

## **Amando M Tetangco, Jr: National Strategy for Financial Inclusion tactical plans – working together with the private sector**

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the “National Strategy for Financial Inclusion Tactical Plans Exposure to the Private Sector” event, Manila, 11 April 2016.

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In May last year, in this same hall, we consulted many of you on the National Strategy for Financial Inclusion (NSFI). In July, we eventually launched the NSFI, enriched with your inputs, in the presence of Her Majesty Queen Maxima of the Netherlands, the United Nations Secretary General's Special Advocate for Inclusive Finance for Development. Those who witnessed the Launch may remember that the BSP and 12 other agencies signed a Memorandum of Understanding (MOU), signifying our commitment to implement actions aligned with NSFI strategies.

We promised to continue working together with the public and private sectors in NSFI implementation. Today, we gather again to keep that promise. Financial inclusion is a multi-dimensional objective that can be achieved only through our combined efforts. Thus in this event, we emphasize the significance of your role as NSFI partners and co-implementers.

We have three objectives: (1) Update you on what transpired since the Launch, particularly the Tactical Plans prepared by NSFI agencies; (2) Identify possible areas for collaboration, partnership, or support; and (3) Provide the venue for networking with like-minded advocates and workers in the financial inclusion space.

### **Updates since the launch**

With respect to our first objective, we are pleased to share that after the Launch, the Department of Agrarian Reform (DAR) and Department of Science and Technology (DOST) decided to commit as NSFI agencies. We now have 15 agencies altogether, including the pioneers:

- Department of Finance (DOF)
- Department of Education (Dep-Ed)
- Department of Trade and Industry (DTI)
- Department of Social Welfare and Development (DSWD)
- Department of Budget and Management (DBM)
- National Economic and Development Authority (NEDA)
- Insurance Commission (IC)
- Commission on Filipinos Overseas (CFO) - Sec. Nicolas is with us this morning and will address the audience
- Securities and Exchange Commission (SEC)
- Philippine Statistics Authority (PSA)
- Philippine Deposit Insurance Corporation (PDIC)
- Cooperative Development Authority (CDA), and
- Bangko Sentral ng Pilipinas

These agencies each crafted Tactical Plans, a set of specific, measurable, achievable, realistic and time-bound (SMART) actions that contribute to the achievement of NSFI objectives, in line with their mandates. These Plans, together with a proposed measurement framework, were submitted to the President in December 2015.

In that submission, the NSFI agencies also proposed formalization of a Financial Inclusion Steering Committee to provide strategic guidance, strengthen coordination and facilitate efficient implementation of initiatives enrolled under the NSFI. Some of you raised a similar suggestion during the NSFI consultations, with the intent to ensure sustainability of initiatives and accountability in progress monitoring. The proposed Executive Order (EO) is with the Office of the President for consideration.

While we wait for – hopefully – some good news on the EO, we persist with the work already begun. In today's program, co-chairs of the NSFI Inter-agency Working Groups (WGs) will present a thematic overview of the Tactical Plans. The detailed description of policies and programs contained in the Plans were earlier provided to all participants. Each initiative, classified under key focus areas of the NSFI – Policy and Regulation, Financial Inclusion and Consumer Protection, and Advocacy Programs – is described in detail. At a glance, you can see the objectives, target market, timeline, status of implementation, implementing partners, and measurable indicators of success. The inter-agency WGs worked on these Plans right after the Launch, and are working even harder to implement and monitor milestones. We acknowledge the WG members who joined us today.

Do take advantage of this opportunity to engage with them. The WGs are open to your constructive feedback on ongoing measures, and bright ideas on future action plans that we can all work together under the NSFI “umbrella”. This brings me to the next objective.

### **Identification of areas for collaboration, partnership or support**

We hope that the information on the Plans can already inspire development partners and private sector representatives present today to contemplate possible ways of supporting the NSFI. The Plans contain measures already in operation, but there is always room for convergence with private sector actions.

This is not meant to pressure you, but let me share some examples of private-led programs categorically designed to support NSFI:

- (1) International research institutions like Ideas42 and Innovations for Poverty Action (IPA) – respectively known for using behavioral sciences and randomized control trials in financial inclusion research and program design – are helping us find pioneering solutions to increase access and usage of financial services by financially excluded markets.
- (2) PayMaya, Inc. (formerly Smart E-Money Inc., a BSP-licensed e-money issuer) launched the PayMaya Card with NSFI in mind. It is now working with Dep-Ed to find ways to encourage savings among K-12 students. Globe Telco is also currently working with the Financial Sector Forum's Consumer Protection and Education Committee to facilitate information dissemination and enhance consumer protection.
- (3) Two weeks from now, BPI Foundation and ASKI Global Ltd. (non-profit engaged in entrepreneurship coaching for migrant workers) will conduct a financial inclusion summit on the role of remittances and migrant workers in inclusive growth.

All these initiatives were coordinated with the BSP, and purposely linked with NSFI objectives, or facilitated thru the NSFI collaborative platform.

We are also pleased to share that the Asian Development Bank (ADB) and the World Bank (WB) have committed resources to support various NSFI elements. For example, ADB will focus its technical assistance on strengthening microfinance NGOs; deepening agricultural value chain financing; and promoting e-payments, digital financial services and microinsurance.

Meanwhile, the WB will focus on SME finance, financial education, consumer protection, and data and measurement. In fact, the BSP and WB technical teams will meet this week to define a practical approach for monitoring and measuring progress of NSFI implementation. Your inputs today in this particular area would be most helpful in that meeting.

Aside from the afore-mentioned initiatives, a variety of private businesses and entities have reached out to BSP, wishing to determine how they can engage in NSFI implementation. These entities include technology providers, financial education program implementers, and even a consumer goods manufacturer. Their expression of interest to contribute to financial inclusion is clear proof of boundless possibilities for public and private sectors to work together. Thus, we designed this event with the third objective in mind.

### **Networking opportunity**

This is a networking opportunity, and we encourage everyone to get to know key NSFI stakeholders and industry players. We have a good mix present – NSFI agencies, development partners and donors; bank and non-bank financial service providers and their associations; technology companies and other service providers.

Among yourselves, there is a wealth of complementary experience, expertise and resources that can be matched to generate beneficial alliances that can result in greater financial inclusion. The program designates lunch (of course you can stay on) for everyone to mingle and network, talk about common interests, and catalyze concepts for potential collaboration.

This event is the first of many, and merely whets the appetite for greater engagement and collaboration among us. We plan to make this a regular activity to ensure continuity and synergy of public-private sector actions in financial inclusion.

### **Conclusion**

The success of NSFI is dependent not only on the effectiveness of policy and program implementation by NSFI agencies. Success is also largely anchored on the private sector's response to NSFI initiatives.

With your support and commitment as NSFI co-implementers, we can be assured of future successes. The BSP remains committed to lead and support the NSFI process. On behalf of all NSFI agencies, we look forward to future productive partnerships.

Thank you and good morning