



ANNUAL REPORT

Microfinance NGO Regulatory Council
2023 Accomplishments

Microfinance Field Exposure Program in Davao
— See page 03



Accreditation
Page 01



Meetings Held
Page 05



Audit
Page 16



CONTENTS

Accreditation of Microfinance NGOs for 2023	01
Round Table Discussion	03
Notices	04
MNRC Meetings Held in 2023	05
Service as Resource Persons and Engagement with the Stakeholders	09
Resources Provided to the Public	14
Audit: ARDCI Microfinance Incorporated	16

ABOUT MNRC

MICROFINANCE NGO REGULATORY COUNCIL



REPUBLIC ACT NO. 10693
Microfinance NGOs Act

“An act strengthening Nongovernment Organizations (NGOs) Engaged in Microfinance for the Poor” was approved on 03 November 2015. It was published in Manila Bulletin on 09 November 2015 and became effective on 25 November 2015, fifteen (15) days after its publication.

The Law was enacted by virtue of the policy of the State to pursue a program of poverty eradication wherein poor Filipino families shall be encouraged to undertake entrepreneurial activities to meet their minimum basic needs.

The Law shall apply to all NGOs with the primary purpose of implementing a microenterprise development strategy and providing microfinance programs, products and services for the poor. These shall be referred to as “Microfinance NGOs” (MF-NGOs).

Implementing Rules and Regulations

The Implementing Rules and Regulations (IRR) of R.A. No. 10693 was signed on 16 August 2016 by the permanent members.

FUNCTIONS



Institutes and operationalizes a system of accreditation for MF-NGOs: that shall include sound and measurable standards of financial performance, social performance and governance;



Issues certificate of accreditation as an MF-NGO upon determination that the criteria set for this purpose have been fully satisfied;



Monitors performance of the Microfinance NGOs to ensure continuing compliance with the provisions of the Act and its implementing rules and regulations;



Places under probation, suspend or revoke any certificate of accreditation upon due determination that a MF-NGO no longer meets the criteria for accreditation;



Requires regular submission of reports by MF-NGOs;



Collects reasonable accreditation and monitoring fees from a MF-NGO which shall be used for the accrediting entity's operational requirements;



Submits an annual report to the President of the Philippines and the concerned committees of both the Houses of congress; and



Performs such other functions as may be necessary to accomplish the purposes and objectives of the Act.

PERMANENT MEMBERS

Pursuant to Section 9 of RA 10693, “The SEC shall establish an accrediting body to be known as the Microfinance NGO Regulatory Council, herein referred to as the “Council”. The Council shall be composed of four (4) permanent members and three (3) members from the Microfinance sector.

The permanent members of the Council shall be composed of the following:

- a. *The Chairman of the Securities and Exchange Commission (SEC) or designated representative as the Chairperson of the Council;*
- b. *The Secretary of the Department of Trade and Industry (DTI) or designated representative;*
- c. *The Secretary of the Department of Finance (DOF) or designated representative; and*
- d. *The Secretary of the Department of Social Welfare and Development (DSWD) or designated representative.”*

	PRINCIPAL	ALTERNATE
SEC	ATTY. EMILIO B. AQUINO Chairperson, SEC	ATTY. RACHEL ESTHER J. GUMTANG-REMALANTE Director, Corporate Governance and Finance Department
DOF	MS. ROWENA S. STA CLARA Director, Domestic Finance Group (DFG)	MS. JOHANNA P. HORTINELA Director, Domestic Finance Group (DFG)
DTI	MS. LOURDES ROSARIO M. BAULA Head, Financing Sector Small Business Corporation	MR. RONALD A. INCIONG Department Manager, Southern Luzon Group Small Business Corporation
DSWD	MR. EDMON B. MONTEVERDE Officer-in-Charge-Director IV, National Program Manager of the Sustainable Livelihood Program	MR. LUIS DANIEL S. DE LA CRUZ Project Development Officer IV and Section Head, Partnership Building Section of the Sustainable Livelihood Program
	ATTY. MEGAN THERESE Y. MANAHAN Director IV, Standards Bureau	MS. CYNTHIA V. ILANO Director III, Assistant Director, Standards Bureau
		MS. ANNA MARIA ALEXA G. LEDESMA Social Welfare Officer V, Standards Bureau
		MS. NATALIA C. CAUSE Project Development Officer IV, Standards Bureau

