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MCPI@20: Transforming Microfinance through Digitalization at the 2019 MCPI Annual Conference



Securities and Exchange Commission (SEC) Commissioner Kelvin Lester Lee led the oath taking of the newly-elected MCPI Board of Trustees for 2019 - 2020. (From left) SEC Commissioner Lee, Mr. Eduardo C. Jimenez, Mr. Rolando B. Victoria, Ms. Marilyn M. Manila, Mr. Nilo Cellon (representing Mr. Kamrul H. Tarafder), Ms. Ma. Theresa G. Catipay, Ms. Suzzette D. Gaston, Mr. Angelo B. Solarte, Ms. Maros P. Apostol, Fr. Jose Victor E. Lobrigo, and Mr. Allan Robert I. Sicat.

In celebration of the 20th Anniversary of the Microfinance Council of the Philippines, Inc. (MCPI), key microfinance stakeholders convened during the 2019 MCPI Annual Conference held on July 25-26, 2019 at Manila Prince Hotel, Ermita, Manila. The event was attended by 630 microfinance institutions, funders, government institutions, donors, investors, and other developmental organizations that actively participated in the discussions related to this year's theme *Transforming Microfinance through Digitalization* and how developments in the microfinance sector over the past two decades will serve stakeholders in the next two decades.

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The two-day conference had three session tracks – Digitalization, Improving Systems and Processes, and MFI Exchange. The digitalization track focused on discussions on how digital technology is transforming financial systems and how MFIs can be pro-active in embracing technology to provide more opportunities for microentrepreneurs, while the Improving Systems and Processes and MFI Exchange tracks enabled participants to learn from the experiences of other MFIs in areas such as succession planning and business continuity, developing strategic partnerships, and retaining staff and clients.

In his keynote message, Commissioner Kelvin Lester Lee of the Securities and Exchange Commission said, “It is not enough to develop fintech itself. It is crucial to take on the digital financial inclusion challenge as a means, not just an end. It should be a way to reduce cost, broaden and deepen the scale of outreach to achieve universal financial inclusion and realize technology’s promise in the context of responsible finance in which client protection and the social mission takes on a greater urgency.”

During the opening plenary, key microfinance stakeholders presented current developments and strategies in promoting digitalization in the microfinance scene, and how this innovation will enhance the sector’s efficiency and better serve the unbanked. Experts in digitalization also shared their experiences and lessons learned in digital

transformation. Moreover, digital technologies, such as cloud software and mobile applications were introduced. Participants were guided on the accreditation of the Microfinance NGO Regulatory Council (MNRC) and compliance with the Bureau of Internal Revenue (BIR) and the Credit Information System Act.

Preceding the conference, MCPI organized two pre-conference events in July 24, 2019 – the Orientation Seminar for Microfinance NGOs on the Truth in Lending Act, Data Privacy and Credit Information System Act; and the Microfinance Client Summit – the first of its kind in MCPI’s 20 years, dedicated to the clients of different MFIs.

Members of the Board of Trustees were elected during the Annual General Meeting of Members held on July 24, 2019. During the conference,

members of the board took their oath of office: Mr. Eduardo C. Jimenez of Kabalikat para sa Maunlad na Buhay, Inc. as Chairperson; Mr. Rolando B. Victoria of Alalay Sa Kaunlaran, Inc. as Vice-Chairperson; Mr. Josef M. Leron of CARD, Inc. as Corporate Secretary; Mr. Kamrul H. Tarafder of ASA Philippines Foundation as Treasurer; Ms. Ma. Teresa G. Catipay of RAFI Microfinance, Inc. as Internal Auditor; Fr. Jose Victor Lobrigo of SEDP-Simbag sa Pag-asenso, Inc., Mr. Angelo B. Solarte of Taytay Sa Kauswagan, Inc., Ms. Suzzette Gaston of Negros Women for Tomorrow Foundation, Inc., and Ms. Ma. Rosario Apostol of Community Economic Ventures, Inc. as Members. The Trustees will serve until July 2020.

