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USAID/E-PESO ACTIVITY

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ACRONYMS

ACH	Automated Clearing House
ATM	Automated Teller Machine
BAP	Banker's Association of the Philippines
BIR	Bureau of Internal Revenue
BRD	Business Requirements Document
BSFI	BSP Supervised Financial Institutions
BSP	Central Bank of the Philippines
BTCA	Better Than Cash Alliance
BTr	Bureau of Treasury
CCT	Conditional Cash Transfer
CDI	Cities Development Initiative
DBM	Department of Budget and Management
DBP	Development Bank of the Philippines
DILG	Department of Interior and Local Government
DevCon	Developers Connect Philippines
DoF	Department of Finance
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
eBIRForm	Electronic BIR Tax Filing Form
EFT	Electronic Fund Transfer
eTPSCert	Electronic Tax Software Provider Certification
ETRACS	Enhanced Tax Revenue Assessment and Collection System
GPH	Government of the Philippines
GRC	Governance, Risk, and Compliance
KOICA	Korea International Cooperation Agency
LGU	Local Government Unit
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprise
MVP	Minimum viable products
NATCCO	National Confederation of Cooperatives
NRPS	National Retail Payment System
OTOP	One Town One Product

Pag-IBIG	Home Development Mutual Fund
PCHC	Philippine Clearing House Corporation
PEPPOL	Pan-European Public Procurement Online
PFG	Partnership for Growth
PPMI	Philippine Payments Management, Inc.
PPP	Public Private Partnership
QR Code	Quick Response Code
RBAP	Rural Bankers Association of the Philippines
RPT	Real Property Taxes
SSS	Social Security System
SuG	Start-up group
TRISD	Technology Risk and Innovation Supervision Department
TSP	Tax Service Provider
TWG	Technical working group
WE	Women entrepreneurs
W-GDP	Women's Global Development and Prosperity Initiative Fund
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

The USAID/E-PESO program promotes broader economic growth and financial inclusion by helping to increase the use of digital payments in the Philippines. In December 2019, a Better Than Cash Alliance report stated that e-payments in the Philippines made up ten percent of all total payment transactions in 2018. This is an indicator of success for initiatives undertaken by E-PESO, which had aimed to increase e-payments from one percent in 2015, to ten percent of the total volume of domestic retail transactions by 2020.

For the year ending September 30, 2020, E-PESO continued to deliver target outputs and milestones despite the mobility and physical distancing restrictions that started in March 2020 which was brought about by the Covid-19 pandemic. In driving e-payments adoption by government, E-PESO completed the draft policy revision and financial literacy manual to support the Department of Social Welfare and Development (DSWD) in transitioning disbursements of social benefits under the Pantawid Pamilyang Pilipino (4Ps) conditional cash transfer program from cash cards to transaction accounts for greater financial inclusion. The manual is being field tested and will be completed in November 2020. In June 2020, the Activity completed the HACK^TAX innovation challenge by the Bureau of Internal Revenue (BIR) with the awarding of three (3) winning applications out of 170 entries led by an app that allows e-filing and e-payment of taxes using Facebook Messenger. E-PESO successfully launched the Connecting Women Entrepreneurs to the Digital Economy (CWEDE) project under the Women's Global Development and Prosperity (W-GDP) Initiative in partnership with the Department of Trade and Industry (DTI), National Confederation of Cooperatives (NATCCO), Facebook, Lazada and Shopee. Integrated digital marketing training modules, based on training needs assessment conducted earlier, were developed and delivered to two out of six planned training batches to help about 500 women entrepreneurs become effective online sellers. Only one month into their 60-day training program, 68% of the trainees have put up their online stores and made 7,395 sales volume worth PHP 1.4 million. To promote digital payments adoption by businesses through e-filing and e-payment of taxes, E-PESO expanded the Electronic Tax Solution Provider (eTSP) system and added 14 tax return forms this year bringing the number of forms supported to 19 out of a total of 38 BIR forms.

On COVID-19 response work, E-PESO co-created the ReliefAgad (“quick relief”) app with the DSWD and an association of IT developers, and deployed it to help target beneficiaries register to DSWD's Social Amelioration Program (SAP) emergency relief subsidies for about 13 million low-income households. A total of 4.3 million beneficiaries registered through ReliefAgad including 1.1 million who enrolled their bank or e-money accounts to receive their subsidies. E-PESO launched and completed various communications campaigns to increase awareness among the businesses and the public on the use of digital payments to continue making financial transactions despite the lockdowns imposed by GPH for public safety reasons. The campaigns were implemented in partnership with the Bangko Sentral ng Pilipinas (BSP), the DSWD and the BIR.

In expanding digital payments infrastructure, E-PESO worked with the BSP and the payments industry to launch an interoperable digital bills payment service that runs over PESONet rails with government institutions as the initial adopters. E-PESO also started working with the industry on the establishment of an interoperable cash agent network that will potentially utilize the InstaPay infrastructure. A draft term sheet is being completed to facilitate the signing of a multilateral agreement among the participating financial institutions to enable them to share cash agents and service customers' cash deposit and withdrawal transactions especially in areas with few financial access points. An assessment of current cash agent regulations is also being completed to identify gaps and improve policy on shared cash agent networks.

In improving enabling environment for e-payments, a “Study on E-Payments Adoption by Businesses” was completed to identify barriers behind the low digital payments penetration among the business sector. The study identified the issues, root causes and recommendations on how businesses can expand digital payments usage. It is now being used to advance an e-invoicing and e-official receipt framework for the Philippines. E-PESO likewise assisted the BSP in the acquisition of a governance, risk and compliance (GRC) solution that will strengthen the payment industry’s cybersecurity through more effective compliance and reporting of the banks’ and electronic money issuers’ cybersecurity risk management activities. Meanwhile, digital payments usage continues to expand with PESONet growing over 8 times this September 2020 to 4.1 million transactions compared to last year, and Instapay more than 7 times at 28.2 million transactions.

On assisting USAID partner cities in adopting digital payments, E-PESO helped Valenzuela City integrate Paymaya mobile money service as an e-payment option for collecting local taxes and fees. Two more local government units (LGUs), the Municipality of Ubay in Bohol Province and the Municipality of Nabunturan in Davao de Oro Province, have adopted digital payments with E-PESO intervention.

While many outputs and milestones were achieved during the year, several sub-tasks were unfavorably affected by the public health emergency brought about by the Covid-19 pandemic and thus removed from the latest workplan submitted to USAID in September 2020. Assistance to BTr, further work on establishing an interoperable cash agent network and improving the interoperable bills payment e-infrastructure could not be undertaken. Other sub-tasks where no progress could be achieved are the support to PPMI to expand its membership and onboarding process; support to BSP in formulating cybersecurity policy strategy, in implementing the Governance, Risk and Compliance (GRC) system, in developing cybersecurity capability of financial executives and in developing a cybersecurity awareness program with the payments industry.

Nonetheless, E-PESO is optimistic about completing its remaining tasks in the workplan. Through the crisis, policymakers, business sector, payments industry and the public have realized that massive digital adoption is needed to enable economic growth even under the constraints of social distancing and local area lockdowns. In fact, Secretary Dominguez of DOF conveyed such message in his speech at the #Hackatax awarding online ceremony. E-PESO will take advantage of this opportunity to further accelerate the digital payments adoption in the Philippines through its remaining workplan tasks.

PROGRAM OVERVIEW AND INTRODUCTION

Program Name:	USAID/E-PESO Activity
Activity Start Date and End Date:	March 18, 2015-February 17, 2021
Name of Prime Implementing Partner:	Chemonics International Inc.
[Contract/Agreement] Number:	AID-492-C-15-00001
Name of Subcontractors:	Leonine Initiatives Lagui and Associates Mode Devi Publishing, Inc. CAI-STA Philippines Inc. Moodlearning Inc. SyCip Gorres Velayo & Company (Ernst & Young Philippines)
Major Counterpart Organizations	Central Bank of the Philippines (BSP) Department of Budget and Management Department of the Interior and Local Government Department of Social Welfare and Development Bureau of Internal Revenue Philippine Payments Management, Inc.
Geographic Coverage (cities and or countries)	Philippines
Reporting Period:	April 1, 2020 - June 30, 2020

The E-PESO Activity (E-PESO) is a USAID/Philippines project that supports the U.S.-Philippines Partnership for Growth (PFG) in addressing constraints to sustained and more inclusive economic growth. E-PESO partners with the Government of the Philippines (GPH) and the private sector to achieve the rapid, widespread adoption of e-payments in a country where 99 percent of payment transactions still take place through cash.

E-payments offer a secure, cost-effective means for Filipinos to access a broader range of financial products and services that can help them build assets, better withstand shocks, and participate more broadly in the formal economy. E-payment services also help better track financial flows, in line with the GPH's drive for greater transparency and accountability.

In 2014, the Economist Intelligence Unit recognized the Philippines as a top global leader in promoting financial inclusion. Worldwide trends show that countries instituting national financial inclusion strategies also tackle poverty at a higher rate than those that do not. The Central Bank of the Philippines (BSP) takes the lead in capitalizing on global trends with its National Strategy for Financial Inclusion, heavily focused on providing most Filipinos access to an electronic transaction account.

E-PESO helps Filipinos benefit from new and innovative e-payment products, more outlets that welcome the use of electronic money, improved transparency and accountability in transactions with government, and a stronger regulatory environment that protects consumers. It supports the development of a lasting, inclusive e-payment infrastructure that helps to explicitly meet the needs of Filipinos.

E-PESO focuses on four sub-purposes:

I: Work for the Rapid Adoption of e-Payments in Financial Systems. E-PESO supports the digitalization of large-scale payment streams in both the private and public sectors. It provides technical assistance for GPH agencies to improve services and fiscal management by expanding the use of e-payments in various transactions. E-PESO helps bring the benefits of digital payments to targeted businesses, including those from the fast-moving consumer goods industry with large retail payment flows.

2: Expand the Infrastructure for e-Payments. E-PESO supports the establishment of digital payment services that utilize the existing infrastructure under the BSP's National Retail Payment System (NRPS) policy framework. These services include interoperable digital bills payment services, interoperable cash-in/cash-out agent networks, and merchant payments. E-PESO helps the industry set up these services and works with government and private institutional users to pilot and adopt the services.

3: Improve the Enabling Environment for e-Payments. E-PESO supports the BSP in establishing and implementing an interoperable NRPS. It provides the BSP technical assistance and training to promote digital security, consumer protection and confidence, financial inclusion, and e-payment stability within the broader payment system.

4: Address Gaps in the Broader e-Payment Ecosystem. E-PESO promotes global knowledge sharing of emerging trends to help identify and address supply and demand constraints to broader e-payment usage. It builds e-payment ecosystems with a particular focus on key cities identified under USAID's Cities Development Initiative (CDI).

PROJECT ACHIEVEMENTS

SUB-PURPOSE I: RAPID ADOPTION OF E-PAYMENTS IN FINANCIAL SYSTEMS

In its final fiscal year, E-PESO accelerated its work to push the adoption of digital payments at key aggregation points, to maximize the effect of interventions in achieving wholesale adoption of e-payments by businesses and government. While continuing with planned activities, E-PESO was able to integrate in the last two (2) quarters COVID-19-related activities to support both government and the private sector cope with the transition to the 'new normal' brought about by the pandemic.

Despite the COVID-19 pandemic, E-PESO was able to continue its work with the Department of Social Welfare and Development (DSWD) in transitioning from use of cash cards to transaction accounts and developing an enhanced financial literacy program to integrate financial inclusion in the Pantawid Pamilyang Pilipino Program (4Ps). The E-PESO-supported HACK^TAX innovation challenge of the Bureau of Internal Revenue (BIR) was successfully implemented with three (3) applications declared as winners out of 170 entries. E-PESO successfully launched the Connecting Women Entrepreneurs to the Digital Economy in partnership with the Department of Trade and Industry (DTI), National Cooperative Confederation (NATCCO), Lazada and Shopee. E-PESO continued supporting the BIR in expanding the Tax Solution Provider (TSP) tool to accommodate more tax return forms.

To support the government in its COVID-response initiatives, E-PESO assisted the DSWD in deploying digital solutions in the implementation of the Social Amelioration Program (SAP). To support both consumers and business cope with the challenges brought about by the pandemic by adopt digital payments to enable safe and remote transactions, E-PESO launched a digital payments communications campaign. The campaign was implemented in partnership with key stakeholders, namely, the Bangko Sentral ng Pilipinas (BSP), the DSWD and the BIR.

Task I.1: Facilitate Adoption of e-Payment Services in Government Agencies

I.1.1 Support the Department of Budget and Management (DBM) in Rolling-Out the Budget and Treasury Management System (BTMS) (completed)

Activities for this Sub-task has already been completed.

I.1.2 Support a GPH Agency with Influence Over a Large Base – Home Development Mutual Fund (Pag-IBIG) and/or Social Security System (SSS)

This Sub-task was removed from the work plan as these GPH agencies have demonstrated their capacity to implement their e-payments adoption projects with their preferred banks. The Sub-task has also been taken over by other priorities.

I.1.3 Support a GPH Agency with Influence Over a Large Base – Department of Social Welfare and Development

E-PESO is providing technical assistance to the Department of Social Welfare and Development (DSWD) integrate financial inclusion in the *Pantawid Pamilyang Pilipino Program* (4Ps) by shifting the

disbursement of cash grants from cash cards to transaction accounts, developing a comprehensive financial literacy program, and implementing a pilot using transaction accounts complemented by select training sessions of the first module of the financial literacy program. The project was kicked-off on November 22, 2019 with the signing of E-PESO's technical assistance proposal. The signing was witnessed by representatives from the Bangko Sentral ng Pilipinas (BSP), Land Bank of the Philippines (Landbank) and the DSWD 4Ps National Program Management Office (NPMO).



Left (from left to right): DSWD Secretary Rolando Bautista and E-PESO Chief of Party Mamerto Tangonan signs E-PESO's TA proposal. The signing is witnessed by Managing Director Pia Tayag of the Center for Learning and Inclusion (CLIA) of the BSP and Vice-President Domingo Galsim of Landbank. Right (from left to right): Vicente Catudio (E-PESO), Director Joyce Sufficiencia (BSP), Managing Director Pia Tayag (BSP), Director Zaida Pulido (DSWD), Secretary Rolando Bautista (DSWD), Mamerto Tangonan (E-PESO), Director Gemma Gabuya (DSWD 4Ps NPMO), and Vice-President Domingo Galsim (Landbank).

A two-pronged strategy was adopted by the DSWD and the key stakeholders in the consultation workshop facilitated by E-PESO held on January 16 to 17, 2020 in Clarkfield, Pampanga, with the goal of graduating 4Ps beneficiary families achieving financial independence and sustainability, as they move up from poor to low-income or low middle-income socioeconomic class. The beneficiaries will be introduced to financial services that are relevant to them and progresses from the most basic transaction account to advanced products such as credit, insurance and investment. This will be supported by a 7-year comprehensive financial literacy program to provide beneficiaries with the skills needed to use the different financial services. A pilot in select areas on the use of transaction account supported by sessions under the first module will be implemented.

A key component of the E-PESO technical assistance is the enhancement of the current financial literacy module of the 4Ps for beneficiary families. The current financial literacy program of the 4Ps is essentially focused on budget and savings. Through E-PESO's assistance, DSWD intends to expand the program to a more comprehensive and progressive training program aligning it to the 7-year tenure of beneficiaries as prescribed by the Republic Act No. 11310 or "An Act Institutionalizing the 4Ps".

The workshop in Clarkfield Pampanga was attended by representatives from the 4Ps NPMO and regional offices as well as representatives from key stakeholder institutions, namely, the BSP, the Commission on Audit (COA), Landbank, the Microfinance Council of the Philippines (MCPI), and the Microinsurance Association of the Philippines (MIPAP). Select private sector representatives also participated like Hapinoy, Card Bank, and Cebuana Lhuillier. Hapinoy is a leading social enterprise which trains microentrepreneurs, particularly micro-retailing business ("sari-sari" store) in the countryside. Card Bank is the largest microfinance institution in the country catering mostly to microentrepreneurs in the countryside. Cebuana Lhuillier is the leading microinsurance provider in the country.



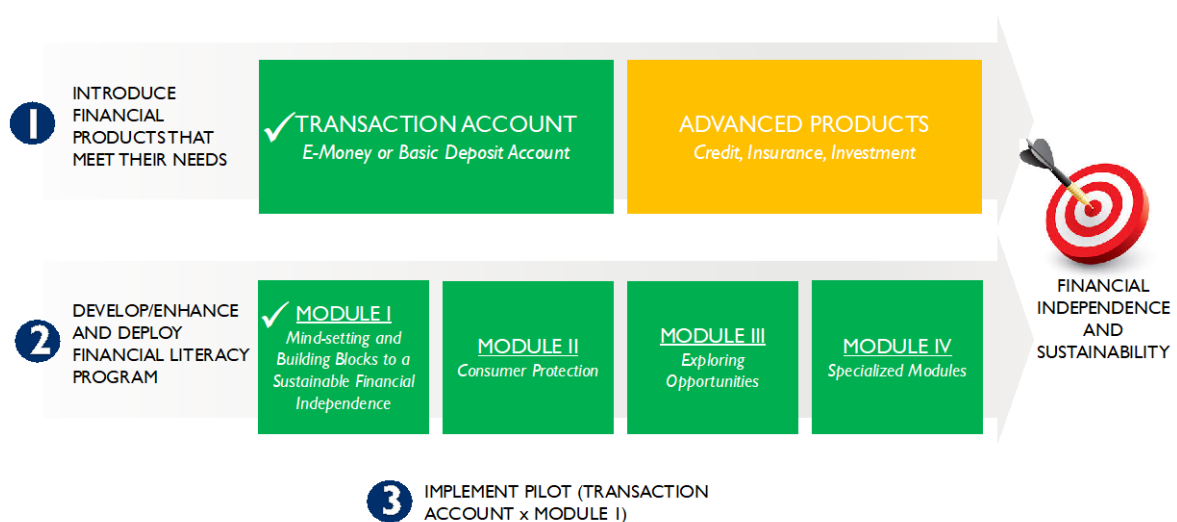
Left: Participants to the January 16-17, 2020 workshop in Clarkfield, Pampanga. Right: consultation meeting with the COA on October X, 2019 attended by (left to right) Vicente Catudio (E-PESO), Mamerto Tangonan (E-PESO), COA Chairman Michael Aguinaldo, Princess Shimadar Manaois-Battung (USAID/Philippines), Jackie Lou Dela Fuente (E-PESO), and Griselda Santos (E-PESO).

E-PESO conducted a series of online write shop sessions to develop the financial literacy training manual, from May 14 to May 22, 2020. The write shop was employed as a means to engage stakeholders to co-develop the financial literacy training manual. Five (5) 2-3-hour sessions were held featuring presentations by resource speakers and discussions with concerned stakeholders. Earlier, a baseline manual was developed by E-PESO made up of eleven (11) sessions across four (4) modules to serve as material for the write shop. The manual conformed to the DSWD-prescribed approach following the ADIDs model – Activity, Discussion, Input, Deepening and Synthesis, and was reviewed and approved by the DSWD prior to the write shop. The write shop sessions were participated 4Ps NPMO, the BSP, the DTI, the Securities and Exchange Commission (SEC), the National Privacy Commission (NPC), the MCPI, the MIPAP, Hapinoy, CARD Bank and Cebuana Lhuillier. The schedule of the write shops can be found in [Annex 6](#).

Figure 1: Financial Inclusion Framework for 4Ps

Integrating Financial Inclusion in 4Ps

The journey towards financial independence and sustainability



A second draft of the financial literacy manual was submitted to DSWD on June 12, 2020. The revised manual incorporated the inputs and comments from the write shop. Also, from eleven (11) sessions, the manual was expanded to fifteen (15) sessions. A pre-testing was conducted in October 2020 to test Module I to select group of beneficiaries, determine the suitability of the module in terms of objectives, content, methodology and tools, elicit inputs and recommendations from the participants

on areas for improvement, and revise module contents, tools and approaches, as necessary. Two groups participated in the pre-test, one from National Capital Region (NCR) and another one from Central Luzon (Region 3). The feedback from the pre-test were considered in revising or improving Module I and the rest of the manual. The manual is expected to be finalized in November 2020. The final draft will incorporate the three (3) sessions the BSP is developing under the Financial Consumer Protection Module as well as the pre-assessment questionnaires for each session which DSWD and E-PESO are currently developing.