PRIVATE SECTOR REPRESENTATIVES

Based on Section 9 item (d) of RA 10693, *“The three (3) representatives from Microfinance NGO sector shall be chosen by at least majority of the permanent members of the Council from among the nominees of organizations, associations and alliances of Microfinance NGOs duly registered with the SEC. They shall serve for a term of three (3) years.”*

The Private Sector representatives are as follows:

NAME OF REPRESENTATIVE

FR. JOSE VICTOR E. LOBRIGO

Treasurer

SEDP-Simbag sa Pag-asenso, Inc. (A Microfinance NGO)

doing business under the name and style of SEDP-Simbag Microfinance

MR. EDUARDO C. JIMENEZ

President

Kabalikat para sa Maunlad na Buhay, Inc. (A Microfinance NGO)

MS. LYNETH I. DEREQUITO

Senior Deputy Executive Director

Center for Agriculture and Rural Development, Inc. (A Microfinance NGO)

SECRETARIAT

Based on Section 9 item (d) of RA 10693, *“The Council shall be assisted by a secretariat to be lodged in the SEC, which shall coordinate the activities involved in the accreditation process.”*

The SEC Corporate Governance and Finance Department-Monitoring Division acts as the Secretariat of the Council.

ACCREDITATION of Microfinance of NGOs for 2023

The Microfinance NGO Regulatory Council (MNRC or Council) has accredited one (1) microfinance NGO (MF-NGO) in 2023¹, with certificate of accreditation valid for three (3) years under Rule 4, Section 6 of the Implementing Rules and Regulations (IRR) of Republic Act No. 10693, otherwise known as the Microfinance NGOs Act.

The accredited MF-NGO in this case was CORDILLERA COMMUNITY MICROFINANCE (CCMI), INC., bringing our total accredited MF-NGOs to twenty-one (21) as of the end of 2023.

As of 31 December 2023, the Microfinance NGOs (MF-NGOs) accredited by the MNRC are as follows:



ASA PHILIPPINES FOUNDATION, INC.
(A MICROFINANCE NGO)



SEDP-SIMBAG SA PAG-ASENSO, INC.
(A MICROFINANCE NGO)
*DOING BUSINESS UNDER THE NAME AND
STYLE OF SEDP-SIMBAG MICROFINANCE*



SAKLAW FOUNDATION INC.
(A MICROFINANCE NGO)



ALALAY SA KAUNLARAN
MICROFINANCE SOCIAL
DEVELOPMENT INC.



COMMUNITY ECONOMIC VENTURES,
(A MICROFINANCE NGO) INC.



JMH MICROFINANCE, INC.



KABALIKATAN PARA SA MAUNLAD NA
BUHAY, INC. (A MICROFINANCE NGO)



KASANYANGAN CENTER FOR
COMMUNITY DEVELOPMENT AND
MICROFINANCE FOUNDATION, INC.



KAZAMA GRAMEEN
MICROFINANCE, INC.

¹ Last year, 2022, marked the end of the three (3) year accreditation period for twenty-nine (29) MF-NGOs whose accreditation period started in 2019 and expired in 2022. As substantially all of the applications for accreditation and re-accreditation were processed in the previous year, this year, the MNRC processed applications primarily from MF-NGOs that missed their application or failed to qualify during the previous accreditation cycle.

ACCREDITATION

of Microfinance of NGOs for 2023



NEGROS WOMEN FOR TOMORROW
FOUNDATION, INC.
(A MICROFINANCE NGO)
*DOING BUSINESS UNDER THE NAME/S AND STYLE/S OF
NEGROS WOMEN FOR TOMORROW
FOUNDATION, INC. OR NWTf*



SERVIAMUS FOUNDATION
INCORPORATED
*DOING BUSINESS UNDER THE NAME & STYLE OF
SERVIAMUS MICROFINANCE*



SURIGAO ECONOMIC DEVELOPMENT
AND MICROFINANCE
FOUNDATION, INC.



BAYAN ENTERPRISE DEVELOPERS,
GROWERS AND
EVOLVERS-MICROFINANCE
AND BUSINESS SERVICES, INC.



ECLOF PHILIPPINES
MICROFINANCE, INC.



PAGASA NG MASANG PINOY
MICROFINANCE INC.



RAFI MICRO-FINANCE, INC.



