



# The BSP and Inclusive Central Banking

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*PIDS-UNESCAP Webinar*  
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# UNESCAP calls for a new lens on the role of central banks



Central banks **should** and **can** promote **inclusive development**

Monetary  
Policy  
Conduct

Official  
Reserve  
Management

Currency  
Issuance

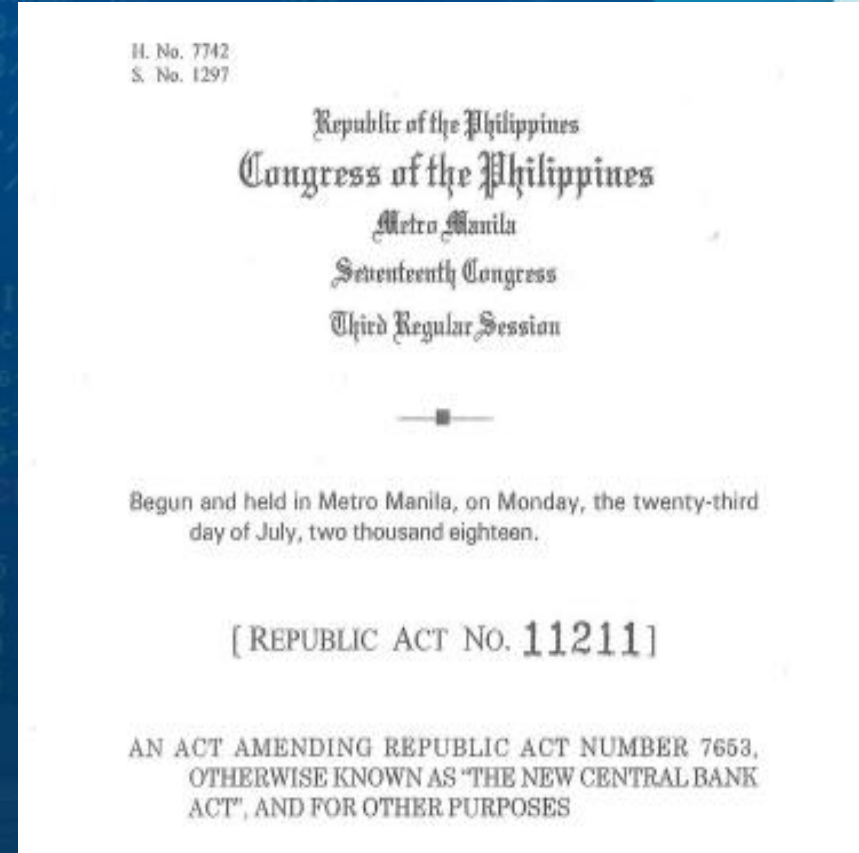
Financial  
Regulation



# The BSP's primary mandate is price stability

“The primary objective of the Bangko Sentral is to **maintain price stability** conducive to a balanced and sustainable growth of the economy and employment”

“In the attainment of its objectives, the Bangko Sentral shall promote **broad and convenient access to high quality financial services** and consider the interest of the general public.”



Section 3,  
R.A. No. 7653 (New Central Bank Act),  
as amended by R.A. No. 11211





