



An Inclusive Response to the COVID-19 Pandemic in the Philippines

What is the role of open contracting?

Michael Canares, Jean Celeste Paredes,
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Cover photo: The Philippine government assisted public utility vehicle drivers register for the Service Contracting Program initiated by the the Land Transportation Franchising and Regulatory Board (LTFRB). (Department of Transportation)

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Introduction

The COVID-19 crisis that plagues the world is not just a health crisis but a crisis that affects every sector and every individual globally ([Adhanom, 2020](#)). The recently released United Nations report on the socio-economic impact of the crisis cautioned that this pandemic “risks reversing decades of progress in the fight against poverty and exacerbating already high levels of inequality between and within countries” ([UN 2020:8](#)).

Different stakeholders, including international donors, governments, civil society organisations, and the private sector, have launched various programs to respond to the crisis. These include measures to contain the spread of the virus, protect the most vulnerable, provide temporary economic relief, and initiate economic stimulus to cushion against adverse economic impacts brought about by containment measures.

There is consensus that the pandemic impacts countries and people differently. The most vulnerable sectors of the population will be badly hit – children, women, youth, indigenous people, the disabled, among others ([Social Platform 2020](#)). Several organisations have put forward guidelines for inclusive response. The UNWTO proposes equal access to information and data, adequate social protection, and equal opportunities ([UNWTO, 2020](#)). The IFRC, on the other hand, emphasises the key principles of dignity, access, participation, and safety in keeping people safe from harm, understanding different risks, and involving and engaging all affected people ([IFRC, 2020](#)).

In the area of open contracting, the Open Contracting Partnership has recommended a variety of measures, especially in ensuring that emergency procurement related to COVID-19 response and recovery measures are transparent and accountable. This includes ensuring that emergency procedures are public and open, that open procurement data is used and shared to predict and manage supply chains, and that civil society is involved in monitoring the spending and delivery of goods and services.

This study is focused on how open contracting can be used as a lever to ensure an inclusive response and recovery. If indeed the crisis severely impacts the most vulnerable, how can open contracting principles, mechanisms, and processes be used to ensure that COVID-19 response and recovery measures are inclusive and protect the most vulnerable?

The overall objective of this research is to create evidence that can be used by local actors in the design, implementation, and advocacy for inclusive COVID-19

response and recovery. At the same time, it sets out to create evidence that will be useful for domestic and international donors to design response and recovery policies, programs, and initiatives. This research focuses on how public procurement can be used as a tool for equitable access to public goods and services in times of COVID-19 response and recovery.

The research poses the following key research questions:

1. How are different actors responding to COVID-19?
 - a. National and local governments?
 - b. Civil society?
 - c. Private sector?
2. How inclusive are these response initiatives and processes?
3. How has public procurement been used to ensure inclusiveness in COVID-19 response and recovery measures?
4. What barriers and opportunities exist in this process?
5. What lessons can be learned from these to inform the design and delivery of future COVID-19 response and recovery measures?

To answer the research questions, we implemented the research in two countries - Guatemala and the Philippines. The choice of the country was informed by the presence of HIVOS' Open Up Contracting Program, a program for "a world where public procurement is transparent, fair and inclusive and is systematically used by governments to realise people's rights and advance sustainable development". The program is currently implemented in seven countries, namely, Guatemala, Indonesia, the Philippines, Malawi, Kenya, Tanzania, and Bolivia.

First, we conducted a review of the country-specific COVID-19 status and the corresponding government response to the pandemic. We reviewed programs, legislation, and other initiatives launched by different actors, particularly by national and local governments, civil society, and the private sector. A cursory analysis of how inclusive these responses were was undertaken, more specifically for those that involve procurement processes. Finally, to delve deeper into the research questions, we selected a case study for documentation and analysis.

The lockdown was implemented five days later in the whole of Luzon. This restrictive measure was implemented in key cities across the country. The archipelagic nature of the Philippines severely affected not only the movement of people but also of goods and services. Local economies which are dependent on tourism suffered greatly as international borders were closed to incoming tourists. The lockdowns were referred to as “community quarantines” with different degrees of severity, from general community quarantine (GCQ) to enhanced community quarantine (ECQ), the latter restricting the movement of the population except for necessity, work, and health reasons.

Alongside these measures, the Philippine government also instituted legal measures to deal with the pandemic. On 8 March 2020, President Duterte signed Proclamation No. 922, declaring a State of Public Health Emergency throughout the Philippines. The proclamation facilitates faster access to emergency funding, relaxes procurement rules and processes, imposes travel restrictions, and enforces mandatory reporting and quarantine.

Fifteen days later, Congress promulgated the Bayanihan to Heal as One Act (Republic Act or RA 11469) signed by the President into law the next day. The Act grants the President emergency powers, including the power to reappropriate budget allocations of departments and expedite the procurement of medical necessities, as well as goods and services needed by affected communities.