On the other hand, to enable to transition from cash cards to transaction account as mode of payment for the 4Ps cash grants, E-PESO assisted the DSWD in drafting a policy adopting transaction accounts in the distribution of 4Ps cash grants as well as the request for legal opinion from COA on co-mingling of funds and retention of savings which are basic features of the transaction account. The COA legal opinion is expected to be obtained in November 2020 and will be the basis in finalizing the draft policy. The pilot rollout of the transaction account and financial literacy activities will commence in December 2020.

Figure 2: Financial Literacy Training Manual Outline

Financial Literacy Program



FINANCIAL LITERACY MANUAL FOR PANTAWID PAMILYANG PILIPINO PROGRAM

Module I	Mind-setting and Building Blocks to a Sustainable Financial Independence
Session 1	Mind-setting to a Sustainable Financial Independence
Session 2	Introduction—Knowing My Financial Well-Being
Session 3	Learning to Budget
Session 4	Learning to Save
Session 5	Understanding Transaction Accounts
Module II	Consumer Protection
Session 1	Consumer Protection Rights
Session 2	Financial Consumer Protection—Basics of Banking
Session 3	Financial Scams
Session 4	Cybersecurity, Data Privacy, and Social Media
Module III	Exploring Opportunities
Session 1	Jobs and Small Business and Accessing Right Skills and Opportunities
Session 2	Business Ideation
Session 3	Going the Small Business Route
Module IV	Specialized Modules
Session 1	Getting Started as an Entrepreneur
Session 2	Microinsurance
Session 3	Microcredit

I.1.4 Support a GPH Agency with Influence Over a Large Base – Bureau of Treasury

As a consequence of the COVID-19 pandemic, this sub-task has been removed from the work plan due to the insufficient time remaining to complete it.

I.1.5 Support a GPH Agency with Influence Over a Large Base – Bureau of Internal Revenue

HACK^TAX Innovation Challenge

E-PESO is supporting the Bureau of Internal Revenue (BIR) improve and expand electronic platforms for tax filing and payments transactions as it transitions into a fully digitized tax administration system. The BIR, E-PESO, and Developers Connect Philippines (DEVCON), the largest software development community in the country, launched in October 2019 the HACK^TAX Innovation Challenge, a nationwide competition on developing online applications that would facilitate faster and

more convenient digital taxpayer transactions with the BIR. The HACK^TAX competition aims to simplify and streamline tax payment by providing applications for use in filing and updating taxpayer registration details, and in paying monthly value-added tax, percentage tax, and annual income tax returns of self-employed taxpayers, including micro and small enterprises and professionals. It is part of the BIR's digital transformation drive that seeks to improve the ease of doing business, and to make taxpayer services more convenient, reliable, and transparent.



Inclusion Fusion: Innovation x Impact Night event on November 22, 2019 to promote HACK^TAX to the software development community. Left: BIR Deputy Commissioner Lanee David delivering message. Right: panel discussion participants (left to right): Ross Fallorina (Senior Program Lead, QBO Philippines), Salve Duplito (co-host of ANC's "On the Money") Raymond Abrea (Founding Chairman, ACG) John Cary Ong (Executive VP and Head of Transaction Banking, UnionBank of the Philippines), Atty. Lanee Cui-David (Deputy Commissioner, BIR), Dr. John Paul Vergara (Ateneo de Manila University), Asec. Dakila Napao of Department of Finance, Jeffrey Lehrer (Chief Office of Economic Development & Governance, USAID Philippines), Richard Bon Maya (National Technology Officer, Microsoft Philippines)

A total of 175 proposals were received by the organizers in December 2019, an indication of the interest from the software development community to help the BIR improve and/or digitize its taxpayer services. From the 175 entries, 20 finalists were selected and announced in December 2019. The finalists were selected by a panel of judges composed of BIR executives and the organizers. The HACK^TAX bootcamp, a series of learning sessions, kicked-off on January 18, 2020. Throughout the bootcamp period, the finalists were given the time to develop their prototype solutions, integrate and test their solutions with application programming interfaces (APIs) provided by partners, and refine their solutions.



HACK^TAX bootcamp sessions

Despite the ECQ from March to May 2020, which limited the mobility of the competing finalists, 12 teams pursued and completed the development of their solution. On June 19-20, 2020, HACK^TAX held an online demonstration and pitching featuring the remaining 12 finalists. The 12 finalists presented their solutions to the panel of judges composed of executives from the BIR, the Department of Finance (DOF), PayMaya Philippines, Inc., Union Bank of the Philippines, Talino Venture Labs, Microsoft Philippines, Amazon Web Services, Ateneo de Manila University, Asian Consulting Group, and Golden Arches Development Corp., who selected the winners. The challenge was finally concluded with a virtual awarding ceremony held last June 22, 2020.

Figure 3: HACK^TAX Finalists



ehotbooks

ChalSen's solution is focused on making the process completely frictionless. Instead of requiring taxpayers to visit a website and/or download a mobile app then force users to register and log in, ChalSen's model is available on something that 90% of Filipinos already have on their phones, Facebook Messenger. All the taxpayers need to do is to search BIR on Messenger and put their TIN on the BIR Mini App. Filing is done by selecting the filing method whether quarterly or annually. Once done, taxpayers can just declare their income. Taxpayers can pay their taxes electronically via card (Mastercard/VISA/Amex), Payment, and Unibank.



eConnect

eConnect is an app for filing, payment, and management of taxes for individual taxpayers. eConnect simplifies registration of new and existing taxpayers and once registered, taxpayers can file and pay BIR forms such as Annual Registration Form, Value Added, Withholding, Percentage, and Income Tax Forms, guided by a sleek user experience that requires only important links to click. With eConnect, taxpayers can pay taxes at the comfort of their own home or office using debit card, credit card, and digital wallet. This is made possible by their partnership with Paymaya and other payment channels. eConnect is built by a team of developers and accountants with proven capability to deploy modern, secure, and scalable apps on hybrid/multi-cloud architectures. eConnect is ready to serve and connect the BIR and taxpayers.



TRIND CHANNEL

Proving that a sale has occurred is essential to compliance and raising tax revenue without implementing new taxes. Currently, this is done through physical official receipts, which are prone to errors, print, and transport and unreliable digital receipts, e.g. the ones emailed by Lazada, which can't be claimed for input tax because they're unoriginal. Because the act of issuing the receipt is separate from the act of reporting the sale, the likelihood for errors and fraud is higher. Trind Channel will provide a system that makes it easy to issue an e-receipt, capture and upload the data in the receipt to a centralized database, and conduct authentication information for validation—all in a single step. Capturing the data of issued receipts in real time helps compliance teams cross-validate purchases and sales.



MYVERN

Myvern ONET is an online platform that provides a systematic solution to facilitate the assessment and collection of taxes on BIR one-time transactions (ONET) such as capital gains tax, donor's tax, estate tax and documentary tax. It covers credit- and business processes. A one taxpayer application to submission of documents to approval and payment of tax due.



YANBUA Tax Online

Yanbuu Tax Online is an online tax processing system for taxpayers and BIR, with online accounting capabilities. Features for taxpayer access includes application, return filing, and tax payments, and daily transactions recording, financial reports generation and monthly, quarterly and annual tax forms. Taxpayer processes for each application or filing, have been streamlined to a maximum of 3 major steps only, no physical visit to BIR offices and banks is required and overall processing time reduced by 80%. The built-in accounting system of Yanbuu Tax Online enables Taxpayers to record transactions with transparency and in compliance with tax regulations. Features for BIR Access includes review and approve applications online, automated reports for audit and other purposes, automated processes up to 70%, and timely and accurate audit procedures and reporting.



DIGITALX

Digitalx is cloud based digital platform for individual taxpayers to efficiently interact with the BIR. The platform has multiple solutions which are end-to-end services for the tax and business needs of individual earners. The platform specifically handles Business Registration, Tax Submission, Tax Payment, and Point of Sale or E-receipt transactions. By combining the four solutions, Digitalx can make location for these individuals more transparent and efficient. Digitalx is an enabling platform to support the growth of individual entrepreneurs in the country by being present throughout the life cycle of every business. As an answer to the Covid-19 situation, Digitalx is also designed to help BIR augment their capacity and provide real time analytics. The platform has an interface that enables BIR personnel to perform their duties at the comfort of their home.



AKTax

The new norm here and the changes it brings can affect all our businesses, particularly our accounting system or the lack of it. AKTax is here to connect business owners to a community of reliable, credible, and qualified accountants and bookkeepers who can help secure tax compliance in their business operations, monthly, quarterly, or annually. With just three simple steps, business owners can now search for the right accountant or bookkeeper for them within their location, according to their business specifications, and at the professional fees they approve of. With the technical innovation of geo location for matching, block chain technology for credentials certification and fraud prevention, cloud services for remotely storing documents, and the convenience of processing accounting matters and payments online, business owners can now rely on AKTax in finding and looking their reliable Tax Help.



eKasilion Group

eReceipt aims to make all transaction records and receipts digital, that is making the traditional recording and use of paper receipts for transactions a thing of the past. This will make the issuing and reporting of all business transactions for the BIR much easier and more transparent. Furthermore, it would lessen the burden of paying any kind of tax by streamlining and merging the records and payments into an automated centralized system. The solution can be divided into three major parts. First part is a centralized server where businesses can send a copy of their transaction or digital receipts which can done through an API call. Second is a customizable loyalty card app with different types of modules. These would be essential for mass adoption. The third part is the automated report of all the transactions and the transfer of equivalent taxes to the BIR.



TaxiIT

TaxiIT will create a web-based and mobile friendly application to enable seamless online transaction with BIR. The app will remove most of the manual process in between the taxpayers and BIR. The app will take care of identifying the forms needed for the transaction and consolidate every one of them into one form. Required documents can be attached to a transaction electronically. Online payments will be enabled. The app will provide live updates concerning the transaction through email. The app will support other methods in the future like SMS and in-app notifications. Tax deductions can be resolved online. Transaction can be approved, denied or marked as declared. Transaction compatibility to easily update forms and business rules.



TaxOffice

TaxOffice is an innovative tax app solution that stemmed from the frustrations of professionals and service business owners with regards to filing and paying their taxes. Its features include: bookkeeping, tax preparation, tax filing, and tax payment, which address the pains of the taxpayers. All revenues and expenses are recorded by photographing the transaction uploaded directly to system, making it simple and user-friendly. In addition, business are computed based on the income and expense entries with returns are e-forwarded directly to the BIR System. Tax payments are done through payment partners such as Paymaya and Unibank integrated in the app. The privilege access given to BIR accountants, in terms of audit, eliminates face-to-face interaction, which leads to prevention of red tape transactions. TaxOffice empowers taxpayers to comply with tax regulations. Hence, it aims to enhance the government's tax collection and to provide an all-in-one tax solution to taxpayers at the same time.



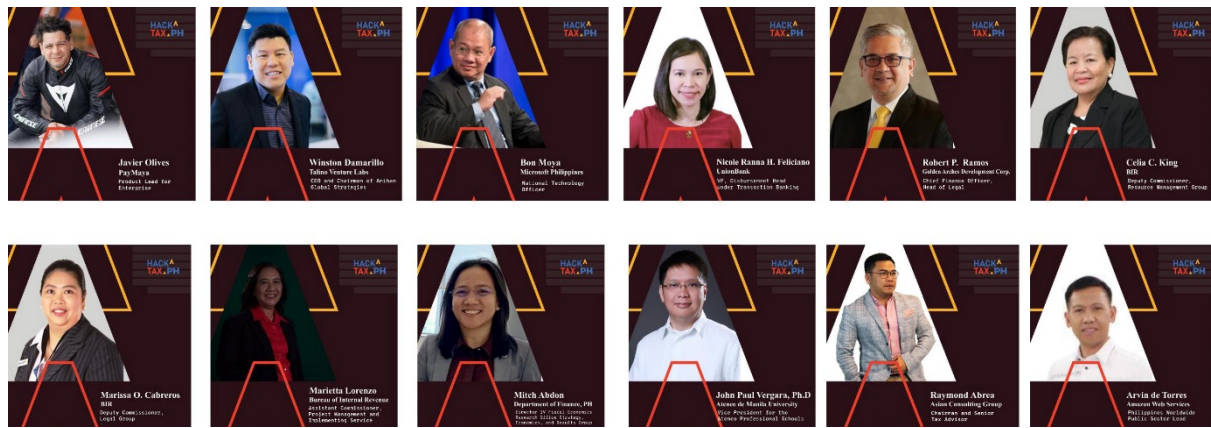
ECTAX

EC Tax aims to help business owners register their business the Easy and Convenient way. It is designed to help professionals, business owners, partnerships, and corporations register their businesses in one sitting and with just a few clicks. EC Tax also provides an efficient and comprehensive server which includes the usual time of pick-up or delivery of the BIR registration papers to the business address. To add more value, EC Tax will also be educational and competent in providing the latest updates in BIR Rules and Revenue Regulations.



VIRTUAL LANDS Custom IT Solutions

Our solution is to create a web & mobile application where filing is done in a step-by-step manner akin to form wizard, which ensure all entries are correct before proceeding to the next step. Taxes are e-computed automatically and users can submit the app generated code which can be used to process the payment. We plan to use blockchain technology to improve the filing and payment of taxes. Benefits include real time updates to the BIR digital ledger which eliminates manual processing.



Panel of Judges (from left to right, top to bottom): Javier Olives of PayMaya Philippines, Winston Damarillo of DevCon and Talino Venture Labs, Richard Moya of Microsoft Philippines, Nicole Ranna Feliciano of Union Bank of the Philippines, Robert Ramos of Golden Arches Development Corporation (McDonalds Philippines), Deputy Commissioner Celia King of BIR, Deputy Commissioner Marissa Cabreros of BIR, Assistant Commissioner Marietta Lorenzo of BIR, Dir. Mitch Abdon of DOF, John Paul Vergara of Ateneo de Manila University, Raymond Abrea of Asian Consulting Group, and Arvin de Torres of Amazon Web Services.

The virtual awarding ceremony was led by BIR Commissioner Caesar R. Dulay. He was joined by Department of Finance Secretary Carlos Dominguez III, USAID Mission Director Lawrence Hardy II, PayMaya Philippines founder & CEO Orlando Vea, and DEVCON founder Winston Damarillo.



Speakers during the HACK^TAX awarding ceremony (from left to right, top to bottom): Commissioner Caesar Dulay of the BIR, Sec. Carlos Dominguez of the DOF, Mission Director Lawrence Hardy of USAID/Philippines, Deputy Commissioner Lanee David of BIR, Deputy Commissioner Arnel Guballa of BIR, Winston Damarillo of DevCon and Talino Venture Labs, and Orlando Vea of PayMaya Philippines.

The grand prize was won by BIR Mini-App Gorated team which developed ChatGenie, a solution for electronic filing and payment of taxes using Facebook Messenger, while eConnect and Third Channel won the first and second runner up prizes, respectively. The 3 winners and other online solutions developed through HACK^TAX Innovation Challenge are expected to contribute to the ease of doing business and increase tax collection efficiency in the country.

ChatGenie on Messenger makes tax payments easy, fast, seamless

With a solid background in software development and a crystal clear understanding of the pain points, the group that created ChatGenie, a tax payment solution using Facebook Messenger, hopes to encourage professionals and small businesses to pay their taxes diligently.

ChatGenie, the grand prize winner of HACK^TAX: The 1st BIR Tax Innovation Challenge, is a tax payment solution that utilizes available and accessible resources, which is Facebook Messenger. True to its promise of frictionless system, taxpayers just need to go to BIR Messenger, file and pay their taxes using various digital payment options. The solution will be interfaced with the BIR backend system and will be offered to taxpayers soon.

"If taxpayers want to be compliant in filing and paying their taxes, it should be a matter of just filing and paying it," said Ragde Falcis, co-founder at ChatGenie, a product of Gorated Innovation Labs Inc. (Gorated). "There is no need to download or register on a platform that is not BIR-related."

Falcis and his team at Gorated, a software development consulting company, first launched ChatGenie in 2018 as a chatbot platform. (A chatbot is a computer program that processes human conversation in digital platforms. Companies use chatbots to interact with customers without human intervention on their part.)

Falcis and his team streamlined the process of tax payments by eliminating downloads and third-party apps registration.

"We found out that all available digital solution requires taxpayers to download a mobile app and register on a third-party website," he explained. "Paying taxes is something that you do monthly, every quarter, or annually. The chance of forgetting the password every time you need to file taxes is high. True enough it showed on our survey that more than 50% forget their password every time they tried to log in."

As a mini-app within the Messenger app, ChatGenie incorporates various payment companies that include PayMaya and other credit card companies.

The HACK^TAX project demonstrates that it is possible for the private sector and the government to co-create lasting solutions to address development challenges in a country. Through the HACK^TAX, E-PESO was able to leverage private sector resources valued at US\$120,000 and aggregate value of solutions developed by the 12 finalists at US\$2.0 million.

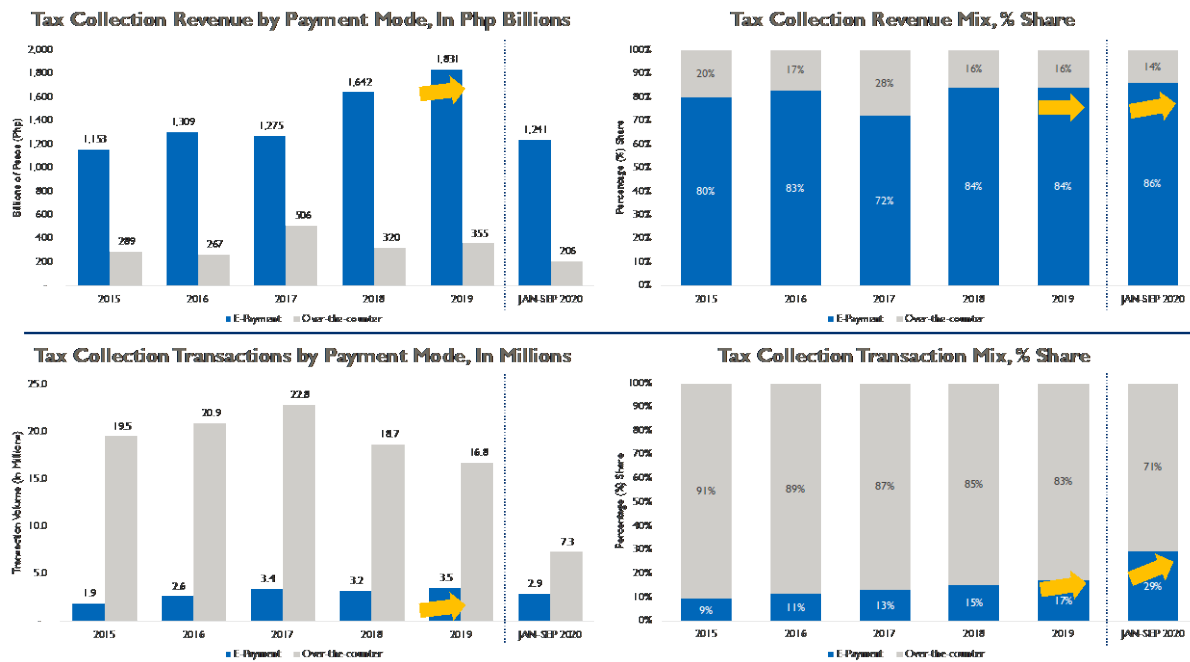
To launch the solutions developed by the winners and the rest of the finalists, BIR needs to develop the application programming interfaces (APIs) and procure an API management tool. As agreed with BIR, E-PESO will continue to support the development of the initial and/or priority APIs in collaboration with the private sector. The applications are expected to be launched to the taxpaying public before the end of 2020.

Digital Tax Collection

E-PESO is continuously assisting the BIR implement digital payment channels to cater to taxpayers that are not mandated to use the Electronic Filing and Payment System (eFPS). These are mostly micro and small taxpayers which include sole proprietors, self-employed individuals and professionals which represent over 90% of the tax filers. With the assistance of E-PESO, the BIR has launched GCash in 2016, online card payment (credit card and ATM/debit card) through Development Bank of the Philippines' (DBP) Pay Tax Online and Landbank's LinkBiz Portal in 2017, PESONet via Landbank's LinkBiz Portal and online payment via Union Bank of the Philippines in 2019, and PayMaya in early 2020. Transitioning tax payments to digital channels is part of the BIR's digital transformation drive.

