

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

EIGHTEENTH CONGRESS
Second Regular Session



HOUSE RESOLUTION NO. 1943

Introduced by
REP. ARLENE D. BROSAS (Gabriela Women's Party)

A RESOLUTION DIRECTING THE HOUSE COMMITTEE ON SOCIAL SERVICES TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE MEMORANDUM OF AGREEMENT (MOA) SIGNED BY THE DEPARTMENT OF SOCIAL WORK AND DEVELOPMENT (DSWD) WITH FINANCIAL SERVICE PROVIDERS IN THE DISBURSEMENT OF CASH AID UNDER THE SOCIAL AMELIORATION PROGRAM (SAP) AND THE ANOMALOUS CHARGING OF SERVICE FEE PER CASH OUT

WHEREAS, on March 15, 2020, President Rodrigo Duterte imposed a community quarantine over the National Capital Region in a bid to contain the transmission of COVID-19;

WHEREAS, to help ease the impacts of the economic crisis, the Social Amelioration Program (SAP) was created to grant a P5,000 to P8,000 monthly cash subsidy to low-income families for two months, depending on the area of residence;

WHEREAS, on June 30, 2020, the Department of Social Work and Development (DSWD) signed a memorandum of agreement (MOA) with the Land Bank of the Philippines (LBP) and six financial services providers (FSPs) identified by the Bangko Sentral Pilipinas (BSP) for the digital electronic disbursement of cash aid. The six FSPs are GCash, RCBC, Robinsons Bank, PayMaya, Starpay, and Unionbank;

WHEREAS, the MOA signed by DSWD with the six financial service providers remains unpublicized despite repeated requests by Gabriela Women's Party Rep. Arlene Brosas during the deliberations of the 2021 national budget;

WHEREAS, the DSWD said that under the MOA, a minimal amount of cash out fee of not more than P50 is deducted from the subsidies of SAP beneficiaries who opt to withdraw from the partner-outlets of the FSPs;

WHEREAS, several SAP beneficiaries have complained that the cash assistance which they received under the SAP were deducted P50 to P250 as service fees or transaction fees;

WHEREAS, many poor and low-income beneficiaries have expressed dismay and shock over such exorbitant fees, especially when the subsidy is not even enough to sustain their daily needs amid the pandemic;

WHEREAS, the financial service providers were allowed by the DSWD to rake in immense profits from the cash assistance received by the poor beneficiaries at a time of grave economic crisis and pandemic, on top of possible contract payments and administrative fees;

WHEREAS, a statement made by Senator Manny Pacquiao on July 3, 2021 assailed several government transactions as corrupt, citing in particular the use of electronic wallets to distribute the SAP financial assistance;

WHEREAS, during a press briefing, Sen. Pacquiao alleged that Starpay - a FSP used by the DSWD - has not been able to distribute SAP fully, with P10.4 billion of social aid allegedly missing even though it says all payments have been completed;

WHEREAS, out of the 1.8 million beneficiaries who would access the SAP through Starpay, only 500,000 were reportedly able to receive the assistance;

WHEREAS, the MOA between DSWD and fintech firms must be publicized not just because of alleged missing funds, but because of the charging of exorbitant transaction fees for each beneficiary;

WHEREAS, Negros Oriental Rep. Josie Limkaichong, who sponsored the DSWD budget for 2021, claimed during the budget deliberations in October 2020 that the beneficiaries were being refunded for the charging of fees in excess of P50, although the DSWD has not provided any details on this;

WHEREAS, as cases of anomalies and corruption on the distribution of SAP were brought to light, there is a need to track how many beneficiaries used the FSPs for the cash aid, how many of them were charged with the hefty services fees, and how much were the contract payments by the DSWD to the six FSPs;

NOW THEREFORE, be it resolved as it is hereby resolved, that the House Committee on Social Services conduct an investigation, in aid of legislation, on the Memorandum of Agreement (MOA) between the Department of Social Work and Development (DSWD) and the FSPs in the disbursement of cash aid under the Social Amelioration Program (SAP).

Adopted,


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