Different agencies of the Philippine government also launched several programs. These include:

- a. COVID Adjustment Measures (CAMP) - a program of the Department of Labour and Employment that provides financial assistance to formally-employed individuals who lost their jobs or sources of income due to the ECQ.
- b. Social Amelioration Program (SAP) - a program of the Department of Social Welfare and Development providing low-income families, those in a subsistence economy, and informal workers with financial support of between Php5000 to Php 8000 (100-170 USD) per month for two months.
- c. Financial Subsidy to Rice Farmers (FSRF) - a program implemented by the Department of Agriculture to distribute Php5,000 (100 USD) to more than half a million farmers.
- d. Rice Farmers Financial Assistance Program (RFFAP) - also implemented by the Department of Agriculture to provide compensation to rice farmers due to the drop in prices of palay (unmilled rice). The amount of assistance is Php5,000 (100 USD) per farmer.
- e. Tulong Panghanapbuhay Sa Ating Displaced/Disadvantaged Workers Program, Barangay Ko, Bahay Ko (TUPAD BKBK) - a program under the

Department of Labour and Employment that provides financial assistance to displaced workers, underemployed, and self-employed workers.

- f. Interim Rehabilitation Support to Cushion Unfavourably Affected Enterprises by COVID 19 (I RESCUE) - a program implemented by Land Bank of the Philippines allowing restructuring of business loans with a fixed rate of 5%.
- g. COVID-19 Assistance to Restart Enterprises (CARES) - a program implemented by the Department of Trade and Industry and Small Business Corporation that provides loan assistance to small and medium-sized enterprises (SMEs).
- h. Grant of 30-day grace period for borrowers of lending institutions and lessees of properties without any penalty or additional interest.

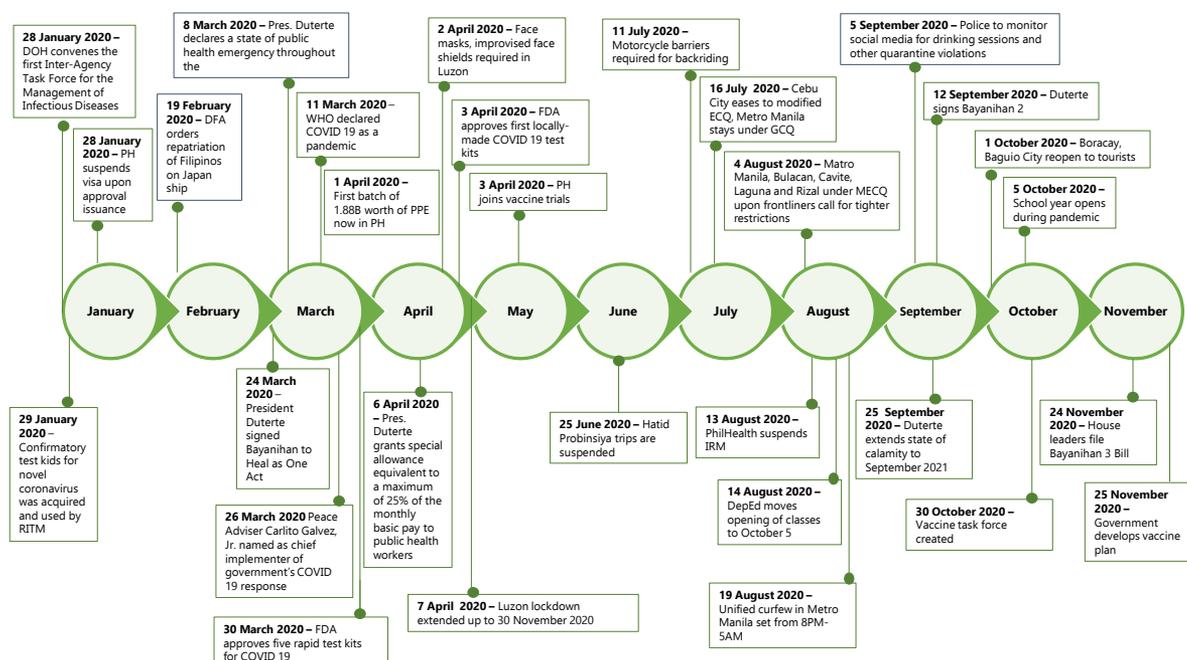


Figure 2. Policies and Regulations Issued

In the case of local government units, apart from imposing and implementing lockdowns and other preventive measures and assisting the national government in the delivery of cash assistance (like in SAP above), they also launched the distribution of goods to all people affected by the crisis. Private sector companies, on the other hand, implemented work-from-home arrangements and provided cash assistance to their employees. Private companies also launched relief programs to communities severely affected by prolonged lockdowns.

Procurement Adjustments During the Emergency

As a result of RA 11469, the stringent requirements of public bidding for government purchases was lifted. RA 9184, of the “Government Procurement Reform Act” requires public bidding for all government purchases except for situations where alternative modes of procurement are allowed. For example, under Section 53(b) of RA9184, negotiated procurement is permitted when there is imminent danger to life or property during a state of calamity; when time is of the essence because of natural or human-made disasters or calamities; where immediate action is necessary to prevent damage to property or loss of life; or when there is an impending need to restore essential public services.

