure Continuous Financial Services to the Public and to the Local Government Units Amid the COVID-19 Crisis.”
3. LPP SPECIAL MEETING RESOLUTION NO. 2020-010
“Requesting the Bangko Sentral ng Pilipinas (BSP) to Allow Debtors the Option to Restructure Their Loan Obligations with Banks without the Imposition of Additional Interest, Penalties, Fees, and Charges Should They Opt to Do So”
4. LPP SPECIAL MEETING RESOLUTION NO. 2020-011
“Requesting the Bangko Sentral Ng Pilipinas (BSP) to Put a Cap on the Interest Rate of Not More Than One and A Half Percent (1.5%) for LGUs’ Loans from Government-Accredited Banks and Government Financial Institutions (GFIs), Extend Its Loan Repayment Period to at Least Ten (10) Years, and Grant a Three-Year Moratorium Period wherein the Initial Shall Commence in FY 2022, in View of the COVID-19 Crisis”
5. LPP SPECIAL MEETING RESOLUTION NO. 2020-012
“Requesting President Rodrigo Roa Duterte to Allow Representation of The League of Provinces of the Philippines in the Meetings of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-MEID) relative to COVID-19 to Ensure Effective Implementation of the Enhanced and General Community Quarantine at the Local Level”
6. LPP SPECIAL MEETING RESOLUTION NO. 2020-013
“Urging The Inter-Agency Task Force or IATF-MEID to Recognize the Authority of Local Government Units (LGUs), to Exercise Their Powers and Functions under the 1987 Constitution and the Local Government Code of 1991, and to Give LGUs Sufficient Leeway and Flexibility to Undertake Other Similar Measures and Strategies as They Deem Fit, to Complement the IATF-MEID’s Minimum Guidelines, Necessary for the Effective Implementation of the Enhanced (ECQ) or General Community Quarantine (GCQ) Policies in Their Respective Jurisdictions to Contain and Prevent the Spread of the COVID-19 Virus”
7. LPP SPECIAL MEETING RESOLUTION NO. 2020-013
“Requesting the Inter-Agency Task Force On The Management Of Emerging Infectious Diseases (IATF-MEID) to Grant Provinces under General Community Quarantine (GCQ) the Authority to Impose Inbound Travel Restrictions on Individuals Coming from Other GCQ Areas to Prevent the Spread of Coronavirus Disease (COVID-19) within Their Respective Jurisdictions”