Since the introduction of eFPS and the integration of online banking services of both Authorized Government Depository Banks (AGDBs) and Authorized Agent Banks (AABs), the BIR has been collecting bulk of its tax revenues through digital payments. The eFPS facility is complemented by new digital payment channels servicing non-eFPS tax filers. By the end of 2019, total tax revenue collected from digital payment channels (eFPS and new channels) amount to Php1.831 trillion, up by 12% from 2018. The share of digital payments in tax revenue collection was sustained at 84% in 2019, although transaction volume share increased to 17%. The 2020Q3 (January to September 2020) tax revenue collection is showing an uptrend with digital payments increasing its share to 86% as well as a significant jump in digital payment transaction share to 29%. This is primarily caused by the COVID-19 pandemic which limited the mobility of taxpayers due to the ECQ.

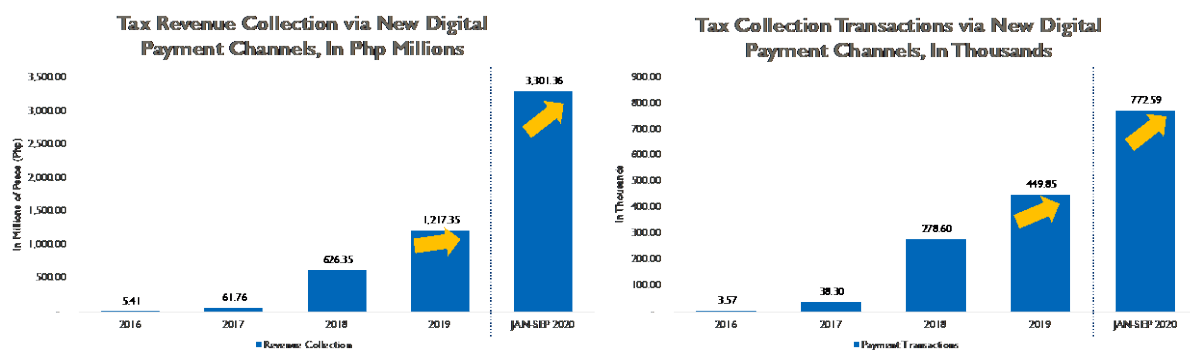
Figure 4: Tax Collection by Payment Mode



Source: Bureau of Internal Revenue

The new digital tax payment channels introduced by BIR, with the support of E-EPSSO, is beginning to make significant contribution to BIR's tax collection efforts. For 2020 Q3, total tax revenue collection from these new channels amount to Php3.3 billion, which is already 171% higher than the full year 2019 collection of Php 1.22 billion. Payment transactions can potentially double the 450 thousand transactions in 2019 with 773 thousand already recorded in the first nine months of the year.

Figure 5: Tax Collection through New Digital Payment Channels

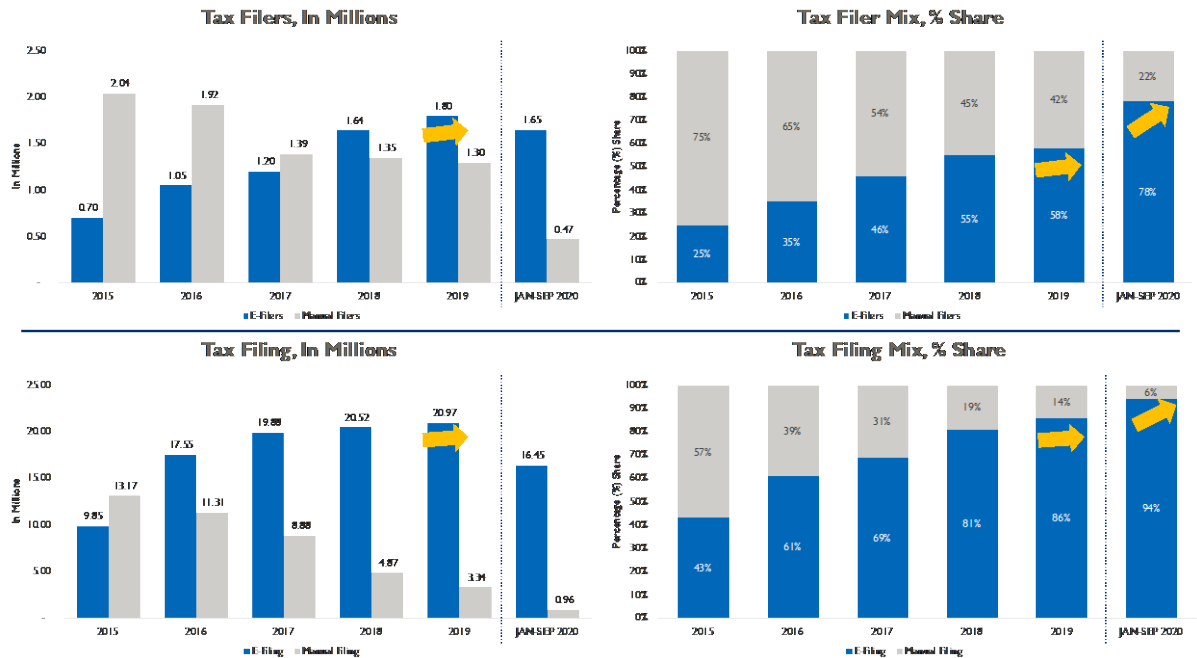


Source: Bureau of Internal Revenue

There is significant opportunity to grow digital payments and further increase the share of digital payments in total tax revenue collection of the BIR. With the 'new normal' being envisioned by the GPH and the business sector, digital payments will be the norm when making payments, including paying taxes. As of 2020 Q3, 78% of tax filers are already filing electronically, which is significantly up from 58% by the end of 2019. Also, the share of e-filing has jumped from 86% by the end of 2019 to 94% in the first nine months of 2020. We expect this trend to continue until the end of 2020. Expanding the digital payment options further and making the taxpayer experience more convenient

and seamless will push the transition of all e-filers to digital payment, thus drive transition of tax payment transactions higher than the peak 29% share noted as of 2020 Q3.

Figure 6: Tax Filing by Mode



Source: Bureau of Internal Revenue

Digital Tax Filing and Payment Campaign

USAID/E-PESO continued to support BIR’s Digital Tax Filing and Payment Campaign – an information drive aiming to promote and encourage taxpayers to shift to available electronic filing (e-filing) and electronic payment (e-payment) channels. USAID/E-PESO drafted social media cards featuring [frequently asked questions \(FAQs\)](#) from webinars conducted in June orienting corporations and individual taxpayers on online filing and payment options. Social media [posts](#) were created to promote BIR’s Electronic Audited Financial Statement (eAFS) website, which allows taxpayers to submit financial statements online and complements BIR’s other e-filing and e-payment platforms. Social media cards on online business registration were also developed. The posts outlined the registration process for individuals to either register their businesses through the use of electronic platforms, or update their registration using BIR Form 1905 to include additional business activity (online selling). The posts can be accessed [here](#).

Eight social media posts were produced during the campaign duration. These posts recorded a combined total of 1.9 million impressions¹ and gained 142,500 engagements², yielding an average engagement rate³ of 8.32%, which is way above the 3% benchmark engagement rate.

While all posts had above-the-norm engagement rates, the content of the most engaged posts are instructional – how-to’s of e-payment and e-filing. Based on sample comments, it was noted that BIR’s audience pay attention to its content, hinted by relevant comments to the posts. To cite: when the posts are about using an e-payment platform of BIR most comments are about how to troubleshoot

¹ Number of times post appeared on users’ feed/devices

² Number of times users interacted with a post (like, comment, share)

³ Measure of how much impression converted to engagement

not off tangent comments on other posts. To provide more relevant content to audiences, USAID/ E-PESO recommended combing through the comments section of posts for questions and concerns and producing social media cards answering those queries. Tutorials, troubleshooting tips on BIR processes and platforms like eFPS and e-Registration (eReg) will also keep the BIR page relevant to its audiences.

Parallel to the social media push, three tax guides are being finalized detailing steps and requirements for registration, filing, and payment for corporations/partnerships/non-individuals, individual taxpayers, and online sellers. The flyers will be completed in the next Quarter.



I.1.6 Support a GPH Agency with Influence Over a Large Base – Department of Trade and Industry (DTI)

Activities for this Sub-task has already been completed.

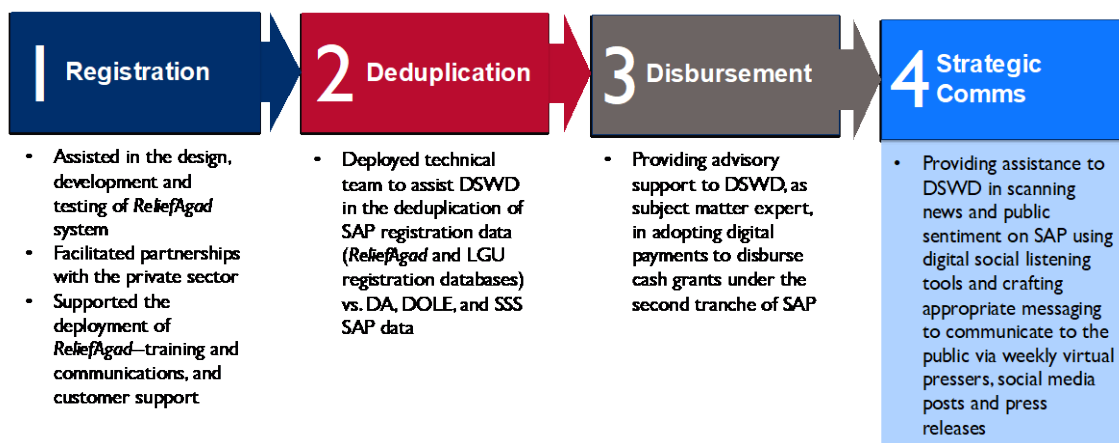
I.1.7: Support Social Amelioration Program of the Department of Social Welfare and Development

The Government of the Philippines (GPH) implemented the Social Amelioration Program (SAP), an emergency subsidy to 18 million low-income families that were affected by the Enhanced Community Quarantine (ECQ) measure to combat the COVID-19 epidemic, as prescribed by Republic Act No. 11469 also known as "*Bayanihan to Heal as One Act*". Under the SAP, beneficiaries are entitled to receive a minimum of Php5,000 up to a maximum of Php8,000 a month, depending on the prevailing regional minimum wage rates as well as existing subsidy programs, for two (2) months to provide for basic food, medicine, and toiletries. The Department of Social Welfare and Development (DSWD) was mandated to lead the implementation of the SAP, in collaboration with other national government agencies (NGAs) to mitigate the effects of the ECQ to the most vulnerable sectors.

The initial distribution of the much needed subsidy was hampered by the lack of beneficiary data at the LGU level and the laborious process of collecting and encoding the beneficiary information and reporting the list to DSWD. Moreover, the manual cash distribution process further delayed the relief to low-income households. It required massive resources to secure and handle the cash, perform the documentation process, and enforce strictly physical distancing protocol. Moreover, cash presented additional risk of transmitting the coronavirus. Meanwhile, there was mounting pressure on the GPH to distribute the much-needed relief as Luzon as the lockdown expands to more areas in Visayas and Mindanao.

E-PESO assisted the DSWD in digitalizing the implementation of the SAP by supporting the development, deployment, and operationalization of the **ReliefAgad** system; deduplication of beneficiary data obtained from both **ReliefAgad** system and LGUs; providing advisory support in the implementation of digital payments for the second tranche cash grants; and providing strategic communications support leveraging digital communications technologies during the SAP implementation.

Figure 7: Scope of E-PESO Technical Assistance to DSWD



Digital Registration of SAP Beneficiaries through ReliefAgad

ReliefAgad was co-created / co-developed in partnership with Developers Connect Philippines (DEVCON), through its DEVCON Community of Technology Experts (DCTx), and the Department of Information and Communications Technology (DICT). **ReliefAgad**, a quick relief system, enabled the DSWD and LGUs to expedite the data capture of SAP beneficiary data through a self-registration web application which can work using smartphones. It leverages the wide adoption of smartphones in the Philippines estimated at 68M users. The app also provided a facility for beneficiaries to enroll their e-wallet or bank account for faster distribution of cash aid. The system also authenticates the beneficiary’s mobile number through a one-time password (OTP) to facilitate remote opening of e-wallet or digital bank account with financial institutions. DSWD provided the business user requirements, including the validation rules to ensure data accuracy and integrity. DEVCON provided technical expertise as well as the volunteer software developers to develop the system. DICT managed the infrastructure and conducted vulnerability assessment and penetration testing to ensure the system is cybersecurity. E-PESO provided project management and conducted the quality assurance testing vis-à-vis system specification.

Figure 8: Screenshots of ReliefAgad App



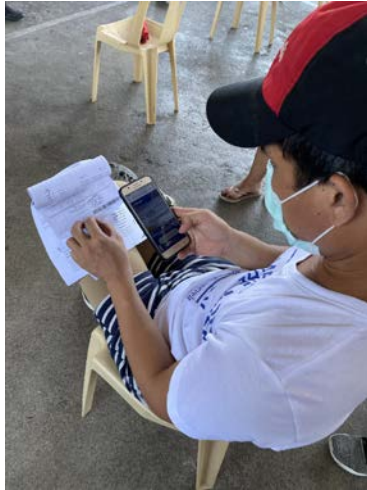
The **ReliefAgad** system was developed in a very short period of time to quickly respond to DSWD. Immediately after the initial meeting on April 3, 2020, the team released the first prototype of the web application on April 13, 2020 and was immediately tested in the City of Manila on the same day. A series of iteration / enhancements and field testing followed to rapidly improve the prototype. **ReliefAgad** was soft launched on May 14, 2020 in the National Capital Region (NCR). A virtual press conference was held and was attended by officials from the DSWD, DICT and DILG and representatives from DEVCON and E-PESO. On June 4, 2020, **ReliefAgad** was launched nationwide through a virtual press conference which was attended by officials of the DSWD and BSP and representatives from DEVCON and E-PESO. Registration through the **ReliefAgad** app ended on June 25, 2020.



E-PESO participated in the test run of the ReliefAgad Web App in Orion and Balanga City, Bataan last May 8, 2020. DSWD Undersecretary Danilo Pamonag, Bataan 2nd District Congressman Joet Garcia and Mayor Antonio Raymundo of Orion, Bataan were present during the event. In top photo, DSWD Undersecretary Danilo Pamonag, Bataan 2nd District Congressman Joet Garcia and Mayor Antonio Raymundo of Orion, Bataan together with E-PESO and other local officials. Below left and right, beneficiaries registered to ReliefAgad during the test run of the web app in Bataan.

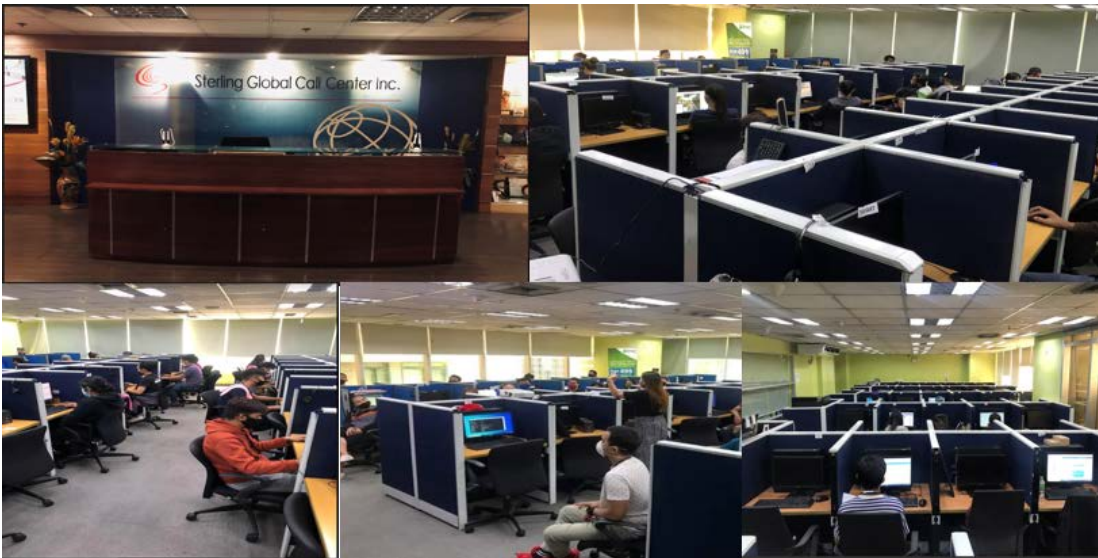


The virtual press conference and launch of DSWD ReliefAgad web application on May 14, 2020 was broadcast via Facebook live through the Facebook pages of Radio TV Malacañang (RTVM) and the Department of Social Welfare and Development (DSWD). Present to deliver remarks and address questions were DSWD Usec Danilo Pamonag, DICT Asec Emmanuel Caintig, and Developers Connect (DEVCON) Founder & CEO Mr. Winston Damarillo. Also present were USAID/E-PESO Chief of Party Mr. Mamerto Tangonan and Digital Finance Advisor Mr. Vicente Catudio.



To deploy the **ReliefAgad** system, E-PESO supported the DSWD set-up a contact center to respond to beneficiary queries on how to use the web app. Through the contact center, beneficiaries can ask questions and ask for assistance related to the **ReliefAgad** web app via hotline numbers and FB Messenger. A **ReliefAgad** FB page was also set-up to provide important announcements and bulletins. Also, E-PESO developed instructional materials such as instruction video, flyer and radio plug which were deployed to

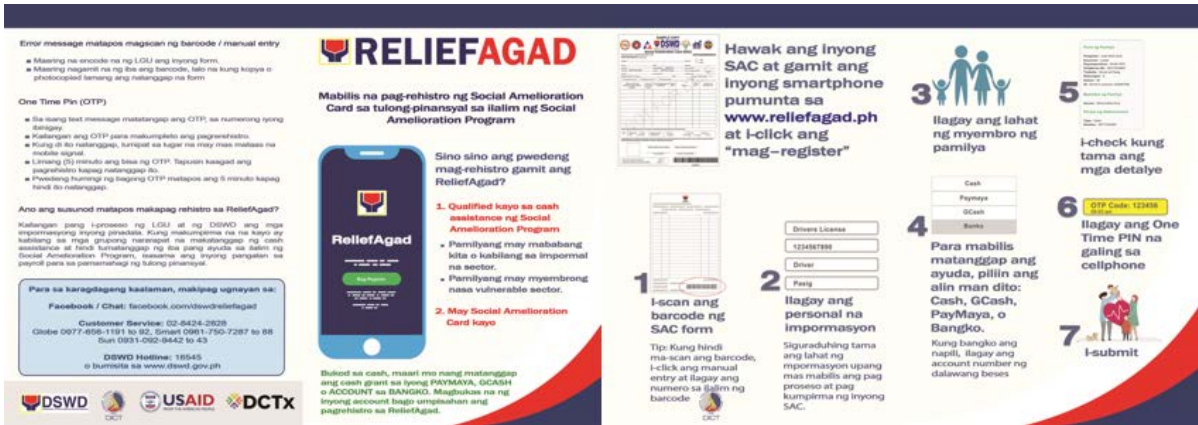
DSWD Field Offices (FOs). E-PESO also managed the **ReliefAgad** Facebook page, including development and posting of social media cards.



ReliefAgad Contact Center



ReliefAgad hotline numbers and Facebook Page



ReliefAgad flyer

By the end of June 2020, a total of 4.3 million SAP beneficiaries have registered through the **ReliefAgad** app. Beneficiaries who registered came primarily from Region IV-A (CALABARZON) with 1.4 million (33%) followed by the NCR with 1.1 million (28%) and Region 3 (Central Luzon) with 0.6 million (13%). Also, 1.2 million beneficiaries (27%), have enrolled a transaction account to receive their cash aid with 1.2 million (28%) electing to receive through remittance and 1.9 million (45%) preferring to receive cash. E-wallets like GCash and PayMaya were the preferred transaction accounts with 0.8 million (19%) accounts enrolled. On the other hand, 0.3 million (8%) enrolled bank accounts.