Government agencies, hospitals, and other health facilities were allowed to resort to negotiated procurement to acquire essential goods in the fight against COVID-19, including the purchase of personal protective equipment (PPEs) for healthcare workers, the shortage of which had been reported across the country. To act on this, the Procurement Service (PS) of the Department of Budget and Management (DBM), through a resolution issued by the Government Procurement Policy Board (GPPB), updated the list of Common-Use Supplies and Equipment (CSEs) to include some medical items (See Table 1).

Item No.	Item Description
1	Alcohol
2	Sanitisers
3	Tissues
4	Thermometers
5	Hand soap
6	Detergent
7	Sodium hydrochloride
8	Cleaning materials
9	Personal protective equipment for utility staff
10	Povidone-iodine
11	Gloves
12	Masks
13	Common medicines: a. paracetamol tablet and suspension b. mefenamic acid c. vitamins tablet and suspension d. hyoscine tablet and suspension e. oral rehydration solution f. cetirizine tablet and suspension
14	Testing kits

Table 1. Medical Supplies Included as Part of CUSE

The DBM-PS is tasked to “identify those supplies, materials, and such other items, including equipment and construction materials, which can be economically purchased through central procurement and which it shall cover within its scope of activity; determine the technical specifications of items that it will procure for agencies of the Government; identify the sources of supply which can offer the best prices, terms and other conditions for the items procured by the government; and purchase, warehouse and distribute items for resale to agencies of government, including GOCCs.”

Alcohol, sanitisers, tissues, thermometers, hand soap, detergent, cleaning materials, personal protective equipment, gloves, masks, common medicines, and testing kits, among others were now included as part of those items that could be procured using negotiated procurement. However, it must be emphasised that even in negotiated procurement, the supplier needs to be technically, legally, and financially capable of providing the required product or service. Likewise, the procuring agency needs to ensure that the government can secure the most advantageous price, despite the emergency nature of the procurement.

The relaxed procurement rules also apply to local government units. Based on the results of a study conducted for the Open Contracting Partnership, it was found out that even though the change “led to an increase in the awarding rate of tenders, LGUs still encounter difficulties in dispersing emergency funds, with an award rate of only 47% for COVID-19 related tenders from January to June 2020. Furthermore, the global shortage of COVID-19 related resources (such as personal protective equipment, testing kits, medicines, laboratory equipment), restrictions on movement and transportation across regions, and government office closures have added to the burden of procuring LGUs adapting to the amendments made on the conduct of Negotiated Procurement” (Barajas, 2020, 43).

COVID-19 Response and Inclusion

But how inclusive is the COVID-19 response in the Philippines? To answer this question, we need to unpack what we mean by inclusion. Inclusion is a contested concept but mainly answers the question of who is included in a particular process (Smith and Seward 2020). Inclusion, however, is not just about who is included, but also about in which communities they are included/excluded and to what extent they are incorporated into the process ([Qvortrup and Qvortrup, 2017](#)). In the context of COVID-19 response, for example, inclusion would refer to **who** is included in the response, which **processes** they participate in, and **to what degree** they are involved in the process.

In this preliminary analysis, we look specifically at two components of inclusion. First, we want to see how habitually excluded groups participate in and benefit

from the government’s COVID-19 response. Second, we want to look at the degree to which they participate in and benefit from COVID-19 initiatives.

Based on a review of available evidence, the Philippine government’s COVID-19 initiatives fell short of being inclusive. The response to the pandemic exposes not only the already existing exclusionary processes but also the seeming disregard for inclusive approaches in how the government frames and implements its programs. First, the COVID-19 response is developed without consideration of the varying contextual and individual abilities of people. For example, one author notes that persons with disabilities “rights and voices are unheard of based on the government provision on health guidelines, healthcare services, virus prevention policies, and educational interventions” (Toquero, 2020: 172). As a concrete example, when public transport was suspended in Manila, a poor person with a disability had to walk for three hours to see a doctor.

Figure 3 below shows also that loss of income is a key issue for persons with disabilities, based on a survey conducted by the Center for Disaster Preparedness across key cities in Luzon. However, when we review the programs implemented by the Philippine government, there is no specific program that looks into the needs of persons with disabilities.

How has the community quarantine affected the household in addressing the needs of persons with disabilities?	Record Count
1. Loss of income/livelihood	699 
2. Loss of income/livelihood, Inadequate basic needs, e.g. food, water	453 
3. Inadequate basic needs, e.g. food, water	285 
4. Loss of income/livelihood, Inability to undergo treatment/therapy, Inability to purchase medication/assistive devices, Inability to go for check up, Inadequate basic needs e.g. food, water, Higher health risks	266 
5. Loss of income/livelihood, Inability to purchase medication/assistive devices, Inadequate basic needs e.g. food, water	138 
6. Loss of income/livelihood, Inability to undergo treatment/therapy, Inability to purchase medication/assistive devices, Inability to go for check up, Inadequate basic needs e.g. food, water	118 
7. Inability to undergo treatment/therapy	102 
8. Loss of income/livelihood, Inability to undergo treatment/therapy	86 