# The BSP adopts a holistic approach in reserve management

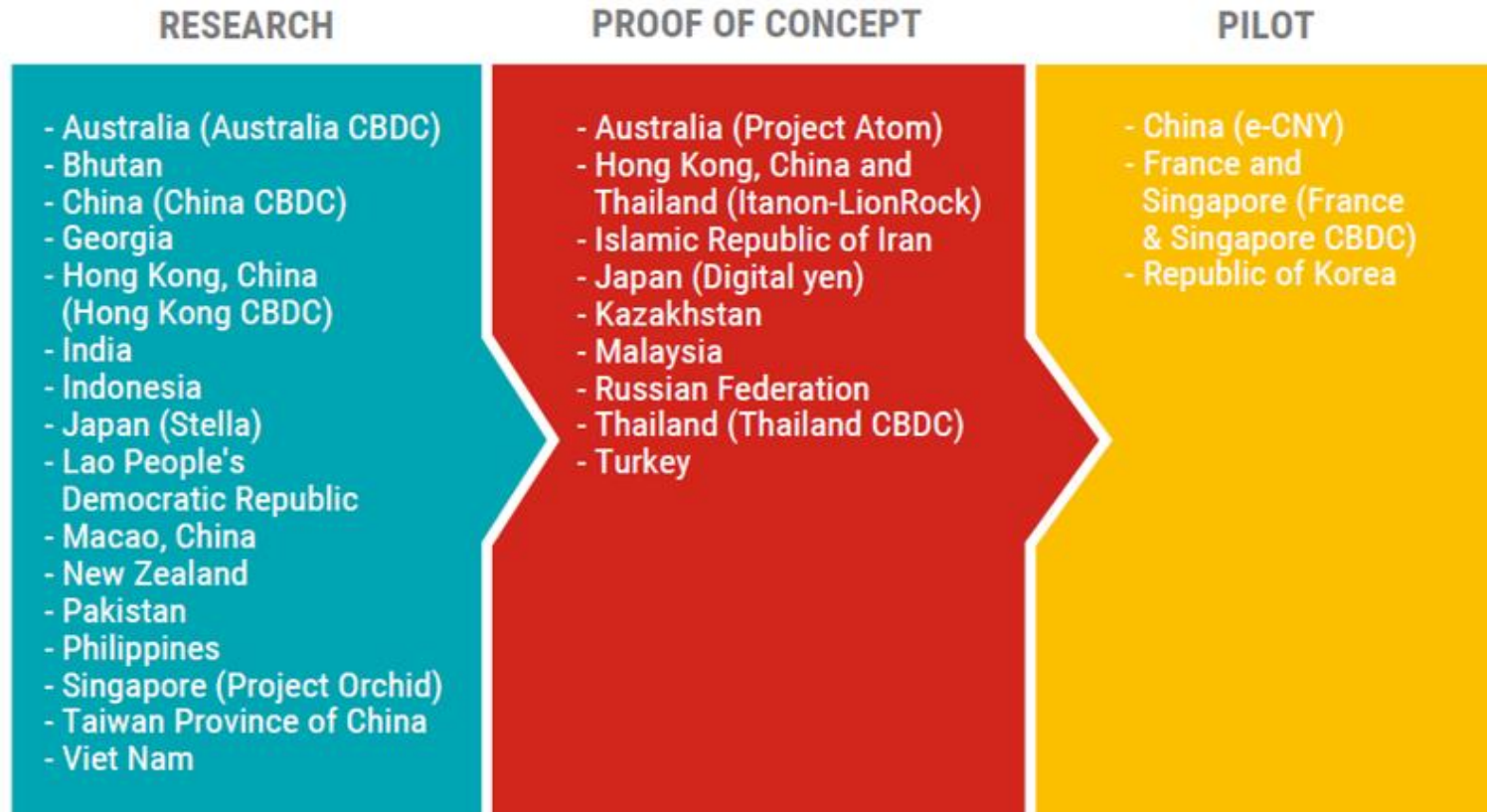
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- The BSP integrates sustainability and ESG considerations implicitly, through investments in green bonds
- Sustainability and ESG considerations are being implemented in BSP's non-core reserves.
- The BSP is looking into aligning its reserve management framework to the UN Principles for Responsible Investment



# The BSP recognizes the need to understand CBDCs

Half of Asia-Pacific central banks are at various stages of exploring CBDC



Source: ESCAP, based on the CBDC Tracker ([www.cbdctracker.org](http://www.cbdctracker.org)), as of February 2022.

Note: For countries or areas that are exploring more than one CBDC, the names of CBDC are indicated within the parentheses.





# The BSP is at the forefront of promoting sustainability principles in the financial sector

## Sustainable Central Banking Program

BSP integrates Environmental, Social, and Governance (ESG) related principles in its strategic objectives, corporate governance and risk management and operations

## Sustainable Finance Framework

Mainstreams sustainability principles in the governance framework, risk management system, strategies, and operations of banks

## Environmental and Social Risk Management (ESRM) Framework

Embedding the ESRM in banks' existing risk management frameworks and scenario analysis or stress testing exercises



