



15 January 2024

**REP. WILTON 'TONTON' T. KHO**

Chairperson, Committee on Rural Development  
House of Representatives  
Batasan Complex, Quezon City

Subject: **CFO Inputs to HBN 1929 and 5983 or the Rural Financial Inclusion and Literacy Act**

Dear **Representative Kho**:

Greetings from the Commission on Filipinos Overseas!

We laud the filing of House Bill Numbers 1929 and 5983, which are both entitled “**An Act Promoting Rural Financial Inclusion and Literacy**” and authored by Representatives Alfred Delos Santos and Dante S. Garcia, respectively. Said bills seek to enhance access to financial services and education among our rural sectors.

We welcome legislations that seek to ensure that every Filipino has access to a wide range of financial services toward shared prosperity. Such access is particularly valuable and urgent for the low-income and vulnerable sectors, who are also the ones disproportionately disadvantaged in terms of market and economic access.

We also commend the inclusion of the Financial Inclusion Steering Committee (FISC) in the crafting of the bills. Institutionalized under E.O. No. 208 in June 2016, the FISC is the principal inter-agency body driving the country’s National Strategy for Financial Inclusion. The FISC is chaired by the Bangko Sentral ng Pilipinas (BSP) with the CFO and 18 other government agencies as members.

Relative thereto, may we offer the following suggestions for your consideration:

- 1. On the Objective and Scope.** Emphasis may be placed on providing accessible and affordable financial services, improving financial literacy programs, and fostering sustainable economic growth in rural communities.

**2. On Infrastructure Development.** The bill may consider addressing the need for infrastructure development to enhance financial access in rural areas. This includes the establishment of banking facilities, ATMs, and digital banking services to bridge the gap between urban and rural financial ecosystems.

**3. On the Promotion of Digital Financial Services.** To facilitate financial inclusion, the bill should encourage the adoption and utilization of digital financial services. Initiatives such as mobile banking, electronic payments, and digital wallets can significantly improve access to financial services in remote areas.

**4. On Capacity Building and Training.** Financial literacy programs must be enhanced to empower individuals in rural communities with the necessary knowledge and skills to make informed financial decisions. This can be achieved through workshops, training sessions, and partnerships with educational institutions and NGOs.

**5. On the Support for Agricultural and Microenterprises.** Given the predominant role of agriculture in many rural economies, the bill should include provisions to support agricultural financing and microenterprises. This may involve creating special loan facilities, grants, or subsidies tailored to the unique needs of rural entrepreneurs.

**6. On Collaboration and Partnerships.** Encourage collaboration between government agencies, financial institutions, non-profit organizations, and the private sector to leverage resources and expertise in implementing effective rural financial inclusion and literacy programs.

**7. On the need for Monitoring and Evaluation.** Establish a robust monitoring and evaluation framework to track the progress of rural financial inclusion initiatives. Regular assessments will help identify successful strategies and areas that require adjustment for continuous improvement.

**8. On the need for Inclusivity and Equality.** Ensure that the provisions of the bill are designed to be inclusive and consider the needs of marginalized groups, including women, indigenous communities, and differently-abled individuals, to promote equality in access to financial services.

Ensuring broad-based access by marginalized and underdeveloped sectors is a strategic imperative in the country's inclusive development agenda. We also take note of the bills' potential to drive broad-based access to welfare-enhancing digital financial services and, at the same time, underscore the importance of continuing financial education for all sectors.

The successful implementation of this legislation has the potential to transform rural economies and empower individuals and communities. We commend the initiative to address the critical issues of financial inclusion and literacy and hope that our input will contribute to the development of a comprehensive and effective policy framework.

We look forward to the positive impact that this bill can have on rural communities.

Thank you and best regards.

Very truly yours,

  
**SECRETARY ROMULO V. ARUGAY**  
Chairperson