Figure 9: Cumulative Beneficiary Registration

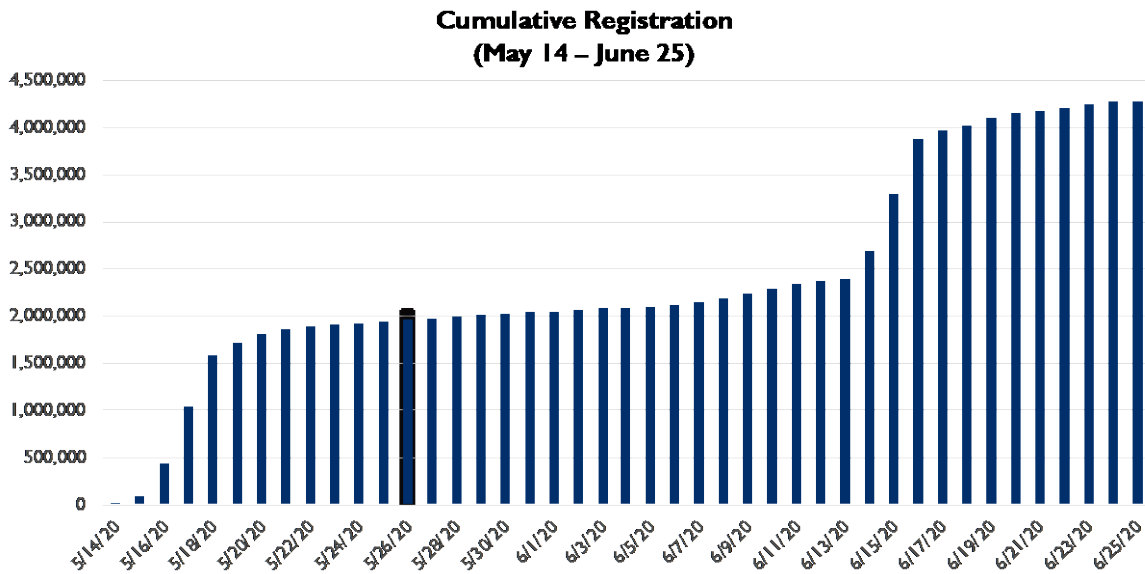
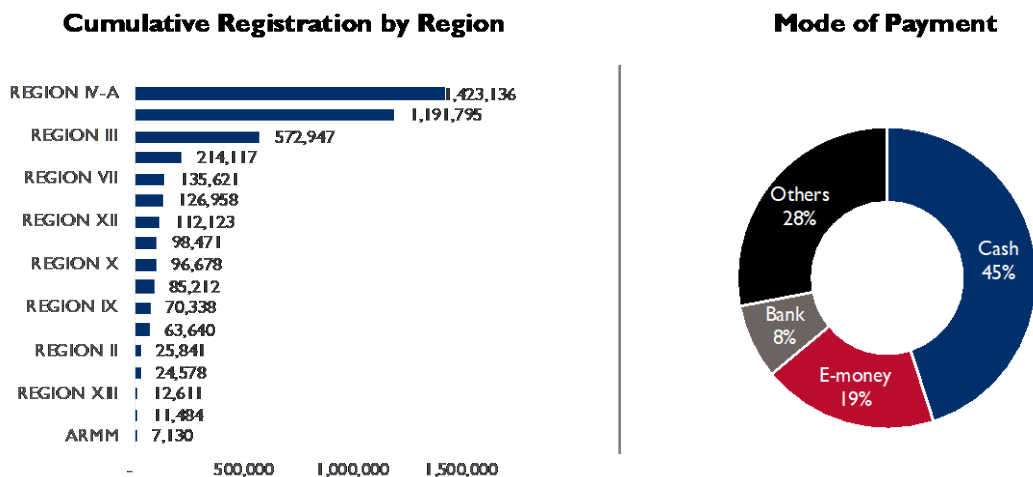


Figure 10: Cumulative Registration by Region and Mode of Payment



The second tranche of the SAP covers 13.5M beneficiaries which includes 8.5M beneficiaries from the first tranche that are from areas under extended Enhanced Community Quarantine (ECQ), namely, National Capital Region (NCR), Central Luzon (Region 3) except Aurora, CALABARZON (Region 4-A), Benguet, Pangasinan, Albay, Cebu Province, Iloilo Province, Bacolod City, Davao City and Zamboanga City. Also included are the 5M left-out or waitlisted families that were not part of the first tranche.

Advisory Support on Digital Payments

E-PESO is also provided advisory support to DSWD to digitalize the disbursement of cash aids through or transaction accounts. Through the **ReliefAgad** system, E-PESO worked closely with the DSWD to add a facility that will allow beneficiaries to enroll their transaction account to facilitate digital payment of cash aid. On May 19, 2020, E-PESO submitted a position paper to DSWD on the different payment options for the distribution of the second tranche cash aid under the SAP. The position paper was presented in an inter-agency meeting organized by the DSWD and attended by representatives of DICT, BSP, Land Bank of the Philippines (Landbank), Commission on Audit (COA). It was decided in the meeting that DSWD will use digital payments to disburse cash aid for the second tranche. The advisory support included assistance in drafting of FSP accreditation terms of reference, providing inputs to the multilateral agreement, drafting of implementing guidelines, and development of disbursement and liquidation business processes.

On June 30, 2020, the DSWD signed a multilateral agreement with seven (7) FSPs led by the Landbank for the digital disbursement of cash aid under the second tranche of the SAP. The other FSPs are G-Xchange, Inc./Mynt (GCash), PayMaya Philippines, Inc. (PayMaya), Rizal Commercial Banking Corporation (RCBC), Union Bank of the Philippines (UB), Robinsons Bank (RB) and StarPay. This was made possible with close collaboration between DSWD, the BSP and E-PESO.

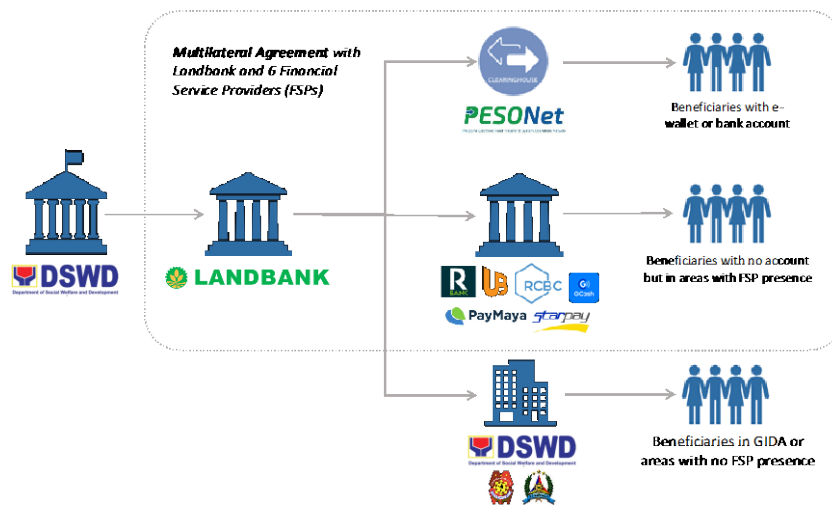


During the ceremonial signing of the multilateral agreement on e-payment for SAP subsidies held last June 30.



Officials of DSWD and financial institutions show their signed agreement as witnesses including E-PESO representatives looked on during the ceremonial signing of the multilateral agreement on e-payment for SAP subsidies held last June 30.

Figure 11: SAP Second Tranche Cash Aid Distribution



Under the arrangement, Landbank will serve as fund manager to distribute aggregate funds to the participating FSPs and disburse directly to beneficiaries that have enrolled their e-money or bank account via the PESONet payment system. The other FSPs, namely, GCash, PayMaya, RCBC, UB, RB and StarPay were assigned to specific cities/municipalities based on presence of their cash-out partners. The FSPs will disburse digitally to the beneficiaries within their respective areas of assignment. A staging account (or limited-purpose transaction account) will be created for each beneficiary based on the initial know-your-customer (KYC) data provided by the DSWD. FSPs will validate the KYC data and perform additional KYC, if needed, to regularize the account. Cash aid will be credited directly to these newly created accounts. The FSPs will notify the beneficiaries how and where to withdraw or cash-out their cash aid. The DSWD FOs, with the assistance of the Philippine National Police (PNP) and/or Armed Forces of the Philippines (AFP), will disburse manually in areas with no FSP cash-out partner presence such as geographically isolated and depressed areas (GIDAs).

By the end of September 2020, 12.9 million beneficiaries have received their second tranche cash relief with aggregate value of US\$1.7 billion. This includes 4Ps beneficiaries that were qualified under SAP second tranche, beneficiaries who registered through LGUs as well as those who registered directly through *ReliefAgad*. Also, 92% of beneficiaries were paid digitally using their transaction account, as opposed to pre-dominantly ‘cash’ during the first tranche.

Through the institutional arrangement with FSPs, 9.3 million new transaction accounts of individuals in the low-income segment were created, effectively contributing to increasing financial inclusion in the country. Through the more stringent KYC verification by FSPs, DSWD was able to clean its data of 10.4 million poor households with existing as well as new transaction accounts enabling DSWD to quickly distribute cash subsidies in future emergency or social subsidy programs.

Support on Strategic Communications for SAP

USAID/E-PESO wrapped up the technical assistance (TA) for the SAP Communications Campaign initiated last Quarter. The campaign aimed to help DSWD effectively communicate the mechanics of the Social Amelioration Program (SAP); convey DSWD as an institution that provides social amelioration and empathizes with Filipinos in times of crisis; promote beneficiary usage and government acceptance of *ReliefAgad*; and support DSWD’s shift to digital payments. USAID/E-PESO worked with a counterpart project team from DSWD led by the Undersecretary for Special Concerns, and composed of teams from the Communications Development Unit, External Affairs Unit, and Media Relations and Response Communications Unit. The scope of the TA included news and social

monitoring; weekly story conferences and communications campaign planning; social media push (digital); and traditional media push (TV, radio, print).

E-PESO provided support particularly with information on the second tranche of the SAP via social media cards posted on the DSWD's official Facebook page. E-PESO also provided inputs to the guidelines released by DSWD Strategic Communications Group on communications alignment with financial service providers (FSPs) in relation to information on the release of the 2nd tranche of the SAP. The guidelines were released to ensure uniformity of messaging while recognizing the distinct branding guidelines of the FSPs and proper coordination with DSWD in releasing information and announcement to the public. FSPs were instructed to use the standard DSWD social media card template and required material content. Materials from FSPs focused on payout requirements, procedures, and account security reminders were posted on the DSWD Facebook page. Social media cards featuring testimonials from beneficiaries who used the web service ReliefAgad to submit their personal details and received their social amelioration benefits via the bank accounts/mobile wallets were also posted. E-PESO recommended announcing the availability of the list of SAP beneficiaries via (<https://sap2.dswd.gov.ph/>) promoted through text blast to respond to the heightened anxiety in the comments section on social media, under the post on schedule of payout and questions on eligibility.

The campaign was concluded in September. A debriefing of the technical assistance showed the following accomplishments:

- 1. Conducted media scanning and development of communication materials.** Weekly media scanning was conducted to generate audience sentiments obtained from social listening tools and the Facebook insights data of the DSWD page, as well as identify relevant and timely messaging points and priority media collaterals for production upon consultation with the DSWD Strategic Communications Group (SCG).

For the period of April to September, the following materials⁴ were completed:

- a. 32 posts, with 80 social media cards;
- b. 2 Press releases;
- c. 2 Testimonials of beneficiaries receiving their aid through the ReliefAgad app;
- d. 2 virtual press conferences
- e. 4 TV and radio guesting
- f. 14 news and social media scanning intelligence reports covering 14 weeks

- 2. Developed communication materials on ReliefAgad.** USAID/EPESO also worked with the DSWD to produce communication materials on ReliefAgad. A Facebook page was also developed for customer service, along with the following completed materials:

- a. On the ReliefAgad Facebook used for customer service, there were a total twenty-nine (29) posts with original social media cards, and five (5) post shares of ReliefAgad related news articles.
- b. On the ReliefAgad Facebook used for customer service, a total of thirty-nine (39) social media cards were created / developed.
- c. Further the three (3) Press Releases, three (3) videos, one (1) leaflet manual, one (1) Radio Ad were prepared⁵

⁴ <https://drive.google.com/drive/folders/1gflAV-2JOfuevFVAcitrjYDlzlRjgiw8?usp=sharing>

⁵ Press Releases: One (1) press release by USAID about ReliefAgad; One (1) success story feature published by Chemonics on international website; One (1) success story feature article for local publishing -- upcoming

Videos: One (1) Instructional video on ReliefAgad app usage; One (1) ReliefAgad explainer video by Chemonics -- published on YouTube; One (1) ReliefAgad success story video -- upcoming, under development

One (1) leaflet manual on how to use ReliefAgad for beneficiaries; One (1) Radio Ad for ReliefAgad submitted to DSWD

For a full copy of the report, including engagement rates of top social media content, most engaged social media themes, and PR values, as well as a copy of DSWD's Strategic Communications Group report which highlights USAID's technical assistance, please access this [drive](#).

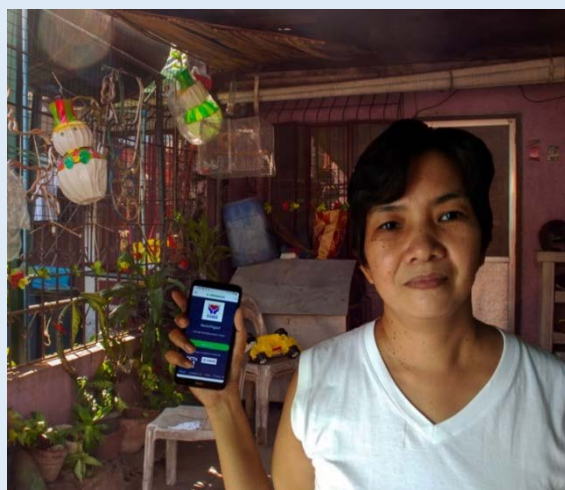
Success Story on ReliefAgad: Jesson Galvez



Jesson Galvez registered via the ReliefAgad app and received his payout via GCASH. Mr. Galvez and his family live on land granted by the government for the relocation of informal settlers (squatters) in Manila. He and his partner sell pre-loved clothes (ukay), stuffed toys and other second hand merchandize for a living, which they often display along the streets in their community. He lost his source of income during the lockdown, as they could no longer sell and nobody was allowed to go out. Without other jobs or sources of income, Jesson welcomed the SAP benefits he received during the first tranche. However, he had to walk at least one hour to reach the claiming area (a covered basketball court) because there was no public transportation available. He arrived at 9 AM and was able to

get the cash late afternoon. On the second tranche, he registered through ReliefAgad and got his cash subsidy through GCASH. He received a text message that the money had been sent and was able to encash it the next day nearby without any hassles or waiting in line. He found it convenient, hassle free, safe and fast. Jesson's photo essay can be viewed [here](#).

Success Story on ReliefAgad: Myla Bautista



Ms. Myla Bautista is a widow with three children, the youngest of which is only 13 years old. Her income comes from selling eggs and cooking oil at the market twice a week. She also sells her leftover stocks at home. With this, she earns just enough to put her children to school and to purchase their basic needs. But during the enhanced community quarantine (ECQ), she was not able to sell anymore. There were less and less buyers. Without any public transportation, it was difficult to go to the market. She also could not go to the farm to get eggs. Ms. Bautista was happy to receive aid during the first tranche of the SAP. However, her experience while claiming her subsidy was

uncomfortable and risky. 700 people lined up and crowded the small basketball court and it took all day to finally get to the front of the line. Social distancing was no longer followed and the risk of getting infected with COVID-19 was high. She heard about ReliefAgad through Facebook. She followed the instructions on Facebook and was able to register to ReliefAgad easily. She opened a PayMaya account for the purpose of receiving her cash subsidy online. She easily received her payout via PayMaya without having to line up. The post on Ms. Bautista's can be viewed [here](#).

Task 1.2. Increase Private Sector Adoption of e-Payments

1.2.1 Connecting Women Entrepreneurs to the Digital Economy

On July 1, 2020, the Department of Trade and Industry (DTI), National Confederation of Cooperatives (NATCCO), Facebook Philippines, Shopee and Lazada, launched the “Connecting Women Entrepreneurs to the Digital Economy” (CWEDE) program. This initiative is one of the many interventions under USAID’s Women’s Global Development and Prosperity (W-GDP) program aimed at encouraging greater investment in women to advance collective economy prosperity for global stability. The virtual ceremonial signing was led by the DTI and DTI Regional Operations Group officials, NATCCO; USAID Deputy Chief of Office of the Economic Development and Governance Jenna Diallo; Facebook Philippines, Shopee and Lazada.

One of the main objectives of the CWEDE program is to enhance Filipina entrepreneurs’ access to markets by equipping them with knowledge and tools to become effective online sellers and is being done through the Integrated Digital Marketing Training Program (IDMTP). The IDMTP is a 90-day mentorship ladderized program⁶ that aims to build capacity of women entrepreneurs (WEs) and DTI and NATCCO mentors nationwide, on topics such as digital entrepreneurial mindset & principles, concepts and trends on digital marketing, case studies on online selling and top ecommerce walk-through from onboarding, learning creative and content, tools & techniques to troubleshooting.

SPAC Information Technology (IT-SPAC) was selected by E-PESO to conduct the development and delivery of the IDMTP for the WEs. IT-SPAC has extensive experience on entrepreneurship, mentorship and training for government agencies such as DTI, on nationwide projects specifically targeted for micro, small medium enterprises (MSMEs).



Public & private sector principals signing the Partnership Letter to improve their income by expanding their market reach through effective online selling (left). Secretary Ramon Lopez sharing DTI's message to women as agents of change and thrust towards the bounce back economy and better normal through digital connectivity (right).