Figure 3. Needs of Persons with Disabilities (Source: [Center for Disaster Preparedness, 2020](#))

Second, marginalised groups are not at the planning table for the COVID-19 response. “People at margins are being treated as beneficiaries, but never partners to combat this pandemic” ([Miranda, 2020](#)). For example, in the composition of

government-created task forces, representatives from civil society, and those who represent the voices of marginalised groups are not included ([Rajan et al. 2020](#)). As a matter of fact, only government officials sit as members of the IATF. A Philippine think-tank recommends that to avoid gaps in the COVID-19 response, the government needs to make planning and implementation more inclusive, involving those “lockdown-challenged farmers, workers, women and youth groups” ([Bisenio, 2020](#)).

Finally, not everyone benefits from government-sponsored programs because of several institutional and contextual factors. For example, in the second tranche for the distribution of DSWD’s Social Amelioration Program, DSWD reports that they were short of 4 million beneficiaries when compared to their original target, because of the inability of the local government units to submit a verified list of beneficiaries. This, despite the fact that the magnitude and severity of the needs are enormous across the country. Based on the most recent available data, only 25% of farmers were able to receive benefits from the Department of Agriculture’s COVID-19 programs.

Openness in Public Contracting During COVID-19

Open contracting “concerns the publication of data related to public tenders or contracts across five stages (planning, initiation, award, contract, and implementation), with data published openly according to a set of (data) standards defined by the first-movers in the global open contracting network” (Canares and Van Schalkwyk 2020: 13). However, this paper takes an extended view of open contracting, to include public participation in contracting processes, including planning and monitoring (ibid: 13).

Looking into the national government response against COVID-19, processes were less than transparent. Regarding data publication, the emergency nature of the procurement foregoes certain control measures that were enshrined by law to ensure transparency in the procurement process. Under rules governing emergency procurement, the requirement to publish is only mandatory for contracts with Approved Budget of Contract (ABC) of more than Php 50,000 (US\$ 1,040). The documents requiring publication are the Notice of Award (NOA), the contract or purchase order, and the Notice to Proceed, if applicable. The publication needs to be done on the PhilGEPS website, the website of the procuring entity, and in any conspicuous places on the premises of the procuring entity.

But scrutiny of published documents in PhilGEPS shows that the availability of procurement documents are questionable. As mentioned above, NOA, contract or purchase orders are required for procurement of supplies and materials. But examination of uploaded documents on PhilGEPS indicates that several

documents drawn up by the Department of Health did not follow the publication requirements. For example, a notice of award is available, but the purchase order is not available, and hence it is not possible to verify the items that were awarded to a particular supplier.

Also, with negotiated procurement as an acceptable mode of procurement during this emergency, procurement processes are less exposed to public scrutiny. Observers, required under public bidding as indicated by RA9184, are not applicable for negotiated procurement processes. Hence, procurement can be shielded from public view, and given the fact that procurement for less than Php 50,000 is not required to be published, procurement under this threshold can not be monitored.

No mechanism is put in place to allow contracting processes under negotiated procurement subject to public scrutiny, despite advice from different organisations that monitoring and oversight of procurement activities is ensured ([UNDP, 2020](#)) and that civil society organisations must be given a role in monitoring health outcomes, procurement systems, and budget spending ([U4, 2020](#)). There is no evidence to show that public participation in contracting activities has been the norm for the period that negotiated procurement was used.

The lack of transparency has resulted in several irregularities. Some lawmakers pointed out that the lack of prudence in negotiated procurement resulted in the overpricing of some contracts. This was, however, defended by the Department of Budget and Management, showing proof that the department was able to save Php2 billion (US\$ 42 million) due to the negotiated arrangements. But new research (Abante et al., 2021) has found that using negotiated procurement at the national government level has resulted in the acquisition of items at high prices as well as product quality issues.

Delving Deeper into the City of Pasig

To allow for a more detailed discussion of the research questions, we selected the City Government of Pasig as a case study to explore how open contracting can be used as a lever to make the COVID-19 response more inclusive. The choice of the case study site is prompted by the prominence of Pasig in terms of its responsiveness and agility to adapt to the changing context brought about by the pandemic. Also, HIVOS, through the Affiliated Network for Social Accountability in East Asia and the Pacific (ANSA-EAP), has worked with stakeholders in the city prior to and during the pandemic in the area of public contracting.

The City of Pasig is a first-class highly urbanised city within Metro Manila, located adjacent to several key cities such as Makati, Quezon, Marikina, and Mandaluyong. Based on most recent census data (2015), Pasig has approximately 755,000 residents consisting of 180,000 households. It is ranked tenth-largest among cities in Metro Manila and 6th in terms of overall economic competitiveness. Based on recent population survey (2015), 6.47% of total population (approximately 48,900 people) are senior citizens, while 1.82% are estimated to be persons with disabilities.