CENTER FOR AGRICULTURE AND
RURAL DEVELOPMENT (CARD), INC.
(A MICROFINANCE NGO)



AHON SA HIRAP, INC.
(A MICROFINANCE NGO)



PEOPLE'S ALTERNATIVE LIVELIHOOD
MICROFINANCE FOUNDATION OF
SORSOGON (PALMFS), INC.



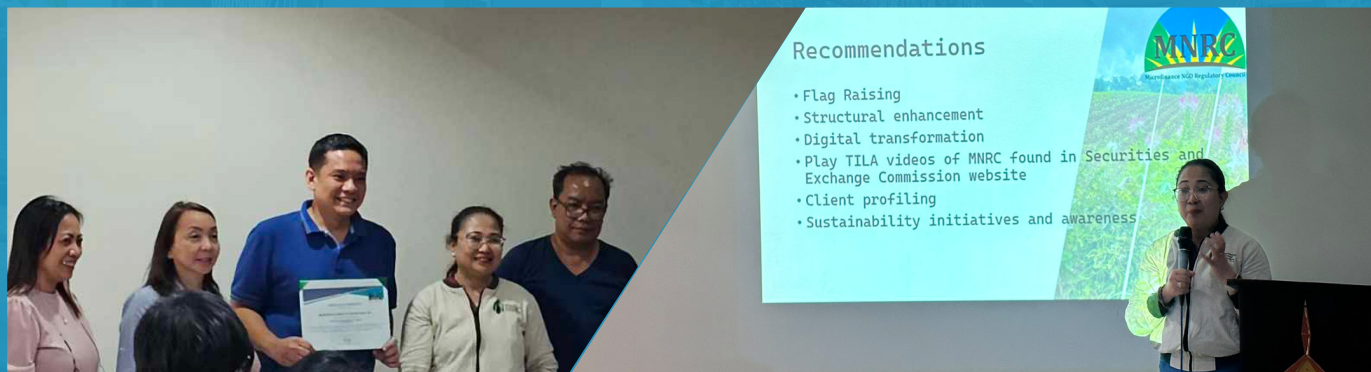
TULAY SA PAG-UNLAD, INC.
(A MICROFINANCE NGO)



CORDILLERA COMMUNITY
MICROFINANCE (CCMI), INC.

ROUND TABLE DISCUSSION

Microfinance Field Exposure Program



Recognizing the significance of the exchange of ideas and the sharing of perspectives, and in an effort to foster mutual understanding, enhance transparency, build trust and ultimately contribute to the MNRC's mission to effectively support the poor and underserved sector, the MNRC took part in the Microfinance Field Exposure Program, sending both its Council members and Secretariat to participate in the program.

The Microfinance Field Exposure Program held from 14 to 17 May 2023 was an initiative organized jointly by the Microfinance Council of the Philippines Inc. (MCPI) and APPEND, Inc. Its primary objective was to offer first-hand exposure and observation of the operations and activities of MF-NGOs in the field.

This program served as an opportunity for participants to gain practical insights into the functioning of MF-NGOs, allowing them to witness the actual implementation of microfinance initiatives, community engagement, and impact on beneficiaries.

The MNRC members, particularly the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Department of Social Welfare and Development (DSWD), Private Sector Representatives, and its Secretariat participated in the said program.

Through direct engagement and observation facilitation, the Microfinance Field Exposure Program fostered a deeper understanding, enhanced collaboration, and promoted strategic planning among stakeholders within the microfinance sector.



NOTICES

Written Comments on Draft MNRC Memorandum Circular



NOTICE

- TO** : MICROFINANCE NGOS, MICROFINANCE NGO CLIENTS, MICROFINANCE INDUSTRY STAKEHOLDERS AND ALL INTERESTED PARTIES
- SUBJECT** : REQUEST FOR COMMENTS ON THE EXPOSURE DRAFT OF THE MNRC MEMORANDUM CIRCULAR: AMENDMENT TO MNRC M.C. NO. 3, SERIES OF 2018 AND MNRC M.C. NO. 2, SERIES OF 2021, PROVIDING DETAILED DEFINITIONS ON "MICROFINANCE", "MICROFINANCE LOANS", "MICROSAVINGS", AND CLARIFICATION ON "INVESTMENTS IN REAL ESTATE"

In light of the confusion experienced by the Microfinance NGOs regarding the definition of key terms and computation of accreditation standards, and for the purposes of updating the prevailing standards, the Microfinance NGO Regulatory Council ("MNRC" or "Council") held consultations and discussions with technical specialists within the relevant field, regulatory stakeholders, and representatives from the private sector.