More than 500 WEs submitted their application in the Candidate Profile Pre-assessment survey⁷ that was conducted early on before the launch. WEs were selected based on the following requirements: (1) access to internet and smart phone (2) at least Php 15,000 gross sales, and (3) with locally crafted products ready for online selling. The conduct of a pre-assessment and post-assessment Digital Readiness research study to inform, document and measure the benefits of the IDMTP is part of the training process. In June, the Digital Readiness Survey was conducted with respondents representing WEs (78), Mentors (46) & Digital Champions (10) across 17 regions. Below are the key findings:

⁶ IDMTP Learning Process and Framework

⁷ WGDP Pre-assessment survey <https://form.jotform.com/201033417795049>

Figure 12: WE Mentees are older, married, educated and selling varied products

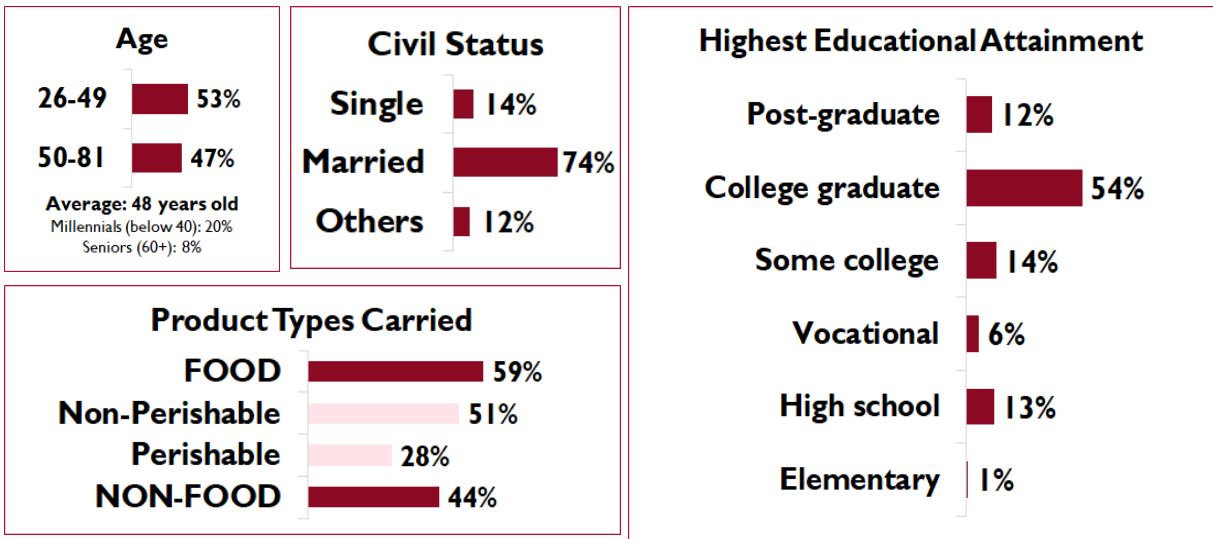


Figure 13: WEs are Digital Training Ready

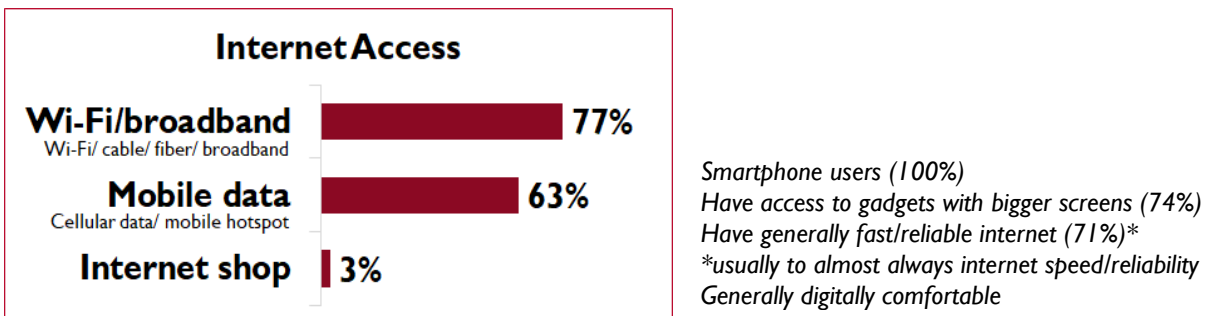


Figure 14: WEs are concerned with logistics and familiarity

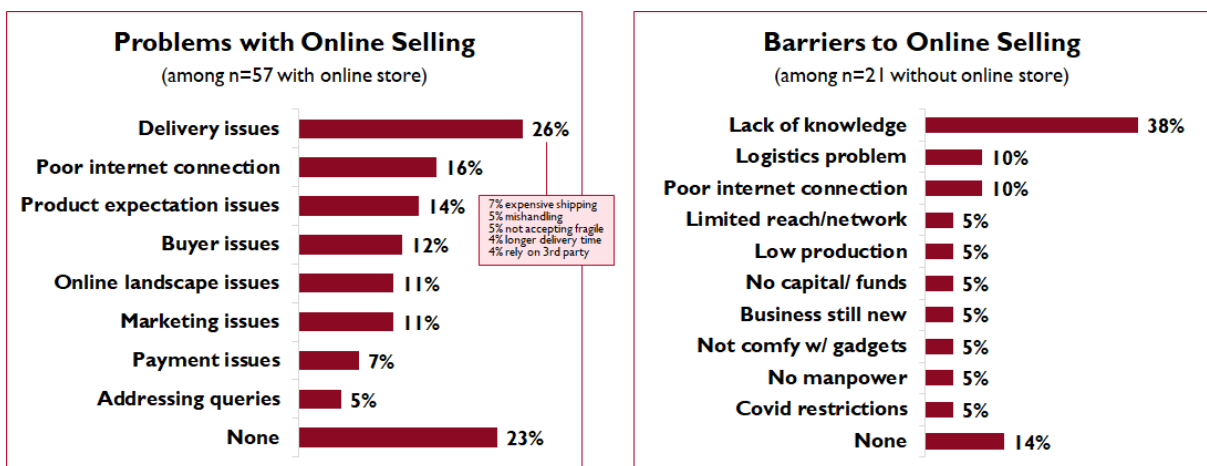
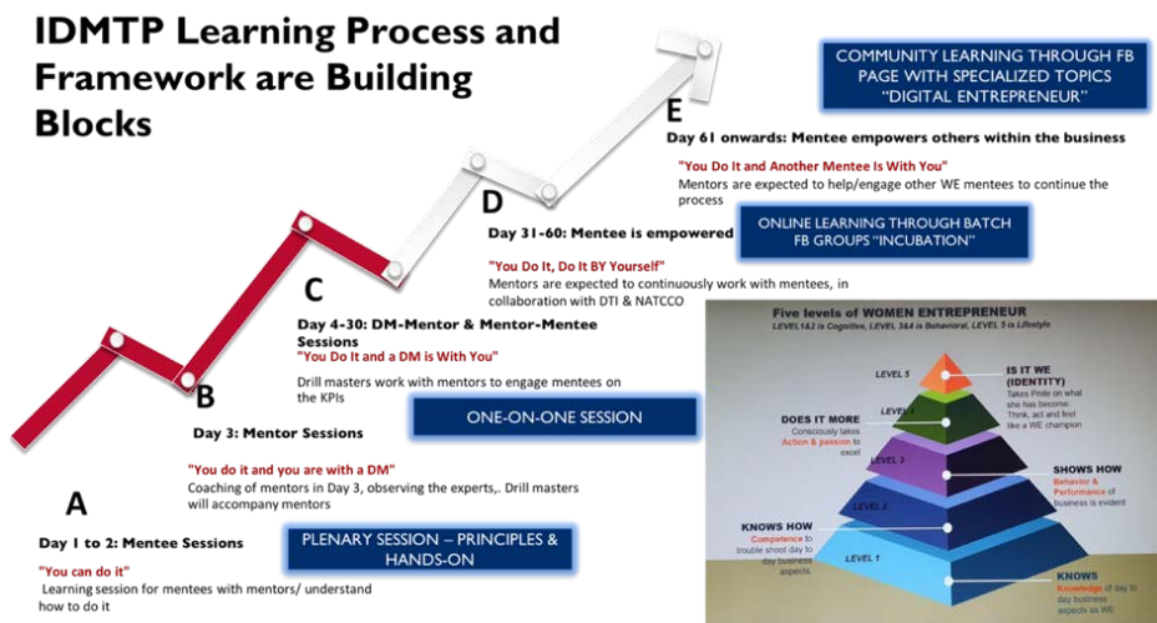


Figure 15: WEs appreciate the benefits of online selling despite hiccups and hurdles



The IDMTP training starts with a 3-day online classroom setting, followed by weekly sessions over the next 30 days where WEs and Mentors are guided by digital marketing specialist drillmasters on achieving milestone accomplishments and revalidate using the Digital Marketing Best Practice checklist, a technical audit of digital marketing and online selling techniques to ensure you optimize and maximize their online presence.⁸ Milestones include registration & set up of an online store, executing promotions & campaigns and boosting online sales. It includes performance metrics on the customer experience and satisfaction from seller rating, response rate to shipping on time.

Figure 16: IDMTP Learning Process and Framework

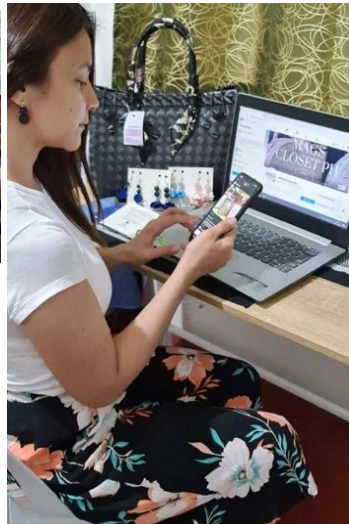


⁸ https://docs.google.com/forms/d/e/1FAIpQLSckoA9mmoUfzuGtjEUvF5XK_zq63i-o5CGk0tQXo2UI3F5llw/viewform

Through the project's IDMTP, a total of 133 WEs and 57 Mentors from DTI and NATCCO have been trained on Aug 27-29 and Batch 2 in Sep 18-20, respectively. Initial results, one month in the IDMTP show 68% of WEs trained from Batch 1 & 2 covering Metro Manila, Reg 3, 4A, 5 & 11 were able to open multiple online stores across various platforms such as Facebook, Lazada and Shopee, and sold a total of 7,395 volume goods amounting to PHP 1,410,971.43 (see [Annex 7](#))



Fe O. Diaz of Pepots Witwitiw, Region 3 (top). OTOP centers are one-stop shops that give competitive advantage to local products (bottom).



Glothea Pineda of Mags Closet, Region 3



Jayleen Bitong of Bleu R. Enterprises, Region 3

Success Stories of Women Entrepreneurs

Hayreen of Ecura's Delicacies from Region 3 in Aurora was able to finally open her shop in Shopee and Lazada and maximize her social media presence for promotions, generating new business and more sales. *"The more we post good pictures and content, the more engagements and sales we get. We were able to have five new resellers this month! We also hit and even get more sales than our target! This training gave us a break! Thank you to USAID, DTI and to my mentor"*, shared Hayreen. Hayreen has since sold 168 products and generated additional Php 46,578 online sales.

Thea of Mags Closet was able to quickly pivot to expand her cultural heritage bags to include face masks using inabel fabric from Ilocos. Through the techniques on how to improve reach and engagements in social media, Thea boosted her sales by 50% from her 2019 monthly sales. *"The USAID-WGDP Program made me realize the importance of nurturing my brand and promoting it especially online. Through this training, my business' sales greatly improved with my social media pages gaining more attention in the digital place.*

In the next 60 days WEs and Mentors continue their weekly sessions to do hands-on application; and participate in a facilitated social media group to simulate peer interaction online share information, ideas, experiences & receive inputs from their peers, mentors and trainers.

By the 90th day of their training, WEs will be introduced to the online community of women digital entrepreneurs in a Facebook group, to continue knowledge sharing and skills development and ensure

social engagement so that they can share best practices and make meaningful connections to grow & expand their online business.

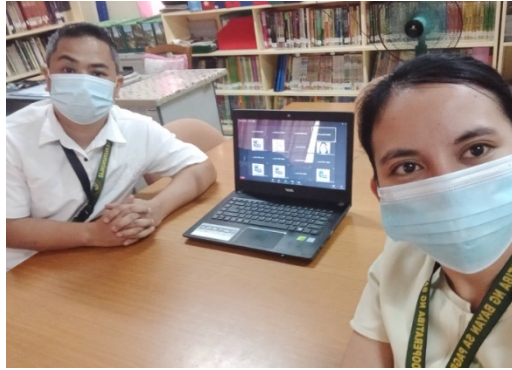
During the project's first Steering Committee on October 1, DTI Regional Operations Group head Undersecretary Blesila Lantayona expressed her satisfaction and identified IDMTP to be a best practice for their digitalization efforts to reach their 2020 breakthrough goal of 63,000 MSMEs in ecommerce. DTI will collaborate with the project to create an operations manual so we can ensure standards are in place to effectively cascade project goals in all 16 region and integrate with existing programs (SME Roving Academy, Negosyo Centers, One-Town-One product and Philippine Trade Training Center). The CWEDE communications materials can be accessed [here](#).



Partnership meetings with government and private sector: Facebook Ph Policy Group led by Clare Amador and Country Manager John Rubio (top left) NATCCO and DTI Project Management Teams (top right), Shopee Associate Director Martin Yu & PR Head Erin Tagudin (bottom left) Petrus Carbonel head of Lazada Business Development (bottom right)



IDMTP Batch I online training for DTI WEs from NCR, Region 3 and Region 11



Mentor-Mentee personal visits of Gubat St. Anthony Cooperative in Gubat, Sorsogon during mentee session



Batch 2 training for NATCCO WEs from Region 3, 4A,5 from from Ligas Kooperatiba ng Bayan sa Pagpapaunladang, Malolos, Bulacan and Gubat St. Anthony Cooperative in Gubat, Sorsogon

Establishing an Interoperable Cash-In/Cash-Out Agent Network

E-PESO is assisting the payments industry in establishing an interoperable cash agent network under the NRPS framework to enable bank and electronic money issuer (EMI) customers to convert their cash to electronic value in their accounts, and vice versa. An interoperable cash agent network will facilitate the financial transactions of women entrepreneurs in places not reached by formal banking touchpoints. E-PESO is providing technical assistance and payment systems expertise to the payments industry to facilitate agreements on the appropriate agent network sharing model and drafting a proposal document for approval by PPMI and BSP. This will be the basis for PPMI to create a working group to set-up the interoperable agent network.

E-PESO tapped Leonine Initiatives (Pty.) Ltd., an international consulting firm, to provide payment systems expertise, conduct relevant research studies, facilitate workshop with key stakeholders, and review draft proposal to PPMI and BSP. In November 2019, Leonine Initiatives (Pty.) Ltd. conducted a study on the different cash agent network sharing models in other parts of the world, particularly successful examples from the sub-Saharan region, and used the study as basis in recommending applicable models for the Philippines, facilitate stakeholder dialogues and workshops with the start-up group (SuG), and review the draft proposal to PPMI and BSP.

In November 2019, E-PESO kicked-off the work by meeting individually the Start up Group (SuG) participants and engaging other key stakeholders. The discussions focused on the initial identified models based on the study by Leonine Initiatives (Pty.) Ltd. and updates on the state of cash agent

networks in the Philippines. Meetings were held with SuG participants, namely, Land Bank of the Philippines (Landbank), G-Xchange, Inc./Mynt (GX), PayMaya Philippines, Inc., and OmniPay, Inc. E-PESO held consultation meetings with the BSP and PPMI and an exploratory discussion with Palawan Pawnshop, one of the largest cash agent networks in the country, to understand their business model and how this could fit into the interoperable cash agent network initiative. A meeting was also held with Bancnet, the clearing switch operator (CSO) of InstaPay, to explore the possibility of tapping InstaPay ACH to process shared agent network transactions as well as with Security Bank to understand its agent banking model.

In January, E-PESO held a Shared Cash Agent Network (SCAN) workshop the SuG participants and key stakeholders. Represented in the workshop were SuG participants Landbank, GXI, PayMaya, and OmniPay. The BSP and PPMI were also represented in the workshop. The workshop provided a forum for discussing initial focal areas, which include services to be offered, the limitation of the pilot to current SuG members, and the need to expand the cash agent network especially to geographically isolated and disadvantaged areas. Workshop participants also identified for further discussion the following areas: 1) principles around interoperability/sharing of agents; 2) structure and governance of a cash agent network provider; 3) governance of SCAN; 4) core service standards; 5) interchange fee setting and billing, and 6) timeline to commercial launch.



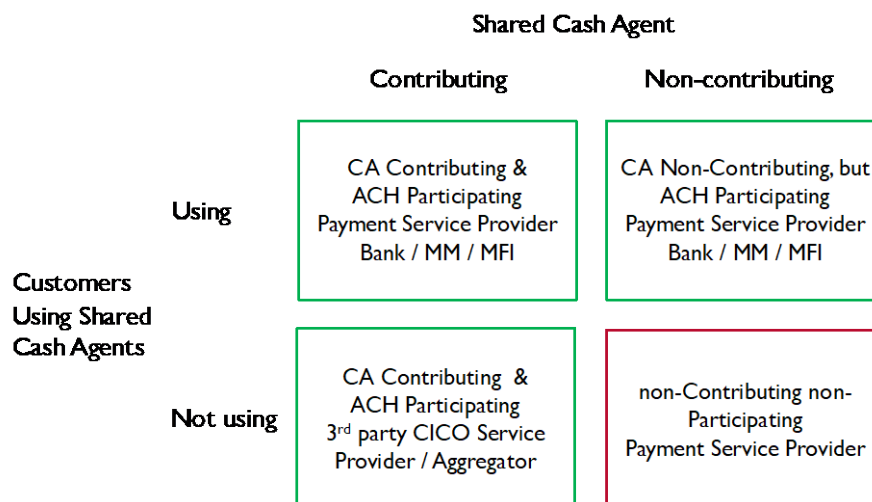
SuG workshop in action with representatives from Land Bank of the Philippines, G-Xchange, Inc. / Mynt, PayMaya Philippines, Inc., OmniPay, Inc., Bangko Sentral ng Pilipinas, Philippine Payments Management, Inc. The workshop was facilitated by E-PESO and Leonine Initiatives (Pty) Ltd.

Below are the agreements during the workshop and during the follow-on ~~disussions~~discussions with the SuG:

1. Definition of a Shared Cash Agent Network (SCAN) as a network of cash agents that are contributed by eligible Bangko Sentral supervised Financial Institutions (BSFIs) who agree to share agents through an interconnection arrangement and allow payments from and to their own cash agents to be made directly to/from wallets/accounts at other participants.
2. Participation modes in a shared cash agent arrangement (see Figure 8), namely:

- a. Participants who are contributing both their own cash agents and enabling their own customers to access the cash agents contributed by other participants.
 - b. Participants who are only enabling their own customers to access the cash agents contributed by other participants; and
 - c. Participants who are only contributing cash agents.
3. A shared cash agent only needs to ~~only~~ have a single agent participant principal.
 4. A set of SCAN services (or use cases) that will be standardized and can be performed by a shared cash agent for customers of any Participant with whom the said agent has no direct contractual relationship. Specifically:
 - a. Cash-in to self
 - b. Cash-in to another customer or others
 - c. Cash-out to self
 5. Adoption of the acquirer-based charging method in determining transaction fee. Specifically:
 - a. Setting of fee shall not be solely determined by the issuing BSFI. It shall largely depend on the fees set by the acquiring BSFI and network switch.
 - b. Participants agree to pay a common interchange fee, which refers to the fee that the issuing BSFI pays to the acquiring BSFI for off-us cash in/out transactions.
 - c. The issuing BSFI, at its option, may likewise charge a fee, provided that the same shall be properly disclosed to its customers/cardholders.
 6. Participants agree to set core service standards which shall include accreditation, on-boarding, training, agent classification, know-your-customer (KYC) process, transaction limits, customer service, marketing collaterals, compliance monitoring, and blacklisting of agents.

Figure 17: Contribution to and Usage of Shared Agent Network



E-PESO is currently drafting the Term Sheet Agreement based on the above agreements from the workshop and subsequent or follow-on consultation meetings with the SuG. Once the Term Sheet is finalized, a multilateral agreement will be drafted based on the term sheet. E-PESO is also conducting a review of BSP regulations on cash agents and other relevant regulations to assess the current cash agent regulatory framework for sufficiency for the envisioned SCAN, identify regulations (or specific provisions) that need to be revised, as well as identify gaps. E-PESO will also develop the technical standards for the initial use cases and hold consultation discussions with PPMI and CSOs.

I.2.2 Enhance and Fully Deploy Electronic Tax Software Providers Certification System (eTSPCert System)

Three new TSP tools for eBIRForms 1700, 1702RT, and 1702MX were deployed and completed as scheduled. Last Quarter, TSP tools for two forms – 1701 and 1701A – were developed and deployed. The deployment of an additional TSP tools for 3 more eBIRForms this Quarter brings the total number of eBIRForms available for certification to 19.

A TSP tool is a standalone application that is available for download after the Tax Software Provider (TSP) certification has been issued. The tool handles the loading, validation, preparing, encrypting, compressing and submitting of the .xml (extensible markup language) file to BIR. BIR is preparing the announcement on the availability of the tools and that TSPs may now apply for certification.

To add to the roster of TSPs with certified forms,– four other TSPs have pending applications, as follows:

- eTaxPoint – applied for certifications for forms 2550M and 2550Q; BIR to follow up and inquire status of tax software development
- Asian Consulting Group - no output form submitted yet for 1701v2018
- Wyvern – one of of the H[^]ckATax finalist; applied for certifications for forms 1706, 1606, 2000OT
- diyTax – applied for certifications for forms 1700, 1701, 1701A, 1701Q, 1702Q, 2551Qv2018

In light of the effects of Covid-19 pandemic in the work schedules which has affected the delivery dates of the project, BIR requested E-PESO to extend the contract of consultants working on the project, with additional scope of works added to their tasks to assist BIR especially during the filing season.

I.2.3: Implement Structured Pilots Adopting Electronic Payments by Private Sector Entities

This Sub-task has been deleted because it is now covered under Sub-task 3.1.2, “Implement Invoicing Pilot”.

I.2.4 Digital Payments Communications Campaign for COVID-19 Response

BANKED CONSUMERS CAMPAIGN

The banked consumers campaign started in April 2020 with the engagement of BSP as the primary implementing partner. The campaign utilized PisoLit, BSP’s official financial education and literacy platform, as the primary voice for the campaign. Industry associations and its members such as the Philippine Payments Management Inc. (PPMI), Bankers Association of the Philippines (BAP) and Bank Marketing Association of the Philippines (BMAP) were enjoined to participate in the campaign by resharing the PisoLit FB posts or rebrand the posts in accordance with their internal branding and communications guidelines. It was agreed however for the financial institutions to adopt the tone, the key messages and the use of the hashtag and phrase #SafeAtHome sa E-Payments.