The Eusebio family has dominated Pasig's recent political history. The family ruled over the city for 27 years with family members taking turns in running (and winning) in the mayoral elections. It was only in the 2019 elections that a politician outside of the family, Vico Sotto, was elected mayor. Mayor Vico Sotto ran on a "change" platform and was supported by 63% of voters.

Mayor Sotto, in his previous term, was a city council member. One of the ordinances he authored was The Pasig Transparency Mechanism Ordinance, which enables a city resident to request access to and obtain copies of public documents without justifying the request. The city government is required to release the documents within ten days. When he became mayor, he committed to making all public tenders open and providing opportunities for civil society monitors to observe the process of choosing public contractors.

Pasig City's Response to the Pandemic

The response of the City Government of Pasig to the pandemic was lauded as one of the most programmatic and strategic among local governments in the

country. As a matter of fact, the Department of Health - Metro Manila Center for Health Development recognised the City of Pasig’s “relentless efforts in the implementation of COVID-19 response and ensuring the provision of quality health services in the community” ([Casinas, 2020](#)). Pasig’s test, trace, and treat approach necessitated several strategic measures, including the conversion of Pasig City Children’s Hospital into a COVID-19 referral hospital, the transformation of Rizal High School to a centralised quarantine facility for mild to asymptomatic COVID-19 patients, and the operationalisation of a DOH-accredited molecular laboratory for reverse transcription-polymerase reaction (RT-PCR) tests.

Several of the programs of the City of Pasig attracted national attention, including the operationalisation of a mobile application for contact tracing, the distribution of tablets to aid students in their online classes as a consequence of the Department of Education’s strict mandate of not holding physical classes, free bus rides for workers and frontliners, free e-tricycle rides for those requiring medical check-up during the quarantine period, cash assistance for drivers, interest-free loans to micro-entrepreneurs, among others. This is on top of the city’s grant of cash assistance to those who did not qualify for the national government’s Social Amelioration Program (SAP) and the distribution of relief goods to all households.

While it is easy to say that a highly urbanised city with high sources of income can afford the kind of response described above, the City of Pasig reported that it is their efforts to install transparency and accountability, more particularly in procurement processes, that allowed them huge savings in their programmed procurements for 2019. First, the city mayor ordered all government agencies to reduce by 10% their Approved Budget for the Contract (ABC) in the procurement plan, because of the customary practice of padding ABCs to accommodate favours to some people involved in the procurement. Second, he made the procurement and bidding processes transparent by inviting observers and livestreaming bidding processes on the city government’s Facebook page.

The result was greater competition among bidders - because of increased confidence in the bidding processes. There is evidence to show that transparency measures have reduced the actual contract price, as suppliers were able to offer prices 10-50% lower than the ABC. In previous years, contracts were roughly 1% lower than the ABC, which the Commission on Audit identified as a red flag in procurement activities ([Gotonga, 2019](#)). The savings generated were reallocated to COVID-19 response measures.

Inclusion and Citizen Satisfaction

When ANSA-EAP conducted a Public Expenditure Tracking Survey (PETS) in 2019 for the 2018 city budget, they found out that communities and city residents,

even civil society organisations, were not part of the planning stage. The Annual Procurement Plan (APP) appears to contain a collection of requests from different offices and without input from citizens. For example, the study found that frequently requested medicines by senior citizens were not part of the medicines requested by the office handling senior citizen's concerns in the city.

Monitoring medicine procurement was found to be very challenging, given the lack of audit trail and properly documented movement of medicines from the Central Health Office (CHO) to the barangay health centres. The budget, as well as procurement activities, were not made transparent. When the researchers compared the prices of medicines against the price index issued by the Department of Health, it was found out that 20% of the medicines procured were grossly overpriced, with the highest price variation at 1380%.

Procurement has been a significant problem in the City of Pasig. In the audit of 2018 accounts of the city, the Commission on Audit (COA) flagged the excessive purchase of supplies with low utilisation. Out of Php952 million purchased (approximately US\$20 million), only 21% was utilised. This included medicines worth Php12.6 million (US\$262,000). The Central Supply Office of the city has been identified by COA as the main culprit, even reporting that the lack of proper recording for receipt and issuance resulted in a total of Php1.4 billion (US\$29 million) unaccounted inventory of supplies and materials.

In July 2020, When ANSA-EAP conducted the interface meeting between city health officials and community representatives, including senior citizens, persons with disabilities, and mothers of young children, the following procurement-related issues surfaced:

- a. Lack of medicines for senior citizens, including those for hypertension and diabetes, and branded medicines prescribed by doctors for senior citizens
- b. Medicines dispensed nearing their expiry dates (e.g. receiving medicines two days before their expiry date)
- c. Lack of rehabilitation facilities for PWDs
- d. Lack of booster vaccines on pneumonia for children and PWDs.

The problems mentioned above, as part of the process of conducting the Citizen Scorecard (CSC), are inconsistent when we compare them with the findings of the COA, where there seems to be the existence of undistributed medicines. We can infer at least two things. First, the medicines that were stocked were those not needed by people, hence the low utilisation. Second, the distribution processes were so inefficient that they could not reach those who needed them even before their expiry dates. But based on interviews of some stakeholders, another reason could be the intentional lack of recording of the movement of

medicines from the CHO to the barangay in order to mask the clientelistic nature of distribution exercised by barangay captains over a long period of time.