Conducting a public exposure and gathering comments on a draft circular offers invaluable benefits by providing a platform for stakeholders and the public to voice their insights, concerns, and suggestions. This process fosters transparency, promotes inclusivity, and enhances the democratic decision-making process. Additionally, it enables the identification of potential issues or areas for improvement, ensuring that the final circular reflects a broad consensus and addresses the diverse needs of the community.

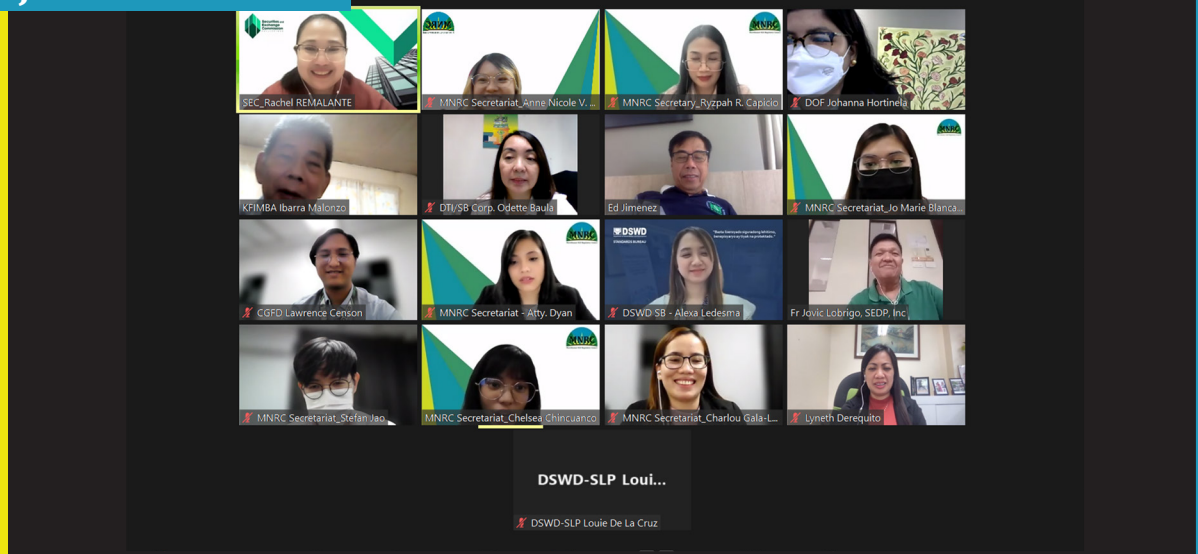
On 15 December 2023, the MNRC invited MF-NGOs, their clients, industry stakeholders, and all interested parties to submit their written comments on the draft MNRC Memorandum Circular (M.C.): Amendment to MNRC M.C. No. 3, Series of 2018 and MNRC M.C. No. 2, Series of 2021, Providing Detailed Definitions on "Microfinance", "Microfinance Loans", "Microsavings", and Clarification on "Investments In Real Estate". The said draft MNRC MC aimed to address the confusion experienced by the MF-NGOs regarding the definition of key terms and computation of accreditation standards and to update the prevailing standards.