The following themes were adopted: Better Together, Convenient to Use, Safe to Use, Easy to Start.

As of September 30, 2020, the campaign for the banked generated a total of 30 static posts, 5 press releases, 3 micro-videos, 1 set of Viber stickers and two (2) graphic videos (Annex 5). The engagement rate of the static posts are generally above the 3% global benchmark on engagement rate with highest at 120.57% based on organic and paid combined. The total public relations (PR) value leveraged for the press releases is USD 64,028 (conversion at PHP 50=1USD) or Php 3.2M ([Annex 11](#)). BSP also

released its own press release on the campaign entitled “[BSP ramps up digital campaign to wean pinoysoff cash payments](#)” and “[BSP strengthens digital literacy drive](#)” with mention of the USAID assistance on the campaign. This press release has PR value of PHP 705,876.73 or USD 14,117.53 (conversion at PHP 50=1USD).

The top 2 campaign posts in terms of reach is the graphic video post on the difference of the two Automated Clearing Houses (ACH) presented in laymanized version “[Mga beshie! Gusto niyo ba malaman kung ano pinagkaiba ng Instapay at PESONET, at kung paano sila gamitin? Panoorin niyo lang ang video na ito!](#)” This graphic video had 165,188 reach and 146,755 engagement or 88.84%. Second to this post is an instructional graphic video on how to use the ACHs. The post “[Mga beshie! Gusto niyo ba malaman kung ano pinagkaiba ng Instapay at PESONET, at kung paano sila gamitin? Panoorin niyo lang ang video na ito!](#)” had a reach of 135,613 and engagement of 163,513 or 120.57%.

In order for the campaign posts to connect to a wider audience, E-PESO and BSP agreed to have the posts boosted for two (2) months. On average, posts can significantly connect to and target a wider audience range (approx. 34x more), and acquire more engagements (approx. 261x more) through boosting. Audience sets for this boosting strategy are: (1) online banking users, (2) online shoppers & interested in e-commerce, (3) Remittance receivers / senders. Summary of the boosted strategy for a more refined audience targeting of the campaign as follows:

Table 1: Campaign Analytics

Boosting	No. of Campaign Assets	Ad Spend (PhP)	Paid Results (Engagements)	Paid Reach	Paid Impressions
August Boosting (Confidence in e-payments, Use of e-payments)	4 (2 videos, 2 photos)	13,100	167,676	338,806	623,485
July Boosting (Cybersecurity)	9 (9 photos)	36,900	188,853	455,220	747,261
Total	13	50,000	356,529	794,026	1,370,746

Overall Post Performance of Boosted Assets

- Boosted posts have **366K** total engagements (paid+organic) and **891K** total reach (paid + organic).
- The 6-sec micro-video, [Interbank Fund Transfers](#) is the all-time high performing video, with 129.6K views and 1K post clicks, among all of the published video posts on BSP PisoLit page.
- Among all photo posts, the [Fight Impostor Scams](#) is the all-time high performing photo with 7.9K post clicks and 16% engagement rate.
- What’s common with these 2 posts is on the specificity of messaging and action requested from the audience - do e-payments through your mobile phone, check for message structure (grammatical and typographical errors) to determine if it’s from a legitimate source.

Table 2: Engagement by Boosted Post Theme, by Age Group

Theme	Age					
	18-24	25-34	35-44	45-54	55-64	65+

Promotion of cybersecurity (7 photos, 1 video)	3,969	1,625	681	594	946	1,064
Confidence in epayments (2 photos)	982	479	266	281	417	394
Encourage the use of epayments (1 photo, 2 videos)	702	1,126	1,494	2,906	6,590	6,283
Average	2,596	1,249	793	1,104	2,130	2,222

- Based on boosted posts under ‘Promotion of Cybersecurity’ (Iwas scams), the most engaged audience is young adult group (age 18-24).
- Bulk of ‘Confidence in ePayments’ (Parami na nang parami ang gumagamit ng e-payments) engagements are from the 18-24 years old group.
- ‘Encouraging use of ePayments’ (Mag Instapay at Pesonet na para magbayad ng bills at magpadala sa kamag-anak) registered the most engagement from the older segment
- Boosted posts for ‘Promotion of Cybersecurity’ theme has nationwide targeting, while the remaining 2 post themes have Visayas - Mindanao targeting to make the information campaign farther reaching as most engaged regions from previous post analysis were from Metro Manila.
- Despite page like ad being set to PH nationwide (location) boosting, audiences in Mindanao regions are more likely to like and follow Pisolit’s Facebook page, hinting relevance of topic to the audiences there

Beneficiaries of the SAP Campaign

Please see discussions in [Sub-task 1.1.7 \(Support on Strategic Communications for SAP\)](#).

National Taxpayers Campaign

Please see discussions in [Sub-task 1.1.5 \(Digital Tax Filing and Payment Campaign\)](#).

1.2.5 E-payments Advocacy in Partnership with Makati Business Club

In August 2020, E-PESO signed a partnership letter with the Makati Business Club (MBC) to undertake an advocacy campaign for businesses to increase the volume and quality of e-payments usage, and for regulators and payments industry to close policy and e-payments facilities gaps. It is expected that the first webinar to launch MBC’s year-long campaign on e-payments advocacy will be conducted on October 28 entitled “Advancing E-Payments via Public Private Partnership” with the following speakers: BSP Governor Benjamin E. Diokno, Department of Finance Undersecretary Antonette Tionko, Better than Cash Alliance Manager Dr. Ruth Goodwin – Groen and Ayala Corporation Chairman and CEO Jaime Augusto Zobel de Ayala.

1.2.6 Pilot e-Payments for Microcredit Collection in Partnership with ASA Philippines Foundation Inc. and Coca-Cola Foundation

The [concept note](#) for the proposed digital collection and disbursement of Coca-Cola Philippines and ASA Philippines Foundation Inc.’s RESTART Program was sent to partners (ASA Philippines, USAID DELIVER) in August. The concept note outlines the objectives, proposed outputs deliverables, timeline and activities, phases, and roles of partners.

E-PESO and USAID DELIVER met to discuss the concept note and align activities. DELIVER shared that their RestartME loan facility, which will be offered to 4 microfinance institutions (MFIs): CARD,

ASA, TSKI, and Negros Women. One of the loan facility application requirements is a digitalization strategy. In return, DELIVER will provide workshops to assist the 4 MFIs in crafting their digitalization strategy. However, the terms of reference (TOR) for the technical assistance is still being developed.

All parties agreed on the importance of having data on the readiness of ASA clients to make digital payments. E-PESO prepared a questionnaire to gauge the readiness of clients on August 27. The questionnaire aims to gather information on mobile phone ownership (number owned and type), internet access, and account ownership. E-PESO suggested a sample size of 318 (out of 1,815 total in the pilot branch, Pasig) clients (for a margin of error of 5% and confidence level of 95%). Survey will be administered by account officers.

However, mid-September, ASA Philippines informed E-PESO that there are conducting an institution-wide survey which carries the questions that were proposed in the E-PESO questionnaire. The survey is in preparation for the RestartME digitalization strategy. So that efforts are not duplicated, E-PESO will await for the results of the survey, which is estimated to be completed by end September. Should there be delays, E-PESO will request for the data from the Pasig Branch, process the data, and map next steps.

Planned Activities for Y7 Q1

E-PESO will continue prioritizing work to enable e-payments at aggregation points, to maximize the effect of interventions in achieving wholesale adoption of e-payments by businesses and government.

E-PESO and DSWD will finalize the Financial Literacy Manual for 4Ps based on the inputs from DSWD as well as feedback from pre-testing exercise with DSWD field offices. The three (3) financial consumer protection sessions developed by the BSP and the pre-assessment questionnaire for each session will be incorporated in the manual. COA's legal opinion on the use of transaction account will be obtained and a policy document outlining the guidelines on the use of transaction accounts to distribute 4Ps cash grants will be issued by the DSWD. Subsequent work to update the 4Ps Operations Manual, the Financial Management Service (FMS) Sub-Manual on 4Ps and memorandum of agreement (MOA) with Landbank will be carried out by DSWD. The pilot rollout of the transaction account and the enhanced financial literacy program will commence in late 2020Q4.

The three (3) HACK^TAX winners and the rest of the finalists will go through the eTSP certification process as part of BIR's commitment. E-PESO will continue supporting the BIR to ensure HACK^TAX applications are launched in the market by assisting BIR develop application programming interfaces (APIs) that will be used by third-party applications, including HACK^TAX applications interface with BIR systems. Through APIs, third-party applications can introduce innovations like 'intelligence' or 'wizard' into the tax forms to simplify tax filing and improve the taxpayer experience. Most HACK^TAX finalists have adopted such innovations and would require API end points to interface with BIR. The APIs are expected to be operational by late 2020Q4.

To improve taxpayer experience when using digital payments for paying taxes and to improve accounting of digital tax payments vis-à-vis tax returns filed electronically, BIR will be implementing a digital payment portal in 2020Q4. E-PESO will assist BIR in implementing the payment portal which will interface via API with all electronic filing systems outside of the eFPS. The digital payment portal will be implemented in lieu of the Filing Reference Number (FRN) project which shares the same objectives. An FRN will be generated by the payment portal and matched with the transaction reference number which will be generated by the payment channels. The payment portal is expected to be developed in 2020Q4 but will be deployed in 2021Q1.

E-PESO will continue to support DSWD in implementing SAP in 2020Q4. E-PESO will second a software development team that will assist DSWD to develop and deploy a web-based search

application to enable beneficiaries to check the status of their cash relief. E-PESO, together with DEVCON will turn-over the ReliefAgad system to DSWD in 2020Q4.

E-PESO will continue to roll out training program to women groups and cooperatives through eLearning and create a collaborative network of entrepreneurs; and strengthen the capacity of DTI and NATCCO to replicate this program to other communities and cooperatives nationwide. E-PESO will work with NATCCO so that it can create its own Cash-in/Cash-out agent network among its member cooperatives.

E-PESO will partner with the MBC to undertake an advocacy campaign for businesses to increase the volume and quality of e-payments usage, and for regulators and payments industry to close policy and e-payments facilities gaps.

In partnership with USAID Deliver and ASA Philippines, E-PESO will design, implement, and document a pilot test aimed at digitalizing loan collection and loan disbursements of the RESTART Program which aims to help sari-sari stores and *carenderia* owner-clients to re-start their businesses and stimulate the economic recovery of the micro-retail sector under the post COVID19 new normal.

Next quarter, E-PESO's W-GDP program will run IDMTP for four (4) more batches from October to December 2020 (see [Annex 8](#)). An integrated digital marketing social media campaign inspired by the platform's successful "mega campaigns" will be implemented by the partners including a brand strategy and microsite to sustain the development and promotion of the project outcome for digital Filipino entrepreneurs to improve their income and expand market reach through effective online selling. It will highlight the bounce back economy and better normal thrust of the Philippine government for MSMEs. A post-assessment survey will be conducted to evaluate effectiveness of the project including contribution to business performance from 2019 baseline.

SUB-PURPOSE 2: INFRASTRUCTURE FOR E-PAYMENTS EXPANDED

E-PESO worked with the BSP and the payments industry to expand the digital payments infrastructure in the country under the NRPS policy framework. Leveraging on the payment systems established earlier, namely, PESONet and InstaPay ACHs, E-PESO, BSP and the payments industry launched the PESONet-enabled interoperable digital bills payment service with government institutions as early adopters. E-PESO also started working with the industry on the establishment of an interoperable cash agent network that will potentially utilize the InstaPay.

Task 2.2: Strengthen Back-End e-Payment Infrastructure

2.2.1 Support Government Agencies Improve Collection Efficiency through an Interoperable Digital Bills Payment Service

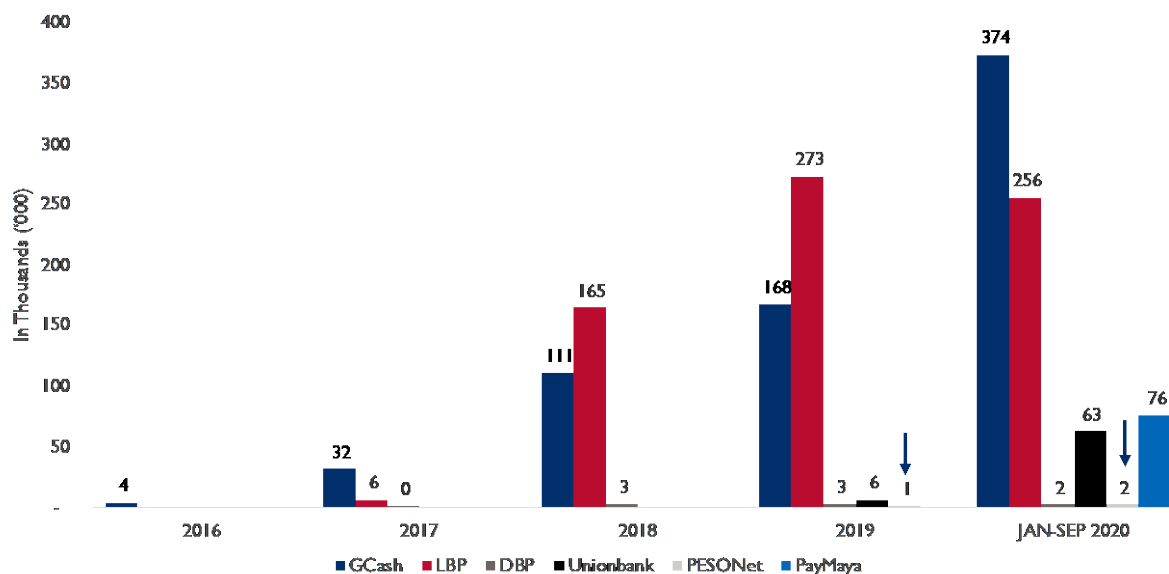
E-PESO and the payments industry soft launched the PESONet-enabled digital bills payment service in August 2019. E-PESO assisted the Bangko Sentral ng Pilipinas (BSP), the Philippine Payments Management, Inc. (PPMI), and BSP-supervised financial institutions (BSFIs) to set-up an interoperable digital bills payment service utilizing the PESONet payment infrastructure established under the USAID-supported National Retail Payment System (NRPS).

The soft launch marked the start of the use of interoperable digital bills payment for taxes and other utilities. Under this initiative, the Bureau of Internal Revenue (BIR) will be the pilot "biller"; the tax collection/payment will be the pilot "bill", and the Land Bank of the Philippines (Landbank) and Rizal Commercial Banking Corporation (RCBC) will be pilot participating banks processing the electronic

payments/collections of the bill/taxes. The success of this pilot will allow the BSP to confidently approve the expansion of the bills payment service to all interested financial and commercial institutions. This digital payments platform will facilitate the efficient collection of tax and non-tax revenues for the government, and of sales for businesses. More importantly, this service will make it more convenient for the paying public to pay their bills and utilities and at lower transaction cost, 24/7. The interoperable bills payment service, which was also referred to as eGov for government payments, was launched by the BSP in November 2019 with at least seven (7) government biller institutions actively using the service.

Since the adoption by the BIR of the PESONet-enabled interoperable digital bills payment service, the take up has been very slow. From 641 transactions (Php8.9 million) in 2019, it was able to almost triple its volume to 1,741 (Php22.2 million) as of 2020Q3 (refer to Figure 11), which is far from the take up of other digital payment channels like Unionbank which grew from 5,524 transactions (Php83.3 million) in its first year to 63,243 transactions (Php1.3 billion) as of 2020Q3 or its second year, or PayMaya which recorded 76,277 transactions (Php234.4 million) as of 2020Q3 or its first year. Per review of the initial performance of the payment channel, the following issues causing the low take up were noted, namely: (1) poor participation from PESONet-member financial institutions with only three (3) BSFIs currently offering the service, 2) poor user experience caused by technical issues on Landbank’s LinkBiz portal (e.g. capacity, connectivity, etc.), and 3) lack of marketing or communication support from participating BSFIs due to user experience or process not consistent with their service branding or positioning.

Figure 18: Transaction Volume of New Digital Payment Channels in BIR



Source: Bureau of Internal Revenue

To address the limited participation of BSFIs in the PESONet-enabled interoperable digital bills payment service, E-PESO is closely coordinating with the BIR to encourage (if not require) all Authorized Agent Banks (AABs) to connect to PayGate, a request-to-pay (RTP) service. Currently, there are only three (3) banks that are connected to the PayGate service, namely, RCBC, Robinsons Bank, and Union Bank of the Philippines (Unionbank). There are currently 21 AABs of BIR and all are PESONet members. Increasing the number of banks connected to PayGate will help grow the eGov payment traffic. A draft Revenue Memorandum Circular (RCM) is currently being routed in BIR. To address the issues. On a separate note, Gov. Benjamin Diokno of the BSP has met with PPMI in August and obtained a commitment from the PPMI board to fully implement the interoperable digital bills payment service by Q4 of 2020. According to BSP, the service will most likely be available by Q1 of 2020.

To address the other issues, E-PESO is currently assisting the BIR develop a payment portal that will enhance the user experience by effectively bypassing Landbank's LinkBiz portal. Also, through the payment portal, a brand-agnostic user experience can be achieved since BIR will control the web service branding. The project was kicked-off in September 24, 2020.

E-PESO also started exploring expanding the interoperable digital bills payment service to InstaPay ACH. In June 2020, E-PESO met with MasterCard to explore how its subsidiary Vocalink can support eGov by enabling an 'request-to-pay' (RTP) service and route payment instruction through InstaPay to facilitate tax payments by micro and small enterprises, including sole proprietors, self-employed individuals and professionals. Vocalink is a Mastercard company which designs, builds and operates bank account-based payment systems. BancNet, which is the clearing switch operator of InstaPay, recently tapped Vocalink to provide its payment technology to process InstaPay transactions. Vocalink has an RTP service and will be ready for deployment in 2021Q2.

Sub-task 2.2.2: Support the Payments Industry in the Establishment of an interoperable Cash-In / Cash-Out Agent Network/ACH (revised)

This Sub-task has been moved and is now covered under Sub-task 1.2.1 "Connecting Women Entrepreneurs to the Digital Economy."

Planned Activities for Y7 Q1

E-PESO will work closely with the BIR on the issuance of regulation encouraging AABs to connect to PayGate and continue the assistance in setting-up a payment portal to address all the issues earlier identified to increase adoption traffic of the interoperable digital payment service. E-PESO will also coordinate with both BSP and PPMI on the full implementation of the interoperable digital bills payment service.

E-PESO will finalize the Term Sheet Agreement and draft the multilateral agreement to set-up the SCAN. The regulations review will also be completed to determine regulatory gaps and recommend appropriate regulations to implement the SCAN. Technical standards will be developed for the initial use cases identified by the SuG. A formal proposal will be submitted to PPMI and BSP for the creation of SCAN and secure approval to pilot under BSP's regulatory sandbox.

SUB-PURPOSE 3: ENABLING ENVIRONMENT FOR E-PAYMENTS IMPROVED

For Year 6, E-PESO completed the "Study on E-Payments Adoption by Businesses". The study identified the issues, root causes and recommendations how businesses will be encouraged to adopt digital payments. E-PESO likewise provided assistance to the BSP in their internal acquisition of their Advanced SupTech Engine for Risk-based Compliance (ASTERisC*), BSP's GRC solution which is a unified RegTech and SupTech solution that will streamline and automate regulatory supervision, reporting and compliance assessment of BSFIs' cybersecurity risk management.

Task 3.1 Ease Constraints to Broad Payment Adoption and Usage

3.1.1 Conduct Revenue Regulation and Business Process Review

This sub-task was completed in Year 6 with the submission of the discussion paper entitled “Study on E-Payments Adoption by Businesses” to the various stakeholders including the Bureau of Internal Revenue (BIR), Department of Finance (DoF), Bangko Sentral ng Pilipinas (BSP) and the Philippine Payments Management Inc. (PPMI) following the completion of the multi-stakeholder sessions where the barriers, root causes, recommendations and desired end state were presented and agreed upon.