Presentations during the 2019 Annual Conference can be downloaded here: <https://microfinancecouncil.org/2019-annual-conference-materials-and-presentations/>



Search for Outstanding Microentrepreneurs Launched

The search for the country's most successful microentrepreneurs is on, with the launch of the annual Citi Microentrepreneurship Awards (CMA) held on June 18, 2019 at the Bangko Sentral ng Pilipinas (BSP).

Bangko Sentral ng Pilipinas governor Benjamin E. Diokno and Citi Philippines chief executive officer Aftab Ahmed led the launch of the 17th CMA, which honors microentrepreneurs who have overcome poverty by partnering with microfinance institutions that support the government's financial inclusion and enterprise development initiatives.

Funded by Citi Foundation, the nationwide search is a partnership among BSP, Citi Philippines and the Microfinance Council of the Philippines, Inc. (MCPI).

"The partnership with MCPI and Citi Philippines remains one of BSP's cornerstones in stakeholder engagement for financial inclusion. The Citi Microentrepreneurship Awards, 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 reforms, can bring the best out of the Filipino people," said Governor Diokno.

This year's National Selection Committee is headed by Governor Diokno and Aftab Ahmed. Committee members include notable industry and community leaders such as Trade Secretary Ramon M. Lopez; SM Investments Corporation vice-chair Tessie Sy-Coson; Ayala Corporation president Fernando Zobel de Ayala; JG Summit Holdings, Inc. president and CEO Lance Y. Gokongwei; RFM Corporation president and CEO Jose Ma. A. Concepcion III; former Philippine Daily Inquirer chair Marixi Rufino-Prieto; University of the Philippines Diliman Chancellor Dr. Michael L. Tan; Samahan ng mga Pilipina para sa Reporma at Kaunlaran (SPARK!) Philippines president Imelda M. Nicolas; and MSME Development Council Mindanao private sector representative Mary Ann Montemayor.

"We are thrilled that after 17 years, the CMA continues to provide economic empowerment opportunities for microentrepreneurs, including a growing number of young people. We take pride in the fact that this initiative has helped us make a meaningful and lasting contribution on the diversity front. A sizeable percentage of the award recipients have been women and the program has empowered them and helped them improve the lives of their families and communities," said Ahmed.

During the launch, Youth Microentrepreneur of the Year winner Mary Grace Bayalas shared, "My win at the 2018 CMA helped me expand my business. It was not only the cash prize that was important but also the skills and knowledge I acquired from



In photo are (L-R) Bangko Sentral ng Pilipinas governor Benjamin E. Diokno, 2018 CMA Youth Microentrepreneur of the Year and RAFI Micro-finance client, Mary Grace Bayalas, and Citi Philippines CEO Aftab Ahmed.

the training that CMA provided. I also deeply value the connections I have made with fellow microentrepreneurs."

The awards program is open to microenterprises with asset size of less than PhP3 million. The CMA will recognize one National Winner; regional awardees from the three major island groups (Luzon, Visayas, and Mindanao); a Youth Microentrepreneur of the Year; and three special awards that are open to different categories including agriculture, green/sustainable business, community leadership, startup micro-business, persons with disabilities, social innovation, financial technology/digital enterprise, and preservation of traditions.

The CMA national winner will receive PhP200,000; while the three regional awardees, youth awardee, and special awardees will each get PhP100,000. Loan officers and MFI branch partners of the awardees will get a cash incentive of PhP10,000. Semi-finalists will get a cash incentive of PhP10,000 as well. Aside from cash prizes, winners will receive microinsurance coverage and a nine-day entrepreneurship training at the Citi Microenterprise Development Center, a laptop, and basic computer training. They also gain automatic membership to the CMA Alumni Network to build their market connections and to participate in a mentoring program that will help them further improve their businesses.

Since its introduction in 2002, when Citi marked its 100th year in the Philippines and in Asia, over 100 microentrepreneurs has been honored by the CMA. This year's winners will be announced in the awarding ceremonies on November 26, 2019 at the BSP.

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