

The Duterte administration's Philippine Program for Recovery with Equity and Solidarity (PH-PROGRESO)

As of 17 May 2020, for regular updating



PILLAR 1

**Emergency Support
for Vulnerable Groups**



PILLAR 2

**Resources to
Fight COVID-19**



PILLAR 3

**Fiscal and
Monetary Actions**



PILLAR 4

**An Economic
Recovery Plan**



1



Emergency support for vulnerable groups and individuals (initial estimate of P595.6 billion)

- P205-billion emergency subsidy program for 18 million low-income families in the informal sector.
- P51-billion wage subsidy program for employees of small businesses.
- A credit guarantee program to support P120 billion in loans for small businesses.
- A proposed expanded net operating loss carryover (NOLCO) of five years worth P139.6 billion to help businesses cope with losses.
- P1.2-billion Department of Trade and Industry (DTI) loan program for micro, small, and medium enterprises (MSMEs) for training and livelihood kits.
- P2.5-billion Department of Agriculture - Agricultural Credit Policy Council (DA-ACPC) zero-interest loans for marginalized farmers and fishers.
- P36 billion in additional support for local governments to support vulnerable sectors.
- P16.5 billion for Department of Agriculture (DA) and Department of Trade and Industry (DTI) rice programs to increase productivity and boost buffer stock.
- P10-billion LANDBANK loan program for Local Government Units (LGUs) to increase emergency funding.
- P1.5-billion Department of Labor and Employment (DOLE) cash assistance program for displaced Overseas Filipino Workers (OFWs).
- P1.1-billion Department of Labor and Employment (DOLE) program that creates minimum-wage jobs for displaced informal sector workers.
- P3.2-billion Department of Labor and Employment (DOLE) cash assistance program to support affected formal workers.
- P3-billion Department of Agriculture (DA) cash assistance program for rice farmers.
- P1.2 billion in Social Security System (SSS) unemployment benefits.
- P3-billion Technical Education and Skills Development Authority (TESDA) free online upskilling courses for workers.
- P470 million in tax expenditures for the payment and filing extension.
- P254-million Asian Development Bank (ADB) rapid emergency supplies provision grant.
- Documentary stamp tax exemption of credit extensions or restructuring of loan payments. Tax benefits, such as exemptions and full deductibility of COVID-19-related donations of relief goods.
- A grace period from public and private institutions on residential and commercial rent, and loan payments, without interest on interest, or additional penalties or fees while the enhanced community quarantine is in place.
- Unhampered movement of all cargoes to, from, and within the entirety of Luzon and implementation of proactive measures by the Department of Trade and Industry (DTI) against hoarding, panic buying, and profiteering.

The Duterte administration's Philippine Program for Recovery with Equity and Solidarity (PH-PROGRESO)

As of 17 May 2020, for regular updating



2 **Marshalling resources to fight COVID-19**



(health insurance coverage for all COVID-19 patients; special risk allowance, hazard pay, and personal protective equipment (PPE) for frontline health workers; increased testing capacity; etc.) (current estimate of P58.6 billion)

- P2.9-billion Philippine Amusement and Gaming Corporation (PAGCOR) and Philippine Charity Sweepstakes Office's (PCSO) assistance for the purchase of medical equipment and supplies.
- P150-million Asian Development Bank (ADB) grant to support health measures against COVID-19.
- P5.1-billion World Bank quick disbursing loan mechanism under the Fast Track COVID-19 Facility for purchase of medical supplies and testing kits.
- P22.2 billion for Philippine Health Insurance Corporation (PhilHealth) subsidy on medical expenses coverage for all COVID-19 patients and healthcare workers, in case of exposure to COVID-19, or any work-related injury or disease during the emergency.
- P420.6 million transferred by Philippine Charity Sweepstakes Office (PCSO) to Philippine Health Insurance Corporation (PhilHealth) for medical coverage of all COVID-19 patients.
- P11 billion for the procurement of personal protective equipment (PPE) by the Department of Health (DOH).
- P1.1 billion for test kit procurement and production.
- P12 billion for procurement of other medical supplies (e.g., intensive care unit and isolation beds, and ventilators).
- P200.9 million for special risk allowance for healthcare workers.
- P449.7 million for compensation to additional healthcare workers.
- P33.7 million for compensation to healthcare workers in case of severe infection or death due to COVID-19.
- P2.7-billion revenue forgone to expedite clearance and exempt imports of personal protective equipment (PPE) and medical goods from taxes and duties.
- P511.8 million for compensation to private facilities used for the purpose of fighting COVID-19.
- Suspension of requirements to ensure export-oriented manufacturers of medical equipment and supplies can provide 80% of their daily production to government institutions and hospitals.
- Tax benefits, such as exemptions and full deductibility of donations of cash, medical supplies, critical healthcare equipment, and the use of property for the purpose of fighting COVID-19.