3.1.2 Implement E-invoicing Pilots

This Sub-task was dependent on which e-invoicing framework for adoption by the BIR. Although some initial discussions were conducted in the early part of 2020, the effort was put on hold in March 2020 due to ECQ. It was later discontinued in favor of more relevant technical assistance as discussed with the BIR. Please see discussion of Sub-task 3.1.3: E-Invoicing and E-OR Assessment.

3.1.3 E-Invoicing and E-OR Assessment

E-PESO engaged the services of SGV & Co. in order to provide the technical assistance to the BIR in the following areas:

- review and analyze revenue regulations and barriers to assess feasibility and implications of immediate and medium term solutions for possible adoption
- formulate business case if PEPPOL is justified for the Philippines, formulate a high-level implementation plan and initial draft of possible regulations that may be necessary in implementing the framework

A PEPPOL subject matter expert from IBM Sterling was also engaged to provide guidance to the SGV team and the BIR in the formulation of the business case.

Task 3.2: Assist Financial Regulators in Overseeing e-Payment Growth

General Updates on e-Payments and Automated Clearing House (ACH) Performance

PESONet (as of September 30)

- September volume surged by 56.61% versus August with 4.1M transactions amounting to PHP 301B. The jump in volume is attributed to the 1.4M SSS transactions for its pension disbursements. This volume level is expected to continue as SSS had earlier announced its move to release pensions through PESONet and eliminate distribution of checks to expedite monthly crediting to pensioners ([SSS to release pensions via PESONet starting October, drops issuance of checks](#)).
- PESONet volume grew by 4.76% versus check this month with 26.68% share of the transaction pie. This month's volume is almost at the same level as May's where SSS Small Business Wage Subsidy (SBWS) Program was credited to eligible workers.
- While volume and value had a double-digit growth, average value transacted fell by 23.99% with an average peso value of PHP 71,687.66 versus August's PHP 94,309.47. This is perhaps due to the average pension value of the SSS disbursement in September.

Figure 19: PESONET Volume and Value

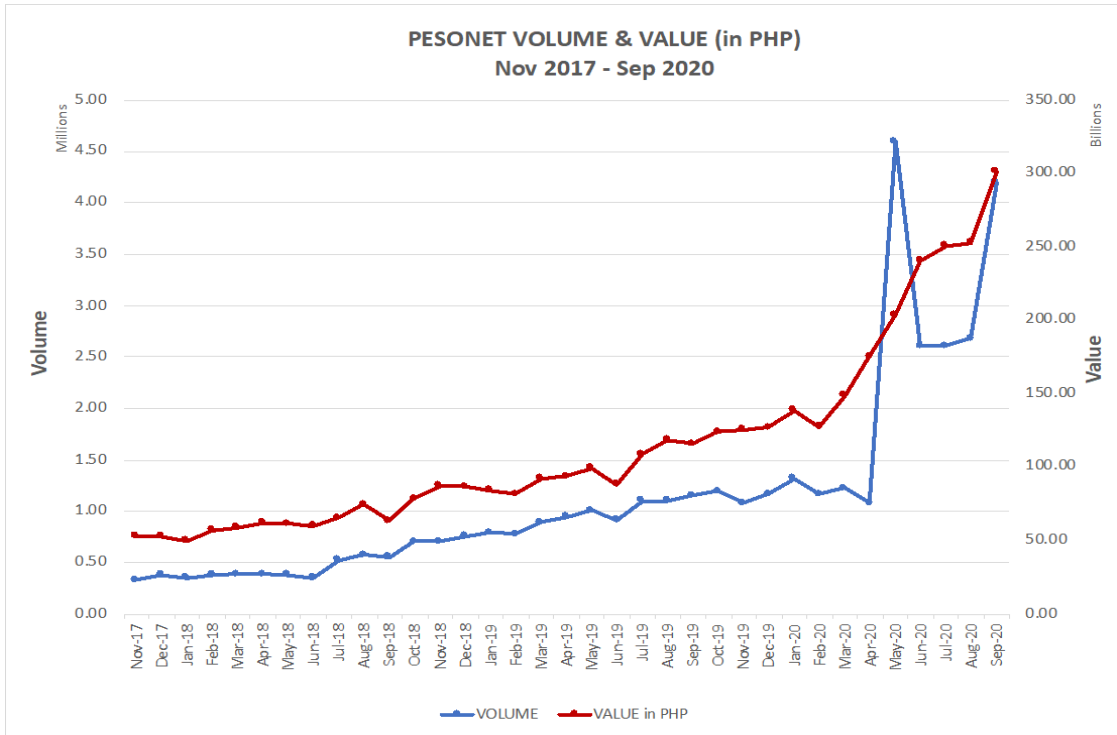
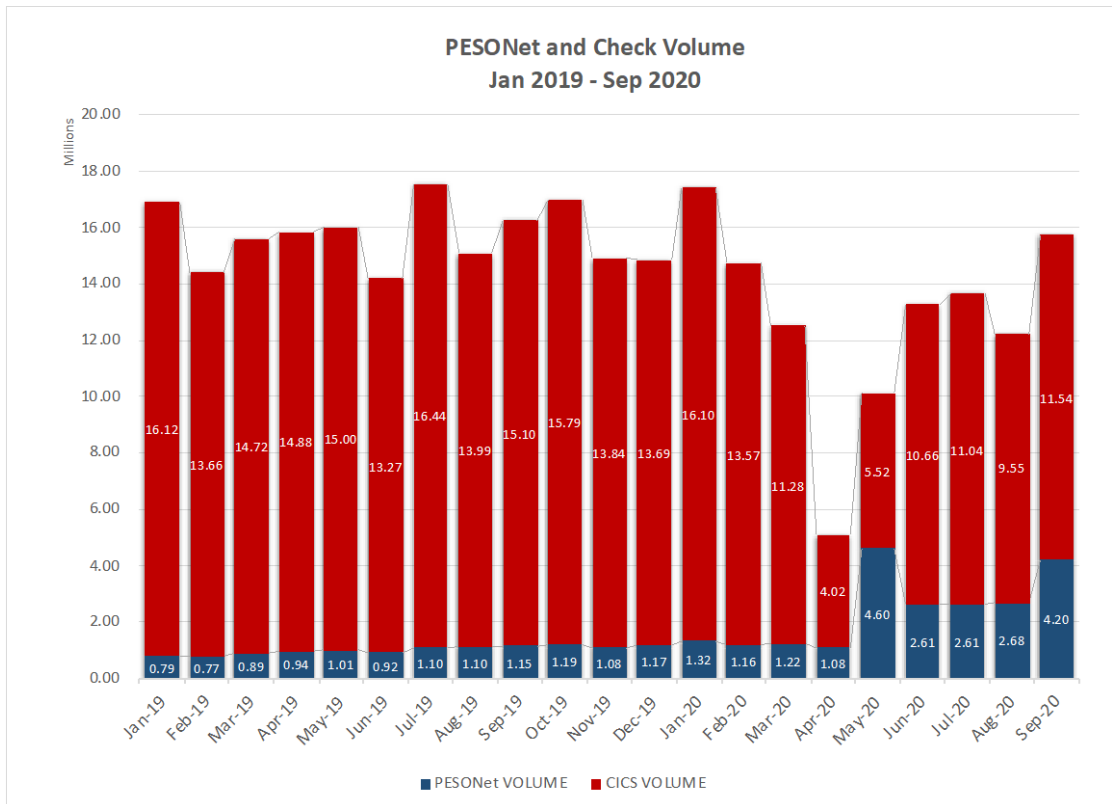


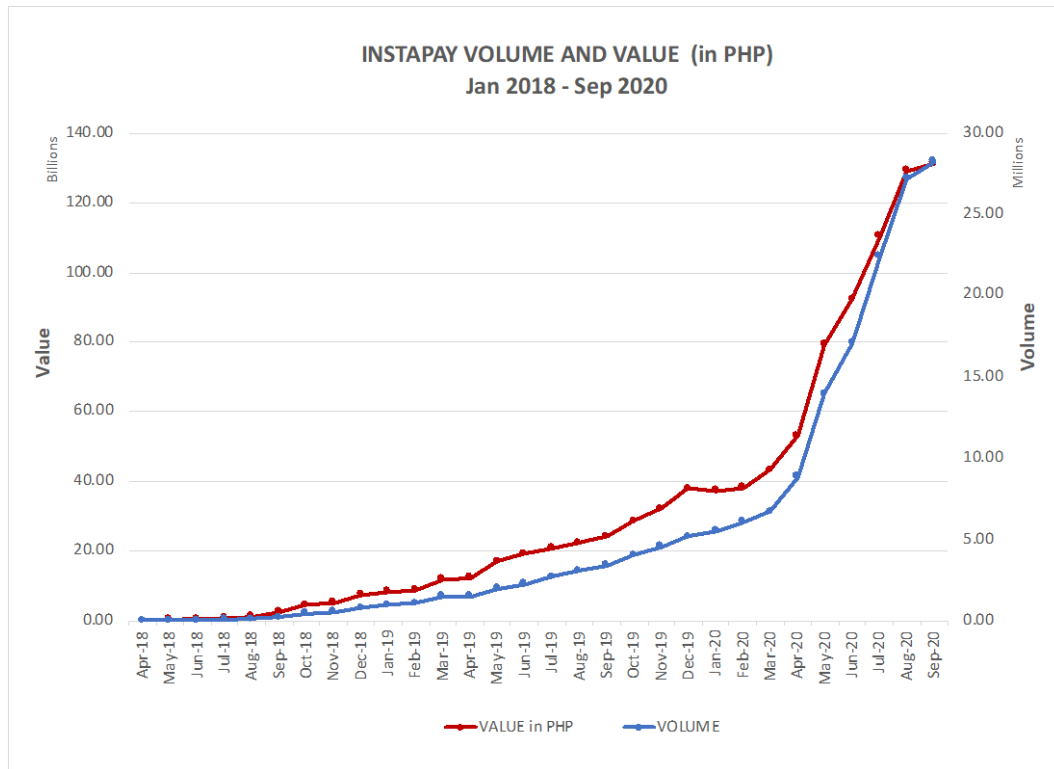
Figure 20: PESONet vs Check



- Check transactions was up by 20% versus August volume as lockdown restrictions further ease up and employees start to report back to offices.

- Check volume is back in its usual level of 11M to 15M transactions per month with September volume at 11.5M.
- Value of transactions in September grew by 19.04% versus recorded value in August.

Figure 21: InstaPay Volume and Value



- InstaPay transactions barely grew in September registering single-digit growth of 3.73% representing 28.2M transactions versus August amounting to PHP 131.4B which is only 1.77% growth from last month's value.
- Out of the 28.2M transactions, 1.2M was generated by new accounts while 5.1M transactions were generated by old accounts.
- New account users of InstaPay fell by 27% versus registered new account users the previous month. However, total users (old + new account users) still grew by 2.62% in September versus August with average InstaPay transactions per account of 4.4. This means that more new users are transitioning to digital platform even after ECQ.

3.2.1 Support PPMI in Expanding Membership and Onboarding New Participants

This sub-task has been completed with the turnover of draft PPMI Prospectus and Starter Kit.

Task 3.4: Assist Financial Regulators and E-Payment Service Providers to Improve Digital Security Measures

3.4.1 Support BSP in Cybersecurity Policy Review and Capacity Building

As a consequence of the COVID-19 pandemic, this sub-task has been removed from the work plan due to the insufficient time remaining to complete it.

3.4.2 Support BSP in Implementing a Governance, Risk, and Compliance (GRC) solution

E-PESO contracted a cybersecurity expert tasked to assist in the rationalization of GRC requirements and formulating the Cybersecurity Maturity Model for BSP.

E-PESO assisted BSP in the following areas relating to the internal acquisition of the Advanced SupTech Engine for Risk-based Compliance (ASTERisC*), BSP's GRC solution which is a unified RegTech and SupTech solution that will streamline and automate regulatory supervision, reporting and compliance assessment of BSFIs' cybersecurity risk management:

- Sourcing of potential vendors / offerors following set criteria. E-PESO touched base with five (5) GRC providers namely, RSA (TIM), MetricStream, RisKconnect, IBM (Questronix), and ServiceNow.
- Drafting of the Request for Quotation (RFQ) for budget request for the project and as a pre-requisite for the procurement process.
- Drafting of the Terms of Reference (TOR) which is a pre-procurement document that provides the detailed description of the deliverables of the Supplier, Contractor or Consultant. (*GPPB, Volume I Guidelines on the Establishment of Procurement Systems and Organizations*)

Initial drafts and revisions of a proposed Cybersecurity Maturity Model (CMM) control standards has been submitted. Finalization will be based on feedback from BSP.

3.4.3 Support BSFI Participation in the Industry-wide Deployment of a Governance, Risk and Compliance (GRC) Portal

Activities under this Sub-task were incorporated in Sub-task 3.4.2.

3.4.4 Develop Cybersecurity Capability of Financial Executives

As a consequence of the COVID-19 pandemic, this sub-task has been removed from the work plan due to the insufficient time remaining to complete it.

Task 3.5: Institutionalize Sustained Awareness Program on Digital Financial and Cyber Security Organizations

3.5.1 Cybersecurity Awareness Program

E-PESO engaged Evident, a communications firm, to develop a cybersecurity awareness program to build consumer trust and confidence in digital payments. In January 2020, E-PESO presented the results of a digital audit/social monitoring conducted on cybersecurity-related campaigns to the BSP and some financial institutions and associations in a stakeholder consultation session organized by the BSP in relation to its digital literacy and cybersecurity awareness initiative. Following this consultation, a separate stakeholder mapping analysis was conducted with E-PESO and BSP to identify the partners and possible strategies for developing an awareness program. An initial draft of a communication program was submitted. However the effort was put on hold due to the ECQ in favor of Sub-task 1.2.4.

In July 2020, E-PESO resumed the efforts with BSP and Evident taking into consideration lessons learned from the digital payments campaign conducted with the banked segment the previous months. It was agreed that the Cybersecurity Awareness Campaign (Sub-task 3.5.2) would be developed and implemented concurrently with the program.

3.5.2 Implemented Cybersecurity Awareness Campaign

With the BSP, the following target segments were identified for this campaign:

- E-Payment Users
- New users of e-payments
- Specific demographics who are vulnerable to cyber attacks

The overall big idea for the campaign is to focus on “E-Safety is Everyone’s Responsibility” where the call to action for the target market would be to secure their accounts and e-payments, know their rights and responsibilities as accountholders.

Agreed campaign activities will include communications via BSP’s social media accounts and PR tactics combining press releases, webinar and radio guesting.

Planned activities for Y7 Q1

On the PEPPOL Business Case and Implementation Plan, activities and next steps for the collection of relevant data as an input to the formulation of business case include the presentation of PEPPOL key concepts to BIR and conduct of workshop to the BIR both in October 2020. The conduct of PEPPOL workshop and presentation of recommendations to BIR based on previous discussions with them and submission of business case both in November 2020.

On the completion of BSP documents for system acquisition (GRC) / completion of GRC Model-Revision of the Cybersecurity Control Maturity Model (CCMM), the submission of revisions and proposed content of the CCSA documentation, completion of Request for Quotation (RFQ) to complete the min number of bidders, and the drafting of reference documents for systems specs and development of project implementation plan will be done.

On the Cybersecurity Awareness Campaign, the conduct of stakeholder consultation on the campaign with PPMI Board member institutions and BAP Cybersecurity Committee, then selection of target financial institutions as partners for the campaign, and launch of the cybersecurity webinar which aims to educate consumers on recourse mechanisms and common Cybersecurity threats will be done in October 2020. Following that, conduct of radio rounds and turn-over of the campaign materials to BSP in their Financial Education Expo 2020 with select government, private and industry partners as the audience will also be done.

SUB-PURPOSE 4 (CROSS-CUTTING): GAPS IN BROADER E-PAYMENT ECOSYSTEM ADDRESSED

Year 6 saw the expansion of e-payment options for a key partner city (Valenzuela City) and the onboarding of two new local government units (LGU) into the pipeline of USAID/E-PESO LGU systems provider Rameses Systems Inc (Rameses).

In November 2019, Valenzuela City launched its 3S Plus Valenzuela City Online Service, highlighted by Paspas Permit, a 10-second business permit application system allowing the issuance of a provisional business permit within ten seconds after payment confirmation. Valenzuela City also expanded its e-payment option to include PayMaya and Land Bank’s Link.Biz online payments portal, in addition to the Development Bank of the Philippines’ (DBP) Internet Payment Gateway. USAID-PESO facilitated the onboarding of Valenzuela City to the PayMaya Gateway and provided inputs to the memorandum of agreement on the integration of e-payments collection services for the city’s taxes and fees. E-PESO also clarified the policy bases for allowing non-authorized government depository banks/financial

institutions like PayMaya to offer collection services for government entities, collection of convenience fees, and collections via credit and debit cards.

USAID/E-PESO also worked to expand the e-payment channels of partner cities using the Enhanced Tax Revenue Assessment and Collection System (ETRACS)/Filipizen platform of systems provider Rameses. E-PESO assisted Rameses in integrating mobile service PayMaya to its current suite of e-payment partners. Technical integration was completed in March. Preparatory work for making PayMaya available as a payment option for water bills payment of CDI partners is detailed in the next section.

Two new LGUs using the ETRACS system – the Municipality of Ubay in Bohol Province and the Municipality of Nabunturan in Davao de Oro Province – made e-payments available via the Link.Biz portal. In 2018, USAID/E-PESO assisted RSI in developing a repeatable and scalable go-to-market (GTM) strategy for online portal Filipizen. Technical assistance includes clarifying the product offering, facilitating partnership terms with electronic payments service providers (EPSPs), structuring commercial agreements with EPSPs, and outlining a short, medium, and long-term plan for onboarding LGUs to the Filipizen platform.

The Filipizen portal is an online billing and payment platform for citizens for local government transactions and in the long term, for other national government agency transactions. By partnering with Rameses and deploying the Filipizen portal, LGUs cut costs associated with firewall and security, securing a public internet protocol and registering a domain name for the e-payments front-end, hiring specialists to develop and manage the transactional website, and conducting user acceptance tests with EPSPs.

Task 4.1: Build e-Payments Ecosystems in Cities Development Initiative (CDI) and Other Cities/ Municipalities

4.1.1 Support Partner Local Government Units (LGUs) to Introduce and/or Enhance and Promote e-Payment Options for Minimum Viable Products (MVPs)

In coordination with USAID SURGE Project, E-PESO met with officials of Legazpi City, Puerto Princesa City, and Tagbilaran City to introduce PayMaya as a possible option for adopting or expanding their e-payment options for water utility service payments. During the meetings, PayMaya presented their products and services. The three cities are already coordinating with PayMaya on completing the commercial terms or requirements. E-PESO is assisting these cities in developing videos and other information, educational, and communications (IEC) materials on how to pay taxes and other bills online.

An online webinar on electronic payment for water utilities was organized by the USAID SURGE Project and E-PESO Project on July 16 and 17. SURGE presented on the Results of Rapid Assessment on Capacity and Interest of Water Service Providers on E-Payment. E-PESO provided an orientation on electronic payments followed by Cagayan de Oro City Water District (COWD) who shared their e-payment experience. E-PESO's resource speakers from 4-different e-payment services - ECPAY/ GCASH, Landbank, PayMaya also presented. Attendees of this webinar are from the Water Districts, LGU-Run Water Utilities, Private-Water Utilities, and LGU officers coordinating the operations of Rural Waterworks and Sanitation Associations (RWSA's) under Cities Development Initiative (CDI) – Cities and neighboring cities.

As a follow-up to the webinar, E-PESO and USAID SURGE Project, together with PayMaya met with water utilities in Legazpi City, Tagbilaran City and Puerto Princesa City to discuss options to expand their e-payment offerings to their customers. E-PESO is also assisting these water utilities to adopt a check-digit algorithm system to validate account number, amount due, and due date, and to enhance

the elimination of unreconciled payments. Legazpi City Water District (LCWD) is currently engaged with Bayad Center and ECPay as their collection agent and is considering to use PayMaya and GCash as additional payment options. LCWD is set to launch their mobile payments facility during the water district's 40th Anniversary on October 1. Puerto Princesa City Water District had previous e-payment arrangements with ECPay and Palawan Pawnshop but was suspended by the Commission on Audit due to settlement issues. They are now coordinating with PayMaya to fulfill commercial requirements.