# Financial inclusion is a strategic advocacy of the BSP

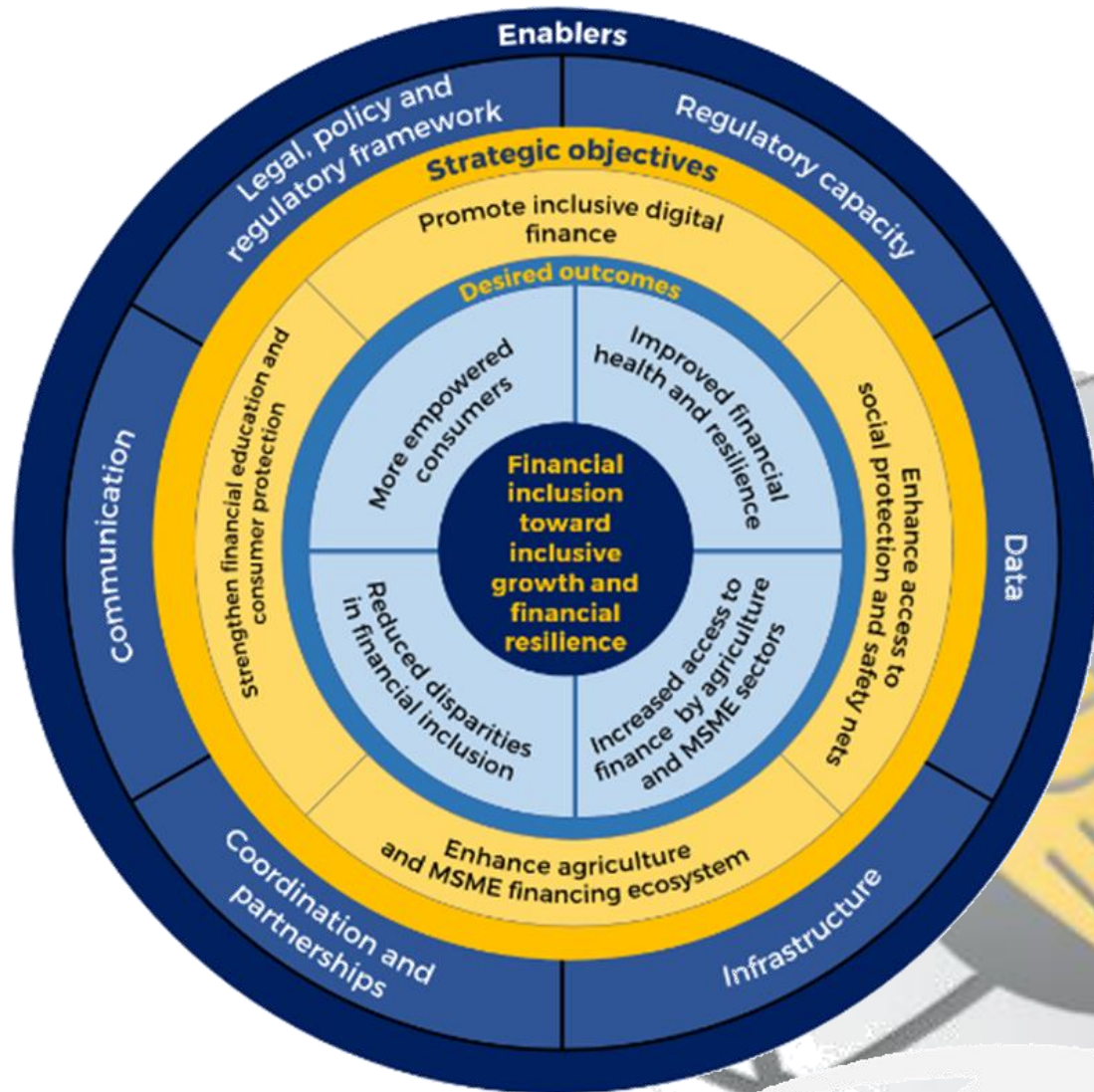
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- **Microfinance** as flagship program for poverty alleviation in the early 2000s
- BSP became the **first central bank in the world to have an office dedicated to inclusive finance** in 2007
- BSP chairs the interagency **Financial Inclusion Steering Committee**





# National Strategy for Financial Inclusion 2022-2028



## Key Outcomes:

1. Reduced disparities in financial inclusion
2. Improved financial health and resilience
3. More financially capable and empowered consumers
4. Increased access to finance for MSMEs, including start-ups, and the agriculture sector



# Digital Payments Transformation Roadmap 2020-2023

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## Digital Payment Streams

Payments - merchants, suppliers, utilities, savings and investments



## Digital Infrastructure

Philippine Identification System, Credit Risk Database



## Digital Governance

Payment System Oversight Framework, Cybersecurity policies, Open Banking



## Objectives by 2023

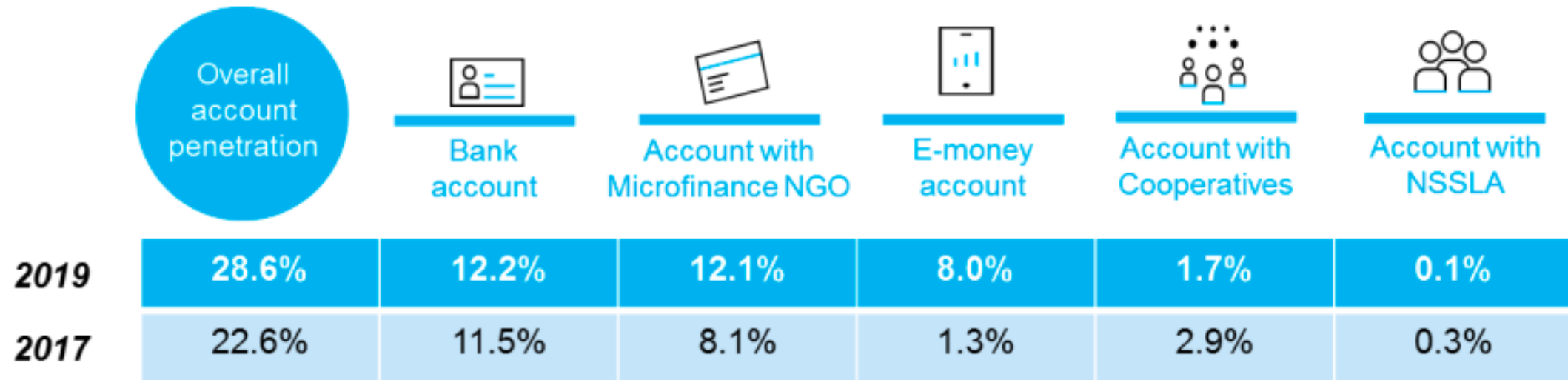
50% of financial transactions done digitally  
70% of Filipino adults to have transaction accounts



## Financial Consumer Protection Act

Seeks to strengthen protection for financial consumers against increasing cybercrimes

# The BSP's financial inclusion agenda has produced results





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