

CORAZON C. AQUINO

PPP-ME 1st Anniversary & PinoyME SIF Launch

People's Village, Tiendesitas

22 January 2007

PinoyME: Renewing our Faith in the Filipino

Thank you very much for coming here this afternoon. I hope your presence indicates that you want to be part of PinoyME.

Last year, many of you joined me in celebrating the 20th anniversary of our “people power” revolution in a low-key but substantive manner. With more and more Filipinos being thrust into the margins of existence, we gathered at the AIM Conference Center to explore the possibility of harnessing people power vs. poverty through micro-enterprise. As you saw from the brief video, this strategy was inspired by the good work of microfinance institutions (MFIs), which I have had the good fortune of observing up close since 2005.

Last year's conference has spawned a private sector social consortium, composed of corporations, banks, foundations, non-governmental organizations (NGOs), academic groups and MFIs, which has been moving the micro-enterprise development initiative forward.

At the outset, we articulated the values that stakeholders in the consortium would uphold. First, we agreed that we would be inclusive, opening our ranks to groups and individuals who believe in what we are trying to accomplish. Second, following the principle of subsidiarity, we said that we would respect the autonomy and initiative of those who take part, taking care not to duplicate, co-opt or contradict their efforts. After all, we are there just to lend a hand. Third, we emphasized that our efforts should be market-driven—focused on building market relationships, rather than fostering dependence on subsidies and dole-outs—to ensure their sustainability. Fourth, we asked of everyone a firm commitment to achieving our goal of empowering MFIs to expand their coverage to 5 million clients in the most needy regions and to raise P5 in accessible funds within five years.

The “5-5-5” goal, as we used to refer to it, is no arbitrary number. We are targeting five million microfinance clients because that number approximates the number of families living below the poverty line. Five billion pesos in capital is the minimum we would need to augment the current equity and deposit base of the MFIs, which today are catering to around two million micro-entrepreneurs already. And we agreed to work on hitting these targets in five years, as this is a realistic timeframe within which to make the impact we are aiming for.

Our private sector social consortium has no hierarchy, and much of the work is being done by working groups with clusters of key stakeholders. We recognize the success of MFIs—which include NGOs, rural banks and cooperatives—in uplifting lives in depressed communities and in proving that the poor are truly credit-worthy. Hence, the consortium is focusing on ways by which to enhance the MFIs' effectiveness and to achieve the scale

necessary to have a palpable impact on reducing poverty. This has led to the activation of the working groups around four strategic areas of intervention.

The resource mobilization working group is devising ways to raise at least P5 billion in accessible funds for MFIs by mobilizing capital from banks, development financing institutions and social investors. The capacity-building working group concentrates on linking up MFIs with institutions that can provide long-term human resource development, research and extension services and by enhancing recruitment of MFI loan officers. The business development services working group is geared toward enabling successful micro-entrepreneurs to expand their businesses by putting professional expertise and advice within their reach and by facilitating linkage with mainstream companies through existing MFI networks. The knowledge management working group is focused on organizing and facilitating access to information vital for fine-tuning the direction of strategic assistance to the micro-enterprise sector.

To guide the working groups, we have a steering committee composed of some of the best minds and committed hearts in the private sector. Thanks to the kindness and hospitality of Mr. Ramon del Rosario and Ms. Vicky Garchitorea and to the able support of our secretariat, the steering committee has been able to meet on a regular basis, providing vital input for the working groups to refine their strategic moves.

The deliberate groundwork laid by the steering committee and the working groups has taken us to this day, when we are ready to engage a wider public in this drive to significantly reduce poverty by empowering the Filipinos most in need of our support. For this purpose, we have branded the movement as PinoyME. The phrase literally stands for Filipino micro-enterprise, the development of which lies at the heart of our “people-powered” anti-poverty strategy. On another level, PinoyME harnesses “people power” by bringing various stakeholders together to eventually enable our marginalized countrymen to rise out of poverty through their own efforts.

On yet another level, PinoyME is a way of taking “people power” where we had originally hoped it would go—a force that would rekindle our faith in the Filipino and our pride in ourselves as a people. This is salient at this time when an increasing number of Filipinos are defining their careers and dreams of fulfillment in terms of landing a job and settling in other lands. Our overseas workers are often depicted as heroes—and perhaps, in the light of their personal sacrifices and their vital role in stabilizing our economy, rightly so. But let us not forget that there are many more unheralded heroes in our midst, sacrificing as much for their families for much less in terms of material returns. I refer to the two million micro-entrepreneurs who deserve our admiration, our respect and our support. Some of them are with us today, and I’d like you to join me in applauding them.

(Turning to the mothers seated stage left.) Inaanyayahan kong tumayo ang mga kasapi ng CARD-MRI, ASA Philippines at Alay sa Kaunlaran, Inc. upang kayo’y makilala... Palakpakan po natin silang lahat.

Ultimately, we hope to see most of the micro-entrepreneurs like them graduate into more stable businesses that would create jobs in their communities. This is the next step in our roadmap toward realizing the vision of PinoyME: to help create a broad middle class, composed of Filipinos who can make mature and intelligent choices—economically, socially and politically. From there will spring the foundation for a strong and sustainable democracy.

But for us to get there, we would need the support of various sectors behind our drive to boost micro-enterprises and to gradually bring them into the business mainstream. That is why we have chosen to gather here at Tiendesitas—and I'd like to personally thank Ortigas & Co. for allowing us the use of this venue free of charge. By situating ourselves in a marketplace where Filipinos from all walks of life converge, we can more readily appreciate how relatively easy it is for each of us to lend a helping hand to our countrymen and women who are willing and able to uplift their quality of life. My friends, ladies and gentlemen, through PinoyME, let us give them the opportunity to make their dreams—and ours—come true.

Thank you very much.