Online Forum on Enabling LGUs in the New Normal through Digital Payments Acceptance

E-PESO in partnership with PayMaya, and in cooperation with BusinessWorld, organized a three-part online forum series called "Business World Insights" on "Enabling LGUs in the New Normal through Digital Payments Acceptance". The first of the series was held on June 23 as a zoom event. Panelists included E-PESO Chief of Party Mamerto Tangonan, DILG Usec Epimacio Densing III, Anti-Red Tape Authority Dir. Gen. Atty Jeremiah Belgica, Valenzuela City Mayor Rex Gatchalian, PayMaya Ceo Orlando Vea and Enterprise Head Marvin Santos.

The second session of the online forum titled "Efficient Delivery of Government Aid through Digital Disbursements" was held on July 2 and focused on how LGUs can efficiently utilize digital disbursement platforms to safely and effectively distribute aid, allowances, and other benefits during the pandemic and beyond. Panelists included E-PESO Project Digital Financial Advisor Vicente Catudio Jr., DILG Undersecretary Jonathan Malaya, ARTA Director General Atty. Jeremiah Belgica, SSS President and CEO Aurora Cruz-Ignacio, Manila Mayor Francisco "Isko Moreno" Domagoso, Union of Local Authorities of the Philippines President Governor Dakila Cua, and PayMaya Enterprise Head for Public Sector Marvin Santos.

The third and final session titled "Creating Digital Ecosystems to Jumpstart Local Economies" was held on August 11. The forum discussed how connecting local governments, citizens, and businesses is key to building digital ecosystems that will help to jumpstart local economies post-crisis in the new normal. It also emphasized the importance of creating progressive and inclusive local communities. Panelists included DTI Sec. Ramon Lopez, NEDA Usec Rose Edillon, Ormoc City Mayor Richard Gomez, ULAP President Gov. Dakila Carlo Cua, E-PESO Project Chief of Party Mamerto Tangonan, Go Negosyo Senior Adviser of Angat Lahat sa Digital Alliance Jopin Romero, and PayMaya Enterprise Head for Public Sector Marvin Santos.

The fora were livestreamed on the Facebook pages of BusinessWorld, The Philippine STAR, and ONE News. It was supported by the Department of the Interior and Local Government, the Anti-Red Tape Authority, Union of Local Authorities of the Philippines (ULAP) and the Management Association of the Philippines (MAP). The first forum session reached 322,044 people, with 10,872 engagements, 479 FB reactions, 131 shares, 115 comments and 50,000 views.

USAID/E-PESO will continue monitoring the implementation of partner LGUs and facilitating partnerships with EPSPs but no major activities will be conducted in the next Quarter, as this sub-task was removed from the workplan; funds for the completion of this sub-task were allocated to Sub-task 1.2.5.

Task 4.2: Address gaps in broader e-payments ecosystems

4.2.1: Develop e-Payment Toolkits for e-Payments Set-up and Implementation

This sub-task was removed from the workplan and will not be pursued; funds for the completion of this sub-task were allocated to Sub-task 1.2.5.

CROSS-CUTTING AND SUPPORTING ACTIVITIES

COVID 19 Emergency Response

The Philippine government continued to put most parts of the Philippines under a period of “enhanced community quarantine” until June 2020, and on “general community quarantine” until September 2020, to contain the spread of the coronavirus disease 2019 (COVID-2019). Suspension of mass public transportation and limiting people’s movement to accessing only basic needs such as food, medicine, and health services continued during this period. During the general quarantine, public transport was allowed to operate at a reduced capacity. Adoption of work at home schemes and strict social distancing measures were enforced. Though challenging, E-PESO quickly adapted to continuing activities with partners through online efforts and virtual events.

E-PESO also acted swiftly to adapt project implementation by formulating ways to help the Philippines respond to the crisis. E-PESO supported DSWD in the operationalization of the ReliefAgad, a quick relief system to expedite the data capture of SAP beneficiary data through a self-registration web application using smartphones. E-PESO also continued to support BIR in implementing digital payment channels to cater to taxpayers, including co-organizing the Hack-a-Tax competition that will launch solutions to make tax filing and payment fully online.

In partnership with the Philippine government, E-PESO also supported the implementation of digital payments campaigns to promote, increase usage and encourage safe transactions via electronic payments to address the challenges brought by the COVID-19 pandemic. Details are outlined under [sub-task 1.2.4 \(Digital payments communications campaign for COVID-19 response\)](#).

In the next quarter, E-PESO will continue to conduct the digital payments communications campaign, together with partner institutions, e.g. BSP, BIR, DTI, etc. These campaigns will continue to increase people’s awareness of digital payments and teach them how to use it as a convenient solution for sending, receiving and making payments without having to leave home during the pandemic. E-PESO will continue to highlight massive digital adoption as a necessary move for everyone’s safety as well as catalyze economic growth even under the current constraints of social distancing and local area lockdowns.

Monitoring & Evaluation and Communications

Relief is Just an App Away in the Philippines

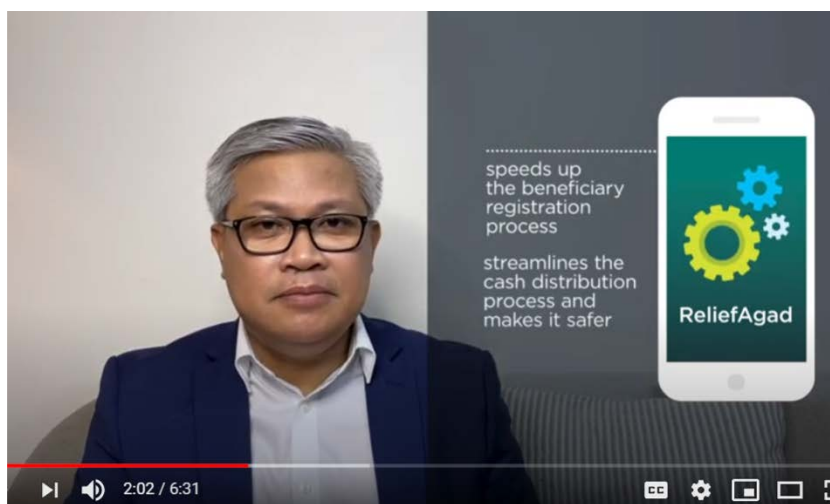
The story of E-PESO’s experience in providing technical assistance to the Philippine government and collaborating with the private sector to create ReliefAgad was published by Chemonics International on the “impact story” section of their website. The article, titled “Relief is Just an App Away in the Philippines” talks about the development of ReliefAgad, a digital app that provides fast emergency relief to millions of people during the COVID-19 pandemic in the Philippines. It also featured stories from beneficiaries who registered on the app and received their subsidies through mobile e-payments. The article is available online and can be viewed [here](#). A video that tells the story of the collaboration was also developed by Chemonics and can be accessed [here](#).



Impact Stories > Relief Is Just an App Away in the Philippines

How does a country with a cash-based economy quickly provide subsidies during the COVID-19 pandemic and economic slowdown? In the Philippines, the government and the USAID E-PESO activity have collaborated with the private sector to create an app that provides fast financial relief to millions of people.

The feature story above was published on the Impact Stories website of Chemonics International.



Chemonics developed a video about ReliefAgad featuring E-PESO's digital finance advisor Vice Catudio. The video can be accessed from the youtube channel of Chemonics International.

CHALLENGES AND LESSONS LEARNED

Impact of Enhanced Community Quarantine

The declaration of ECQ in Metro Manila in March 2020 has continued until the end of August 2020 and then shifted to GCQ which has been in effect until September 2020. This has impacted the activities planned for Q2 to Q4 of Year 6 and has effectively pushed the completion of activities to the following fiscal year. The challenges brought about by this include reduced availability of GPH counterparts who are either on emergency mode, on skeleton workforce or telecommuting, and the ban on mass gatherings. Despite the challenges posed by the pandemic, most of the delayed activities were completed within Q3, however, succeeding follow-on activities had to be moved to Q4. Following were the activities that were impacted:

Sub-Purpose I: Rapid Adoption of E-Payments in Financial Systems

- Drafting and approval of resolution to adopt transaction accounts by the Pantawid Pamilyang Pilipino Program (4Ps) National Advisory Council (NAC) scheduled in March 2020 and subsequent drafting and approval of Implementing Guidelines targeted in April 2020 were delayed but accomplished. Follow-on activities moved to Q4.
- Ceremonial MOU signing between DSWD and key stakeholders, namely, Bangko Sentral ng Pilipinas (BSP), Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), National Privacy Commission (NPC), Technical Education and Skills Development Authority (TESDA), Microfinance Council of the Philippines (MCPI), Microinsurance Association of the Philippines, Cebuana Lhuillier, CARD Bank, and Hapinoy, targeted in April 2020 were delayed but accomplished. Follow-on activities moved to Q4.
- Financial Literacy Manual for 4Ps write shop with DSWD 4Ps Program Management Office (PMO) and key stakeholders targeted in April 2020 were delayed but accomplished. Launch of pilot was moved to Q4.
- HACK^TAX demonstration, pitching and awarding targeted in late March 2020 were delayed but accomplished. Launch of services moved to Q4.
- Consultation meetings with the Shared Cash Agent Network (SCAN) Project in March and April 2020 were delayed but accomplished. Follow-on activities moved to Q4.
- Delays in eTSPCert System development, as consultants engaged by E_PESO will not be able to work on-site and access systems environment and partner Bureau of Internal Revenue (BIR) will not be working on full workforce capacity and will have limited manpower resources for checkpoint meetings and reviews.

Sub-Purpose 2: Rapid Adoption of E-Payments in Financial Systems

- The approval of the draft RMC that would encourage or mandate the AABs to connect to PayGate service, which was originally targeted for Q3, was moved to Q4.

Sub-Purpose 3: Enabling Environment for E-Payments Improved

- Finalization of BIR and DoF's decision on the e-invoicing framework and other considerations vis-à-vis KOICA technical assistance on e-invoicing;
- Conduct of BSP TRISD Strategic Planning Session as inputs to Cybersecurity capacity building training requirements. In the meantime, alternative options are being formulated;
- Delays in BSP's internal procurement process on the GRC solution;
- Completion of terms of reference/scope of work with the PPMI/BSP on the standardized professional education on cybersecurity for Board-level, C-level financial executives;
- Development of the draft Cybersecurity Awareness Program document;

Sub-Purpose 4 (Cross-Cutting): Gaps in Broader E-Payment Ecosystem Addressed

Implementation of communications campaign for LGUs, whose full manpower resources are currently shifted to COVID-19 relief.

Other Challenges and Lessons Learned

Leverage on Existing Engagements with Implementing Public and Private Sector Partners and Subcontractors. E-PESO was able to swiftly develop COVID-19 responses by leveraging on the existing engagements and relationships with its public sector implementing partners. Although some sub-tasks were put on hold, the technical assistance to the same partners (i.e. BSP, DSWD and BIR) were restructured to develop an overall campaign on digital payments targeting strategic segments. In providing these assistance, the current private sector partners (i.e. Devcon) were also tapped to support the revised strategies. Lastly, E-PESO utilized its existing subcontractor engagement, particularly the communications firm subcontractor, to execute the deliverables identified in the revised workplan.

Heightened Awareness and Appreciation for Digital Payments. From October 2019 to August 2020, PESONet and InstaPay volumes grew by 125% and 576% respectively. Volume spiked by 4.25x or 325.4% in May versus April's 1.08M transactions. [Out of the 7.2M transactions in May and June, 3.4M was attributed to SSS disbursement for its Small Business Wage Subsidy \(SBWS\) program.](#) Check volume also had its lowest share of the total transaction volume in May at 54.57% while ACH transactions at 45.43%. Since then, the digital payments via ACH share out of the total payments transactions are in double-digit as compared to the previous months and prior COVID-19 lockdowns. It has likewise been observed that SSS has continued to utilize PESONet even for disbursement of pensions and other benefits such as loan proceeds even after the SBSWS program. For the month of September 2020, there were a total of 1.4 million SSS pension related disbursements via PESONet, approximately 34% of total PESONet volume. According to BSP, 4 million digital accounts opened among banks and non-bank electronic money issuers from March 17 to April 30, while new web sign-ups and app downloads doubled in the first four months⁹. It has likewise been observed that SSS has continued to utilize PESONet even for disbursement of pensions and other benefits such as loan proceeds even after the SBSWS program. For the month of September 2020, there were a total of 1.4 million SSS pension related disbursements via PESONet, approximately 34% of total PESONet

⁹ <https://www.philstar.com/business/2020/06/05/2018719/bsp-steps-cybersecurity>

volume. Consumers, businesses and even government has shifted or expanded their utilization of digital payments.. The government has expressed its digital transformation initiatives and intentions, with payments as one area of focus. New accounts in Instapay consistently grew versus the previous months especially versus pre-COVID 19 lockdown with July numbers at 5x higher than new accounts using Instapay in Feb 2020. This means that more new users are transitioning to digital platform even after ECQ.

BSP's Role in Encouraging Industry Actions to Reduce Barriers to Digital Payments. At the onset of the ECQ, BSP appealed to the BSFIs to waive their PESONet and InstaPay fees. Majority of the institutions heeded the appeal. This is believed to be one of major drivers in encouraging consumers in trying and using digital payments particularly for PESONet and InstaPay.

Need for Intermediate Solutions to Address Challenges to Supplier Payments. HSBC, one of the financial institutions tapped for key informant interviews for the Revenue Regulation and Business Process Review, shared with E-PESO their corporate customers' experience during ECQ where the pre-COVID business practice for billing and paying invoices by checks became very challenging due to strict lockdown scenarios. Supply chain shocks and bottlenecks were experienced leading to customers unable to pay their suppliers who, in turn, cannot produce because of lack of cash. Businesses' shift to digital payments became imperative but intermediate solutions may be necessary to enable non-hardcopy-based evidence of revenues (e.g. invoice) and collections (e.g. OR) may be implemented until such time when BIR's e-invoicing or Electronic Sales Reporting System would have been put in place.

Elevated Cybersecurity Risks from Scams or Frauds using BSFI's Products and Services. Financial institutions have reported increased attempts at fraudulent activities due to the significant shift in the utilization of digital financial services. Last June, BSP released Memorandum M-2020-053 - Reminder on Sound Risk Management Practices to Mitigate Risks from Scams or Frauds using BSFI's Products and Services. The memorandum emphasized the role and responsibilities of financial institutions in ensuring the mitigation of risks as well as the consumer protection framework for their customers. The sample typologies of scams / frauds gathered from the complaints data were used as basis for developing posts for the banked customers segment campaign.

The DSWD SAP Communications Campaign yielded learnings, good practices and recommendations for mounting an effective communications campaign.

- Multiplatform use and executions, with bite-sized, clear, and specific content delivered in the language of the intended audience are the key components to an effective communications mix. Social media cards highlighted visuals, with concise captions designed for users who are on free data and with limited Internet access. During virtual pressers, key messages were delivered as close to the start of the session as possible, keeping an eye on the retention rate of the audience. Regional Offices/Field Offices were asked to localize the language of the cascaded PR materials, while Filipino versions of press releases (PRs) were distributed along with the English version to facilitate use by local newspapers and tabloids.
- Social listening tools, weekly news and social scans/reports are a good approach to form data-driven communication strategies and key messages.
- Support from other government agencies strongly reinforce key messages. National Telecommunications Commission supported the ReliefAgad registration drive via a text blast encouraging citizens- to register for the 2nd tranche subsidies via ReliefAgad. The text blast came at a critical phase of the registration drive, when the prevailing question on the legitimacy of the app was being addressed by the campaign. Reinforcing the call to use ReliefAgad effectively stamped the legitimacy of the service.

- Key messages and communication efforts must translate to operations, implementation, and the work on the ground; even well-designed communication efforts can backfire if stakeholder expectations are not met on ground. For the 2nd tranche, DSWD promised to speed up the SAP distribution via ReliefAgad and digital wallets, but the lack of an apparent improvement in the speed of the distribution resulted in the perception that the digital tools slowed down the process.
- Consider users who do not have access to the Internet when designing campaign materials; equip DSWD field staff with appropriate tools (printouts, flipbooks) or leverage reach and influence of local radio stations.
- For major social subsidy programs like SAP, imbed Communications to cross-functional project team (e.g. Operations, Finance, and IT) to facilitate seamless flow of operational information and feedback gathered from news monitoring and social listening tools.

INTEGRATION OF CROSSCUTTING ISSUES AND USAID FORWARD PRIORITIES

Gender Equality, Female Empowerment, and Disability Action

To promote cross-cutting issues, E-PESO has consistently integrated women's inclusion in formal financial systems. Past and ongoing trainings track participation by women now at 71 percent cumulatively among the total number of participants. Because there were no e-payment and/or consumer education trainings for household and businesses conducted in Q3, the percentage of female participation has not been updated. As most beneficiaries are mothers, this activity will boost the percentage of female participation in the formal financial system.

E-PESO sees payments as a critical factor in empowering women to have control over their financial lives, through tools of financial management such as debit cards and mobile phones, which are typically left in the care of women in Philippine households.

Policy and Governance Support

DSWD. E-PESO is assisting DSWD integrate financial inclusion in the 4Ps. This included policy support through review of existing policies and drafting of new policies to enable the use of transaction accounts as store of value when distributing cash grants to beneficiaries.

DSWD. E-PESO is assisting DSWD implement the SAP. The assistance covered development and deployment of ReliefAgad system to digitize the registration process of beneficiaries, deduplication of beneficiary records, advisory in the adoption of digital payment systems to distribute cash grants, and strategic communications.

BIR. E-PESO is assisting BIR to digitize filing and payment of taxes. Through the HACK^TAX, E-PESO collaborated with the private sector to develop third-party applications to digitize taxpayer transactions with BIR. E-PESO continue to support the eTSP Project to expand the tax returns in the eTSP Tool to allow TSPs to provide wider menu of tax forms to their clients. E-PESO has also mobilized in providing assistance to the BIR for intermediate solutions to address compliance requirements barriers.

Public Private Partnerships (PPP)

E-PESO and DEVCON, the largest software development community in the country, worked with the BIR on HACK^TAX, an innovation challenge that brought together talented and skilled IT professionals and students from across the country to help develop technology solutions to streamline and simplify the filing and payment of taxes. HACK^TAX is also supported by Microsoft Philippines, Amazon Web Services, Oracle Philippines, PayMaya Philippines, Inc., Union Bank of the Philippines, Talino Venture Labs, Asian Consulting Group, and the Ateneo de Manila University.

E-PESO has collaborated with DEVCON and DICT in assisting the DSWD implement the SAP. E-PESO, DSWD, DICT and DEVCON co-created the **ReliefAgad**, a quick relief system that digitizes the submission of SAC to the DSWD by beneficiaries using smartphone. It also allowed beneficiaries to enroll their transaction account for faster and safer delivery of cash aid. ReliefAgad is also supported by PLDT Group/Smart Communications, Amazon Web Services, BDO Foundation, and SM Group.

E-PESO, through its CWEDE program implemented under USAID's W-GDP initiative, has partnered with the DTI, NATCCO, Facebook Philippines, and shopping platforms Shopee and Lazada to support Filipina entrepreneurs as they undergo a 90-day mentorship and IDMTP training designed to help them establish digital storefronts, and learn about digital marketing promotions, customized online selling & digital payments. The program will also implement an integrated social media campaign to promote the W-GDP program outcomes highlighting the bounce back economy and better normal thrust of the Philippine government for Micro, Small and Medium Enterprises (MSMEs). The CWEDE program features a strong private sector engagement where each partner commits to investing more resources towards a more meaningful participation of Filipino women in the economy and a more inclusive economic growth for all.

To date, government and private sector partners of the E-PESO Project have contributed an estimated USD 1,098,700 against USAID/E-PESO spending of USD 304,735, for a leverage ratio of 3.61. Details can be found on [Annex 10](#).

STAKEHOLDER PARTICIPATION AND INVOLVEMENT

#SafeAtHome with E-Payments Campaign for Bank Consumers. Aside from the BSP, the industry associations and their members were enjoined to also support the campaign by reposting or sharing the posts in PisoLit. BSP directly engaged various associations such as the PPMI, BAP, BMAP, Fintech Alliance, etc. to request for support for the campaign. This resulted to resharing of the posts. An asset bank containing the images have been made available to BSP and the organizations.