MEETINGS

MICROFINANCE NGO REGULATORY COUNCIL MEETINGS HELD IN 2023

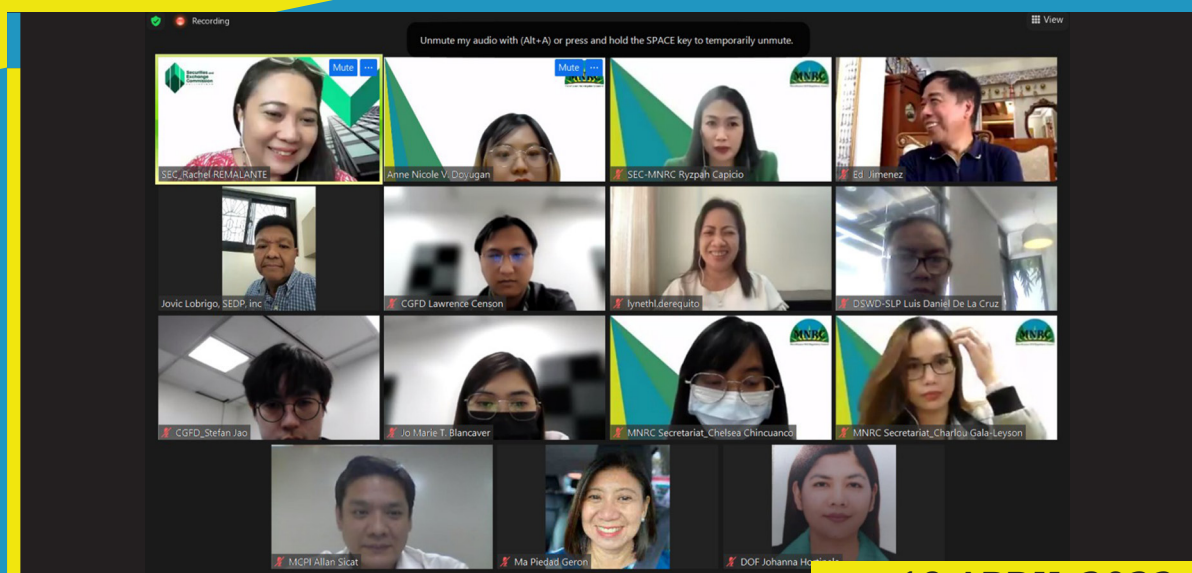
In view of the MNRC Internal Guidelines No. 1, Series of 2020, on the *Attendance and Participation of MNRC Members in Regular and Special Meetings during the Philippine Community Quarantine through Teleconferencing, Videoconferencing and Other Remote or Electronic Means of Communication*, approved and adopted during the 5th MNRC meeting held on 13 May 2020, the Council held a total of nine (9) meetings for the year.

