

## **Benjamin E Diokno: Sustained partnerships in financial inclusion**

Speech by Mr Benjamin E Diokno, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Citi Microentrepreneurship Awards (CMA) Press Lunch, Manila, 18 June 2019.

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To my colleagues from BSP, partners from the Microfinance Council of the Philippines and Citi Philippines headed by Aftab Ahmed, microfinance advocates and champions, esteemed guests, and friends from the media, good afternoon and welcome to the launching of the 17th Citi Microentrepreneurship Awards of the CMA.

I am pleased to be with fellow microfinance champions and advocates. I am equally honored to be part of the selection committee of this prestigious awards program.

While it may be my first time to be part of the CMA, I understand the potential and transformative power of the tools and initiatives for inclusive growth, one of which is microfinance.

As a civil servant for more than four decades, uplifting the lives of the poor and low-income households has always been one of my thrusts. And here at the BSP, I am glad to be able to contribute to that in a tangible way.

The photo you see now shows the winners of the CMA in 2018.

I understand an innovative fishball maker from Bulacan earned him the top spot in the 2018 CMA. Before him, we had a Bicolana finding fortune in pili oil and a public school teacher from Davao turned into a nata de coco manufacturer.

With microfinance, we give these people opportunities for success. And the possibilities are endless.

Since 2002, the CMA has been instrumental in making the public aware of the opportunities of micro-entrepreneurship and how it impacts on development and poverty alleviation by recognizing outstanding Filipino micro-entrepreneurs.

In fact, to date, there are 132 micro-entrepreneur awardees from all over the Philippines.

The success of the CMA is such that it has gained international recognition and has been replicated in 34 countries.

Now on its 17th year, the CMA continues to build on lessons and successes by offering entrepreneurship training for winners through the Citi Microenterprise Development Center and mentoring through UP Institute for Small-Scale Industries and expanding categories to recognize specific fields and enterprises, namely agri and sustainable/green business, to name a few.

For the first time last year, the Start-up Microbusiness Award was given to a microenterprise less than five years old.

Year after year, the CMA tells the inspiring stories of Filipinos with great entrepreneurial spirit. This has been recognized by the Bangko Sentral as it began its microfinance work in the 2000s.

To this day, the CMA continues to lay the groundwork for initiatives that enable access to much-needed financial products and services that would empower existing and aspiring micro-entrepreneurs.

And the BSP shall be your partner in formulating and promoting regulations that enable banks

and other financial service providers to reach out to unserved and underserved markets.

In recent years, the BSP has issued regulations on agent banking, digital services, basic deposit accounts, branch-lite units, National Retail Payment System, and innovative financing such as agriculture value chain financing.

The BSP is also at the forefront of digitization by opening its doors to other notable players such as fintechs.

As part of its advocacy work, the BSP launched the Credit Surety Fund (CSF) program in 2008. CSFs have been established in 54 provinces and cities all over the country to increase the credit worthiness of cooperatives, businessmen, and micro, small and medium enterprises (MSMEs).

Taken in entirety, the BSP believes that these initiatives are instrumental in accelerating financial inclusion, and ensuring products and services that are affordable and accessible to key sectors for growth.

To reinforce our policies, the BSP engages stakeholders within and beyond the industry.

The National Strategy for Financial Inclusion has proven its importance as a platform for coordination and collaboration with the public and private sectors.

Last year, for instance, the BSP, together with the Department of Trade and Industry, the Microfinance Council of the Philippines (MCPI), and Alliance of Philippine Partners for Enterprise Development entered into a partnership that would expand the financing ecosystem of Negosyo Centers nationwide. These one-stop shops play a critical role in shepherding fledgling MSMEs.

Complementing this is our collaboration with institutions on financial education. The BSP has entered partnerships with the private sector on the development of financial literacy programs for the Philippine Army, the Department of Education, and the Overseas Workers Welfare Administration; thus ensuring effective messaging and reach.

Of course, the partnership with MCPI and Citi Philippines remains one of the BSP's cornerstones in stakeholder engagement for financial inclusion. The Citi Microentrepreneurship Awards (CMA), as the fruit of such remarkable partnership, serves as an important platform to convey the message that collaboration with a strong shared vision, coupled with responsive policies and platforms, can bring the best out of the Filipino people.

It is thus with great interest that I participate in this year's CMA.

I look forward to the opportunity to discover promising micro-entrepreneurs whose experiences, achievements, and community contributions would serve as an inspiration to everyone.

To my fellow NSC members, we indeed have some exciting work ahead of us. May the CMA continue to nurture and empower Filipino micro-entrepreneurs in the years to come.

Again, good afternoon and thank you all for coming.