

# Financial Inclusion Steering Committee

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## INSURANCE FORUM

On June 2, 2016, President Benigno C. Aquino issued Executive Order No. 208 institutionalizing the Financial Inclusion Steering Committee (FISC). The FISC, as a governing body, provides the strategic direction, guidance and oversight in the

implementation of the National Strategy for Financial Inclusion (NSFI). The NSFI was earlier constituted through a consultative process and serves as a guidepost for public and private sector stakeholders to accelerate financial inclusion in the Philippines. It was launched in July 2015 during the visit of the United Nations Secretary General's Special Advocate for Inclusive Finance and Development, Queen Maxima of the Netherlands. It was also during this launch when twelve government agencies and the BSP signed a Memorandum of Understanding to signify their commitment to the NSFI.

The E.O. enumerates the twelve (12) members of the FISC with the Bangko Sentral ng Pilipinas (BSP) as chair. The members are: the Department of Finance (DOF), the Department of Education (DepEd), 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), Commission on Filipinos Overseas (CFO), Securities and Exchange Commission (SEC), Philippines Statistics Authority (PSA), Philippine Deposit Insurance Corporation (PDIC), Cooperative Development Authority (CDA), and the Insurance Commission. The Department of Agrarian Reform (DAR) and the Department of Science and Technology (DOST) would join later.

Its three primary functions are: to provide overall policy and strategic direction in the implementation of the NSFI; to align various financial inclusion-related policies, regulations, programs and initiatives; and third, to ensure effective progress monitoring of financial inclusion activities that will facilitate evidence-based policymaking.

As a backgrounder of the situation in the Philippines, as of 2016 figures, around 68% of adults keep their savings at home, 72% of those who borrow do so from informal sources, only about 30.5% of small and medium enterprises (SMEs) have bank loans or formal lines of credit. Around 12% of the 1,634 municipalities all over the country have no access to bank or any type of financial service providers.

On the part of the Insurance Commission, the counter-part advocacy is the promotion of microinsurance. Towards this end, the Commission has activated its own Microinsurance Division to promote awareness on inclusive insurance.

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