What was seen as problematic, by both government and civil society stakeholders, was the lack of participation of end-users, or more specifically, those who will be benefiting from procured items, as well as the lack of monitoring of requisitions, issuances and the movement of goods from the Central Supply Office to the barangay health centres. More involvement from citizen groups in procurement planning, as well as in the monitoring of distribution and utilisation could have improved this situation. It is important to note that the new leadership of the city has inherited this problem. The problem of poor inventory management has been raised by COA for three years, while unutilised supplies have been mentioned in audit reports for two consecutive years.

What arose in the survey conducted by ANSA-EAP also highlighted the lack of consultation with citizens regarding needs during COVID-19, because apart from groceries, survey respondents also asked for sanitation kits (e.g. alcohol, face masks, disinfectants) and vitamins to boost their immune systems against the virus. They also mentioned the need for free COVID testing; but this is already provided by the city government.

Independent surveys conducted by different organisations placed the City of Pasig as one of top five most responsive local governments in Metro Manila in its response to the pandemic (PublicusAsia and RPMDF). The areas where the city government did well were security and public order; social welfare, relief assistance, implementation of health protocols, and food security, among others.

It is important to point out that given limitations in movement, the city government has utilised various means to consult with citizens in areas not necessarily related to procurement. For example, when the city planned to close some streets during COVID-19 to allocate them for walking, jogging, outdoor dining, and shopping, they used a digital platform to conduct consultations. This process could have been used to involve citizens in defining procurement priorities.

Pasig City also launched “Ugnayan sa Pasig” (Pasig Connect) where citizens can (1) ask for reports, documents, budgets, procurement information, among others; (2) make suggestions or file complaints regarding city’s programs, projects, services, and personnel; and (3) participate in governance processes as civil society counterparts. The city government can use these channels in promoting people’s participation in procurement processes.

Data Publication and Use in Pasig City

Despite the City Government of Pasig's efforts to be transparent, there is no intentional and proactive publication of COVID-19 response data. The city government website, for example, does not contain any information on the flow of funds in the fight against COVID-19; how budget is spent, and how are people benefitting from the government's efforts to provide social services during the time of the pandemic. Although the current mayor and the city's information office uploads regular updates on social media accounts, sharing videos, documents, and other relevant information, there is no single repository that allows access to documentary evidence of how public funds are spent.

Procurement information is published on its website in the form of PDF documents, including Minutes of Meetings of the Bids and Awards Committee. But to trace how one procurement, say for example, a Request for Quotation (RFQ) for a certain item or project using negotiated procurement, progressed from the RFQ to its actual delivery, is virtually impossible. While procurement data can be downloaded as open data from the PhilGEPS and also from the Government Procurement Policy Board's portal, it does not show implementation data that would enable would-be monitors to track financial transactions from planning to completion. This is probably the reason why there are no documented cases of procurement data re-use. Even ANSA-EAP, when it conducted its PETS on medicine in 2019 for 2018 transactions, concluded that,

The main challenge faced by the researcher was access to data. While there is a policy obliging the LGU to post the budget online, this cannot be found in the city's website. Accessing the documents through the Ugnayan office took months because the concerned offices withheld the information on the suspicion that the researcher was doing some investigation other than research. (ANSA-EAP, 2020; 2)

At its best, there was the intention to be transparent, and there are some efforts to do that, including what was mentioned as the livestreaming of procurement activities on the city's official Facebook account. But this is only one aspect of the whole contracting process. Like all other local government units in the country, the contracting and implementation processes are shielded from public view.

The COVID-19 response in Pasig has been praised and rightfully so - it tries as much as possible to be responsive (e.g. meeting people's known needs) and inclusive (e.g. targeting as many vulnerable sectors as possible). There are lapses though in terms of involving people in the design of interventions, and in ensuring that people's voices are heard in the process of implementation. Despite the intention

to be transparent and accountable, mechanisms are not properly installed so that people interested in investigating procurement transactions can sufficiently follow the money. Unfortunately, this research was unable to dig deeper into the lack of systemic reforms that could have addressed the issues raised here.

The ANSA-EAP Project

ANSA-EAP is one of the forerunners of social accountability in the Philippines and the Asian region. It focuses on implementing a change framework that utilises constructive engagement, along with citizen monitoring, to improve governance. The network is composed of convenor groups across four countries - Cambodia, Indonesia, Mongolia, and Philippines - and regional thematic networks for public procurement and extractive industries.

With funding support from HIVOS, ANSA-EAP started working in Pasig City in 2019 on a project labelled as “Strengthening Stakeholders’ Influence on Pasig City Government’s Provision of Drugs and Medicines”. The broader goal of the project is to contribute to achieving a more responsive healthcare system and adequate provision of drugs and medicines to the city’s residents, especially the marginalised. Using its main strength - a social accountability approach - it sought to use procurement data to engage stakeholders in effectively planning, budgeting, and implementing its local health plan. At the same time, it sought to strengthen civil society organisations to constructively engage with the city government for improved public health services.