25 JANUARY 2023



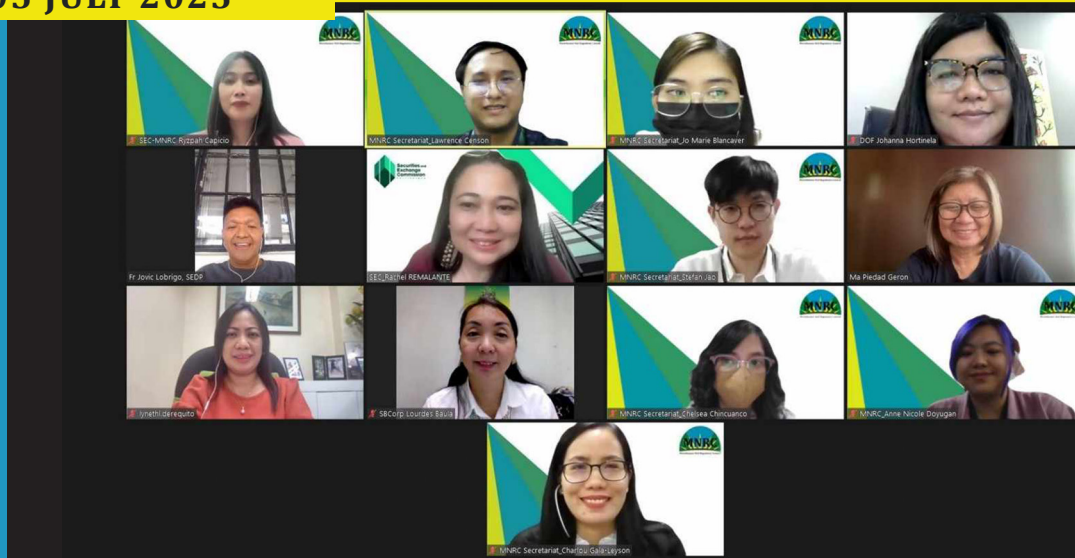
22 FEBRUARY 2023

29 MARCH 2023

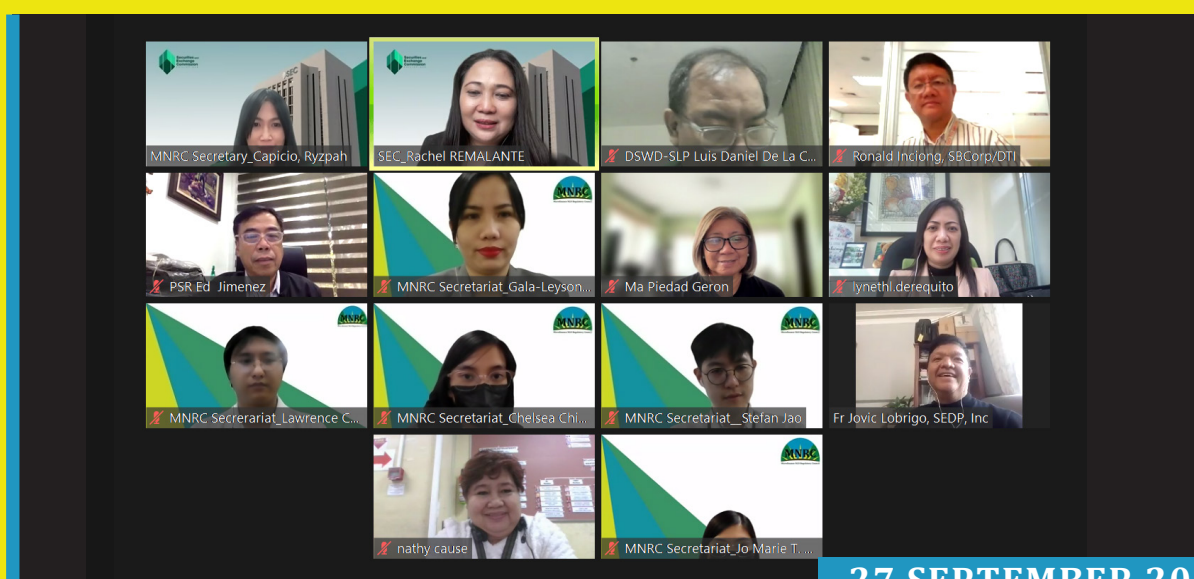


19 APRIL 2023

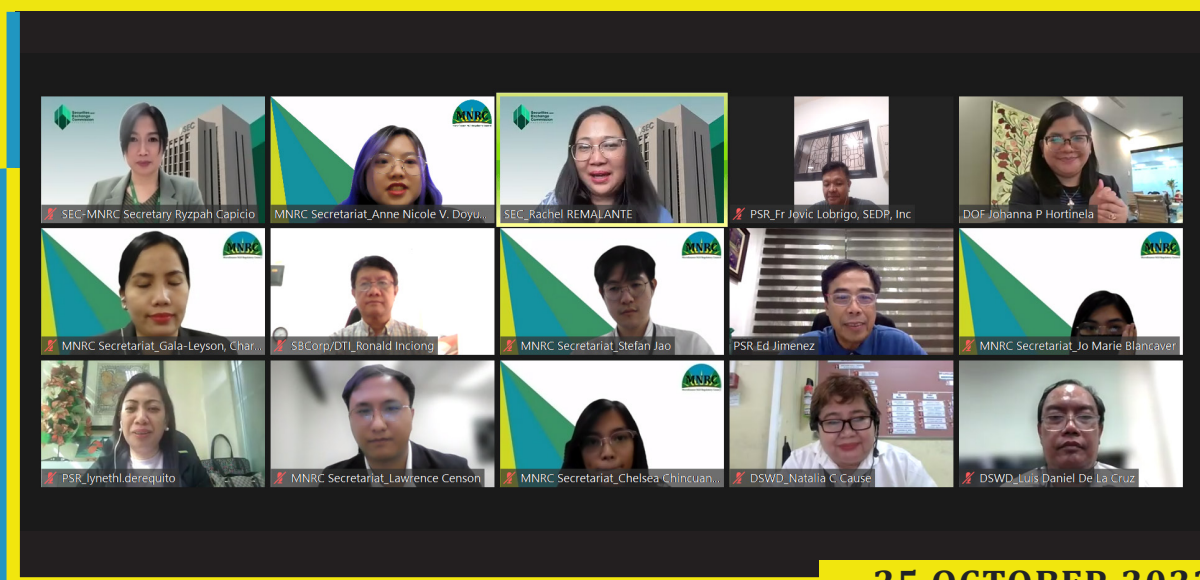
05 JULY 2023



30 AUGUST 2023



27 SEPTEMBER 2023



25 OCTOBER 2023

13 DECEMBER 2023



SERVICE AS RESOURCE PERSONS AND ENGAGEMENT WITH THE STAKEHOLDERS

Recognizing the importance of disseminating valuable information, knowledge sharing, and fostering meaningful dialogue with the MF-NGOs, their clients, and other stakeholders, the MNRC has actively participated in various seminars, outreach events, and media interviews, at the request of the public.



