Comments on recommendations

• On monetary policy
  o The main contribution of monetary policy to mitigating inequalities should come from ensuring price stability.
  o Integrating inclusive development not practical given current condition and inflation projection.

• On official reserves management
  o Safety, liquidity, and return are BSP's primary objectives
  o Sustainability and ESG principles in reserve management

• On financial inclusion
  o Financial inclusion effectively addressed by targeted measures
  o CBDC may contribute to enhancement of payment system

• On socially-oriented financial instruments
  o BSP issued Sustainable Finance Framework (Circ No. 1085 – 2020)
  o Implemented initiatives to promote sustainability
Initiatives on inclusive development

• National Strategy for Financial Inclusion 2022-2028
  o Objectives include (1) promotion of digital finance; (2) enhancement of access to social protection and safety nets; (3) enhancement of agriculture and MSME financing ecosystem; and (4) Strengthening of financial education and consumer protection.

• Lending to Micro, Small and Medium Enterprises (MSMEs)
  o Incentivize bank lending to MSMEs
  o Relaxed requirements to ensure access to financing channels

• Agricultural, Fisheries and Rural Development Financing
  o Plans to address operational challenges of Agri-Agra Law
  o Enact amendments to Agri-Agra Law