ANSA-EAP wrote, in its project description, that the project

Hypothesises that stronger health stakeholders’ influence on local government decisions leads to a more responsive healthcare and adequate provision of drugs and medicines to Pasig City constituents, especially the poor and disadvantaged. Such stakeholders’ influence, mainly from civil society health advocates and women, comes about when they are organised and capacitated on social accountability methods of engagement and monitoring as well as when the city government has opened up and engaged based on essential health information (ANSA EAP 2018).

Prior to the COVID-19 pandemic, the project was able to achieve the following:

- a. Build commitment from across government by working in close collaboration with the mayor's office, the city health office, the rural health units across the city;
- b. Map and profile the civil society organisations working on health concerns, including habitually excluded groups such as organisations of persons with disabilities, associations of beneficiaries of social welfare programs considered as the poorest members of communities, senior citizens, and association of sons and daughters of employees and workers;
- c. Scope and develop the tool for Public Expenditure Tracking Survey (PETS); and
- d. Implement the Social Accountability and Community Scorecard in partnership with trained community leaders and include the assessment of health programs for mothers, persons with disabilities, and senior citizens.

When the pandemic set in, the efforts of the project were refocused to assess the city government's COVID response program. For example, the Community Scorecard and the corresponding surveys were focused on how communities were able to/not able to receive assistance from the city government.

What have we learned?

Our research points to at least four key insights in terms of the role of open contracting in ensuring not just transparency and accountability in contracting but also in ensuring a more inclusive response during emergencies.

First, it is easy to ignore differences in context, needs, and vulnerabilities during times of emergencies. The Philippine national government response against COVID-19 exemplifies this, as shown by the lack of attention to the different needs of habitually excluded groups, like for example, persons with disabilities. The research also shows that it requires a certain sensitivity, if not awareness, to people's differentiated needs during times of pandemic, even with the choice of emergency goods that will have to be distributed. A study conducted by Plan International, for example, highlights the lack of consideration of the special needs of girls and women (e.g. sanitary pads and hygiene kit essentials) in the purchase of relief goods ([De Guzman, 2020](#)).

Second, in order for COVID-19 response to be more inclusive, there is a need for wider participation from different sectors in the design of mitigation and response strategies. As pointed out earlier, the IATF members are all from government, the majority of whom are male, with no representation from different sectors which carry the concerns, interests, and needs of their groups. Lack of diversity within a body tasked with responding to a global disaster of this scale will likely result in a lack of inclusiveness in the nature of the response. Indeed, this is what happened at the national level.

By virtue of their proximity to residents, those who are working in and for local governments have more advantage in terms of perceiving and responding to different needs. In the City of Pasig, for example, the range of both social and economic assistance has at least covered different sectors and groups - micro-entrepreneurs, poor households, wage-earners, drivers and transport service providers, among others. The nature of the assistance provided is differentiated, based on the needs and circumstances of recipients. This points to the fact that the distance between planners (e.g. government leaders) and citizens (e.g. residents) requires intermediation and representation, to allow a more inclusive response without sacrificing speed and agility. National task forces such as the IATF, will benefit from the representation of different sectors not only to make responses inclusive but also relevant.

Third, information is a critical component in a more effective and inclusive emergency response. When information is provided, it opens up spaces for discussion, contestation, and productive collaboration. Even when using

negotiated procurement, the publication of procurement activities and results can foster transparency and encourage accountability. Complaints regarding overpricing, awarding of contracts to blacklisted suppliers, among others, will be monitored and appropriately acted on if procurement activities allow public scrutiny of negotiated arrangements.

Fourth, the role of intermediaries can not be overemphasised in terms of ensuring that procurement during the times of crisis is transparent and accountable. Even during normal times, procurement activities are susceptible to corruption. This will be increasingly so during emergencies when stringent transparency and accountability requirements are foregone for the sake of expediency. Although procurement records can be made publicly accessible, without intermediaries, like media, watchdogs, or social accountability advocates and organisations, to scrutinise procurement records including those indicating the receipt of goods and services, as well as its consequent distribution and/or utilisation, a more accountable procurement process can not be achieved. Intermediaries need to have the skills to access and analyse procurement data in order to ascertain the quality of received goods and the reasonableness of purchase price, to ensure that the government is getting value for money despite the nature of the emergency procurement.