REBOOT MICROFINANCE SUSTAINABILITY SUMMIT

The Reboot Microfinance Summit, an exclusive event in the Philippines, showcased the unveiling of Sustainability Standards Version 2.0 under the Sustainability Standards and Certification Initiative (SSCI). This initiative is poised to redefine the future of microfinance institutions, positioning them as catalysts for change in the 21st century. Focused on addressing challenges like social and economic sustainability, environmental justice, and technological advancements, the summit aimed to empower microfinance entities to become transformative forces. To drive enhancements in the MNRC's operations, including refining policy directions for the sustainability of regulated entities such as MF-NGOs and publicly-listed companies, the Council sent members of its Secretariat to attend the same.

During the Reboot Microfinance Sustainability Summit held on 02 to 03 May 2023, at the Century Park Hotel in Manila, Commissioner Mcjill Bryant T. Fernandez likewise delivered the opening remarks to kick-off the event. The summit was organized by the MCPI in partnership with the European Organisation for Sustainable Development (EOSD).





2023 MCPI ANNUAL CONFERENCE

The 2023 MCPI Annual Conference was a gathering that brought together essential microfinance stakeholders to discuss important advancements and relevant issues impacting the microfinance sector. Here, MCPI hosted an in-person conference under the theme 'Reshaping Financial Services through Inclusivity, Sustainability, and Resilience.' Approximately six hundred (600) microfinance stakeholders participated in discussions regarding the evolution of financial services to tackle challenges in financial inclusion and resilience.

To drive measurable enhancements in the Council's operations, with a focus on broadening perspectives essential for shaping policies and executive strategies to boost financial inclusivity, advocate for ESG initiatives among MF-NGOs and publicly-listed firms, and bolster resilience through digitalization, the Council's Secretariat actively participated in the said event.

Additionally, the SEC's Commissioner Mcjill Bryant T. Fernandez delivered the closing remarks at the 2023 MCPI Annual Conference held from 25 to 26 July 2023 at the Century Park Hotel in Manila.





CNN PHILIPPINES INTERVIEW

CNN Philippines conducted an interview with the SEC Assistant Director of the Corporate Governance and Finance Department and the MNRC Secretary, Ms. Ryzpah R. Capicio, on 03 October 2023, which delved into the multifaceted landscape of microfinance in the Philippines, aiming to provide viewers with an in-depth understanding of its significance, regulatory framework, and implications for economic development.

Microfinance plays a crucial role in the Philippine economy, particularly in empowering Micro-Small and Medium-sized Enterprises (MSMEs) and promoting financial inclusion among marginalized communities. By extending small-scale financial services such as loans, savings, and insurance to individuals who lack access to traditional banking institutions, microfinance enables aspiring entrepreneurs to realize their business aspirations and improve their livelihoods.

Central to the discussion was the Microfinance NGOs Act, which regulates MF-NGOs in the Philippines. This legislation aims to promote the stability and growth of microfinance operations while ensuring ethical lending practices and protecting the interests of borrowers. Ms. Capicio's expertise provided valuable insights into the important provisions of this law, contributing to a deeper understanding of its implications for the microfinance industry.



Microfinance NGO Regulatory Council 2023 Accomplishments



MICROFINANCE DIGITIZATION SUMMIT

The MCPI organized the Microfinance Digitalization Summit on 28 March 2023, at Century Park Hotel, Manila. The event brought together approximately two hundred (200) microfinance practitioners, fintechs, and government agencies.

The summit aimed to provide a platform for learning and collaboration, focusing on leveraging the experiences of microfinance institutions (MFIs) that have adopted digital solutions, understanding the initiatives of regulators and government bodies supporting financial services digitalization, and fostering connections between MFIs and fintech companies.

This training initiative presents a valuable opportunity for stakeholders to gain insights into best practices and innovative approaches in the realm of financial technology. Participants can learn from successful MFI case studies, understand regulatory initiatives, and explore potential collaborations with fintech companies.