The Duterte administration's Philippine Program for Recovery with Equity and Solidarity (PH-PROGRESO)

As of 17 May 2020, for regular updating

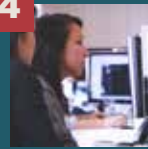


3



Fiscal and monetary actions to finance emergency initiatives and keep the economy afloat
(P856.3 billion, which includes standby financing for Pillar IV or the economic recovery plan, and P233 billion liquidity infusion into the economy)

4



An economic recovery plan to create jobs and sustain growth
(to be funded in large part by Pillar III, total amount of Pillar IV not included in the grand total on next page)

- P436.9-billion projected official development assistance (ODA) financing from multilateral and bilateral sources.
- P119.4-billion worth of 10-year and 25-year global bonds sold by BTr to sustain COVID-19 response measures.
- P300-billion *Bangko Sentral ng Pilipinas* (BSP, Central Bank) repurchase agreement to fund COVID-19 response measures.
- P200-billion estimated additional liquidity from *Bangko Sentral ng Pilipinas* (BSP, Central Bank) as a result of the 200-basis-point reduction of the reserve requirement ratio that took effect this April 2020.
- P33-billion expansion in liquidity in the next 12 months after a cumulative reduction of 125 basis points in the policy rate by *Bangko Sentral ng Pilipinas* (BSP, Central Bank).
- Regulatory relief for supervised financial institutions of the *Bangko Sentral ng Pilipinas* (BSP, Central Bank) (e.g., non-imposition of penalties for six months).
- P173.0-billion proposed Bayanihan II and Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) program to help businesses get back on their feet to sustain and create jobs once the quarantine period ends.
- Up to P673.0-billion worth of reallocation of 2019 savings and 2020 budget, off-budget from government-owned and controlled corporations (GOCCs) and government financial institutions (GFIs), financial sector, monetary policy, regulatory relief, and private sector contribution.
- Conducted nationwide survey (with more than 44,000 respondents) to assess damage to industries, especially micro, small, and medium enterprises (MSMEs). Results of the survey were used as a guide in crafting a bounce-back program with differentiated interventions for various groups (MSMEs vs. large businesses), manufacturing, hospitality, etc.).
- Continued investment in social and infrastructure programs to help revive and sustain economic growth.

The Duterte administration's Philippine Program for Recovery with Equity and Solidarity (PH-PROGRESO)

Pillar	Item	In PHP millions	In USD millions	% of GDP
1 Emergency support to vulnerable groups and individuals	Emergency subsidy program for 18 million low-income families	205,000.0	4,035.0	1.1
	Wage subsidy program for employees of small businesses to incentivize retention of workers	51,000.0	1,003.8	0.3
	Credit guarantee for affected small business to access bank financing during the crisis situation	120,000.0	2,361.9	0.6
	Proposed net operating loss carryover (NOLCO) of five years to help business cope with losses	139,596.1	2,747.6	0.7
	DTI loan program for MSMEs for enterprise development training and livelihood kits	1,203.0	23.7	0.0
	DA-ACPC loan assistance for marginalized farmers and fishers, and micro and small enterprises engaged in agriculture and fisheries production	2,500.0	49.2	0.0
	Additional LGU assistance to support vulnerable sectors	36,000.0	708.6	0.2
	DA and DTI rice programs to increase productivity and boost buffer stock	16,500.0	324.8	0.1
	LANDBANK loan program for LGUs to increase their emergency funding	10,000.0	196.8	0.1
	DOLE cash assistance program to support displaced OFWs	1,500.0	29.5	0.0
	DOLE program that creates minimum-wage jobs for displaced informal sector workers	1,146.0	22.6	0.0
	DOLE cash assistance program to support affected formal workers	3,247.0	63.9	0.0
	DA cash assistance program to rice farmers	3,000.0	59.0	0.0
	SSS assistance to cover unemployment benefits	1,200.0	23.6	0.0
	TESDA free online courses to upskill workers	3,000.0	59.0	0.0
	Tax expenditure for tax payment extension	470.0	9.3	0.0
ADB rapid emergency supplies provision grant	254.0	5.0	0.0	
Subtotal		595,616.1	11,723.4	3.1
2 Marshalling resources to fight COVID-19	PAGCOR and PCSO assistance for purchase of medical equipment and supplies	2,900.0	57.1	0.0
	ADB grant to support health measures against COVID-19	150.0	3.0	0.0
	World Bank loan for COVID-19 Emergency Response Project	5,080.6	100.0	0.0
	PhilHealth subsidy on medical expenses coverage for all COVID-19 patients and healthcare workers, in case of exposure to COVID-19 or any work-related injury or disease during the emergency*	22,185.6	436.7	0.1
	PCSO funding for COVID-19 medical coverage	420.6	8.3	0.0
	Procurement of PPEs by the DOH and other government agencies*	10,933.7	215.2	0.1
	Test kit procurement and production*	1,102.8	21.7	0.0
	Other medical supplies (e.g., Intensive Care Unit and isolation beds, and ventilators)*	11,962.5	235.5	0.1
	Special risk allowance for healthcare workers*	200.9	4.0	0.0
	Compensation to additional healthcare workers*	449.7	8.9	0.0
	Compensation to all healthcare workers in case of severe infection or death from COVID-19*	33.7	0.7	0.0
	Revenue forgone to expedite clearance and exempt importations of PPE and medical goods from taxes and duties*	2,701.5	53.2	0.0
	Compensation for private facilities used for the purpose of fighting COVID-19*	511.8	10.1	0.0
Subtotal		58,633.3	1,154.1	0.3
3 Fiscal and monetary actions to finance emergency initiatives and keep the economy afloat	Projected official development assistance (ODA) financing from multilateral and bilateral sources**	436,929.5	8,600.0	2.3
	Selling of 10-year and 25-year global bonds by BTr to sustain COVID-19 response measures	119,393.5	2,350.0	0.6
	BSP purchase of government bonds to fund COVID-19 response measures	300,000.0	5,904.8	1.6
	BSP estimated liquidity infusion into the economy as a result of the reduction of the reserve requirement ratio by 200 bps	200,000.0	3,936.6	1.0
	BSP estimated liquidity infusion as a result of the cumulative reduction of 125 bps in the policy rate	33,000.00	649.5	0.2
Subtotal		1,089,323.0	21,440.9	5.7
Grand total		1,743,572.4	34,318.4	9.1

*preliminary DOF staff estimates

**consists of signed and pipelined

Note: GDP total might not add up due to rounding off