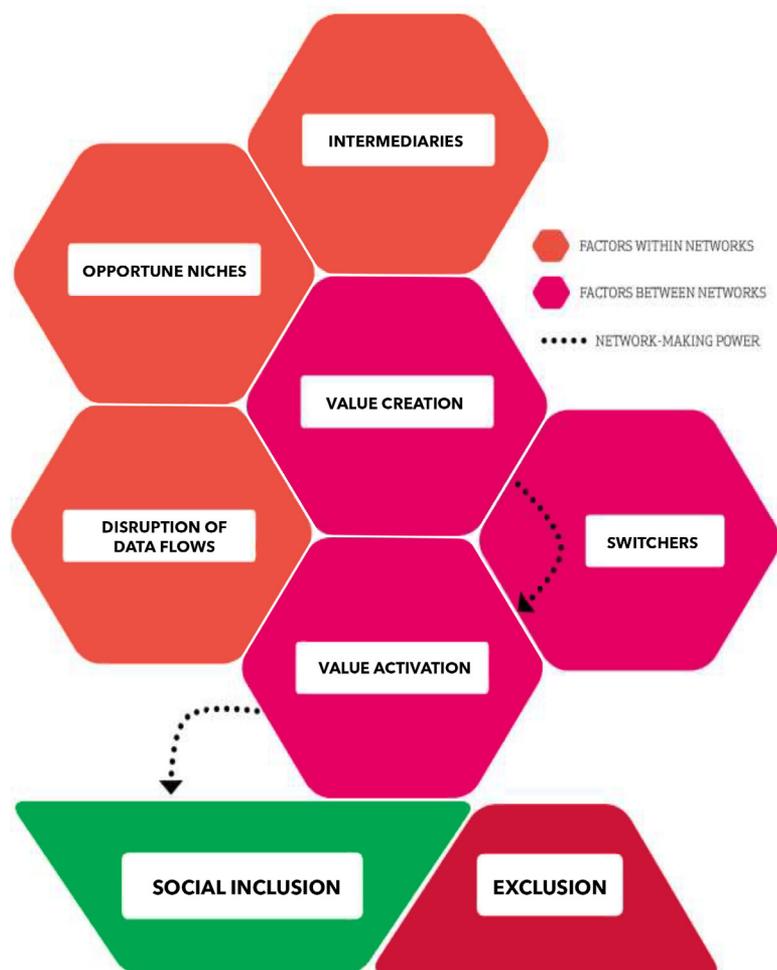
Conclusion

The primary question that this research sought to answer was whether public procurement could be used as a lever to ensure inclusiveness in COVID-19 response and recovery measures. In the case of the Philippines we have seen that while there are opportunities to use public procurement, and more notably, open contracting, to ensure not only a transparent and accountable procurement process but also a more relevant and inclusive response, these were not maximised. Whether intentionally, or unintentionally, we were not able to verify.

Using the conceptual framework developed by [Canares and Van Schalkwyk's](#) (2020) on open contracting and inclusion, we draw several conclusions.

First, the manner of data publication precludes a “disruption of data flows” that could have shifted the distribution of power by allowing citizens or citizen groups the opportunity to scrutinise public procurement, especially in a context where provisions on transparency and accountability embedded in procurement legislation were foregone to favour expediency because of the emergency. Publication was messy and incomplete, restricting people’s opportunity to follow the money. This is true for both the national government and the subnational government, as exemplified by the City of Pasig case study.

Second, as a consequence of the lack of publication, an “opportune niche” did



not exist. There were initiatives launched by social accountability advocates, like the online [COVID budget tracker](#). Still, its ability to influence policy discussions and even portray a comprehensive picture of the state of COVID-19 response was plagued by the lack of data, and the lack of updates on the preliminary analysis conducted so far.

Third, data intermediation, that process of translating complex procurement data into digestible information by citizens, was found wanting and overshadowed by other pressing concerns on data quality especially on epidemiological reporting on the part of the government. There are very few initiatives at the national level that access, analyse, translate, and communicate procurement data, save for the volunteers that make up the COVID budget tracker (which does not solely focus on contracting). Even in the City Government of Pasig, this intermediation process did not happen, largely caused by the fact that the city has been governed for more than 15 years by a local leader who starved city residents of genuine political participation ([Porio, 2012](#), [Alvarez 2019](#)). Based on interviews with stakeholders in Pasig, the project that ANSA-EAP implemented in the City of Pasig was their first experience in asking government representatives from the CHO hard questions.

As such, processes of value creation, switching, and value activation really did not happen in the Philippine case. The primary reason here, we argue, is the fact that the contextual requirements for these to happen were lacking even prior to the pandemic. Previous studies on open contracting in the country ([Canares, 2016](#)), publication, data quality, legal frameworks, citizen participation, and data intermediation, have been found to be weak and problematic. These inherent weaknesses remained, if not amplified, by the changes and challenges brought about by the COVID-19 pandemic.

Inclusion has been a significant problem in the country for decades. Research has shown that the benefits of economic and social development are not equally shared across the population ([Ali and Son, 2007](#)) brought about by weak governance ([Habito, 2010](#)). On the one hand, inclusive development has become very elusive with deepening inequality. On the other, social inclusion has remained a serious challenge, with some scholars arguing that social equity has remained an elusive dream ([Brillantes et al., 2019](#)). Inclusion, as a function of policy, is not deeply entrenched into the development agenda of the Philippine government.

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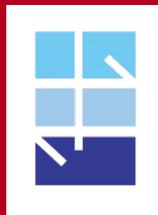
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