The summit aimed to catalyze greater financial inclusion and economic development across the Philippines. By actively participating in and leveraging the outcomes of this summit, stakeholders can bolster their understanding of digital financial services, contributing to industry advancements and fostering sustainable growth in the microfinance industry.



RESOURCES PROVIDED TO THE PUBLIC

In an effort to better serve the public, promote ease of compliance and enhance transparency and accessibility to relevant information, the MNRC has released the following materials for the benefit of applicant MF-NGOs and their stakeholders.

WEBCORNER UPDATES

Regular Webcorner Updates on the List of Accredited MF-NGOs

MICROFINANCE NGO
REGULATORY COUNCIL

[Home](#) / [MNRC](#) / [List of Accredited Microfinance...](#)

[About MNRC](#)

[Members](#)

[Microfinance NGO](#)

[MNRC Issuances](#)

[Procedure of
Accreditation](#)

[Forms for Application for
Accreditation and](#)

LIST OF ACCREDITED MICROFINANCE NGOS

- List of Accredited

To allow stakeholders to confirm the accreditation status and credentials of MF-NGOs and to ensure accuracy and accessibility of said information, the MNRC regularly updates and publishes a list of accredited MF-NGOs on its official website. This serves to inform stakeholders and interested parties about the accreditation status of different MF-NGOs. This year, the following updated lists were posted on the official website:

- List of Accredited Microfinance NGOs as of 27 January 2023
- List of Accredited Microfinance NGOs as of 30 August 2023
- List of Accredited Microfinance NGOs as of 27 September 2023
- List of Accredited Microfinance NGOs as of 25 October 2023

REPORT CARD TEMPLATES

[List of Accredited
Microfinance NGOs](#)

[Request for Monitoring](#)

[Complaints](#)

[Education](#)

[Contact Us](#)

[Report Card Template – Small MF-NGOs \(2024_1stQtr\)](#)

[Report Card Template – Large MF-NGOs \(2024_1stQtr\)](#)

[Report Card Template – Small MF-NGOs \(2023_4thQtr\)](#)

[Report Card Template – Large MF-NGOs \(2023_4thQtr\)](#)

[Report Card Template – Small MF-NGOs \(2023_2ndQtr\)](#)

[Report Card Template – Large MF-NGOs \(2023_2ndQtr\)](#)

[Report Card Template – Small MF-NGOs \(2023_1stQtr\)](#)

For the benefit of the MF-NGOs seeking to be accredited or re-accredited, the MNRC released the following Report Card Templates to streamline the accreditation process for interested applicants:

- Report Card Template - Small MF-NGOs (2022_4thQtr)
- Report Card Template - Large MF-NGOs (2022_4thQtr)
- Report Card Template - Small MF-NGOs (2023_1stQtr)
- Report Card Template - Large MF-NGOs (2023_1stQtr)
- Report Card Template - Small MF-NGOs (2023_2ndQtr)
- Report Card Template - Large MF-NGOs (2023_2ndQtr)

AUDIT

ARDCI MICROFINANCE INCORPORATED

ARDCI

The MNRC recently conducted an onsite audit to thoroughly assess and confirm the accreditation status of ARDCI Microfinance Incorporated (“ARDCI”). This audit took place from June 1st to June 9th of 2023 in the beautiful setting of Virac, Catanduanes. The onsite audit was led by MNRC Examiners, including representatives from reputable entities such as the Department of Finance (DOF), Department of Trade and Industry (DTI), Department of Social Welfare and Development (DSWD), and the MNRC Secretariat, in partnership with the Asian Development Bank (ADB).

The main goal of this audit was to carefully review ARDCI’s adherence to regulatory standards and accreditation requirements. Through thorough examination and thoughtful consideration of operational procedures, the audit team aimed to ensure the continued integrity and quality of ARDCI’s services within its community and beneficiaries. This evaluation underscores MNRC’s commitment to evaluate the Financial, Corporate Governance, and Social Performance of the microfinance industry.

THE SECRETARIAT
MICROFINANCE NGO REGULATORY COUNCIL
MONITORING, COMPLIANCE AND AUDIT DIVISION
CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

Landline: 8818-5476 or 8818-9227

Trunk line: 02-5322-7696 loc. 114



**Securities and
Exchange
Commission**
PHILIPPINES



**INVESTORS
IN PEOPLE**
We invest in people

