

Welcome Remarks

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"Building on Capacity and Education to Enhance Microfinance Access: A Presentation of Results and Experiences of the Technical Assistance in Enhancing Access of the Poor to Microfinance Services in Frontier Areas"

Secretary Cerge M. Remonde

Delivered by Mr. Butch Junia, COS

A very pleasant morning to all of you. And a warm welcome to today's presentation.

Microfinance, while supposedly alien to many, must be a buzzword in this circle. After all, you are the principal stakeholders of the microfinance industry.

I used the descriptive 'alien' advisedly, because while microfinance may be unfamiliar to some, it has touched the lives and livelihood of millions, in one form, under one name, or another.

Better known by its different brand names, however, the generic microfinance is unappreciated. Unheralded.

Microfinance, ironically, must have reached its peak of public awareness, the past couple of weeks, when it was written up in the business pages, editorialized in a major broadsheet, dissected in columns, even debated in the House and Senate - - but for the wrong and worst reasons. It was just a matter of time for divisive and partisan politics to catch up with microfinance.

I am pleased that the report to be made today will speak of enhancing access to microfinance services through education. Of expanding MFI reach and capabilities through training. Initiated some 18 months ago, the report offers insights that could answer last week's confusion on the MFIs.

I would like to thank the Asian Development Bank for extending the assistance that made this report possible.

In the course of the report, I hope you will also gain insights into our vision of poverty alleviation and what the government and the basic sectors partnership in the Commission is seeking to achieve.

Poverty is at times seen as a process or situation of social exclusion, where some individuals are constrained due to barriers in ethnicity and race, gender, age, physical handicap, and of course, limited economic and physical resources. Here in the Philippines, poverty continues to be mainly a rural phenomenon, with more than two-thirds of poor households in the Philippines living in the rural areas.

Economic exclusion is an occurring trend, especially in remote and hard-to-reach areas where access to basic services and infrastructure is at a minimum. Even the rapid development of the microfinance industry cannot completely address this root of poverty.

This is not to say that the microfinance industry is not performing to expectations. Today, the Philippines is home to some of the most outstanding MFIs in Asia, and is adjudged as one of the most outstanding countries by making landmark innovations in the development of the microfinance industry.

However, despite this dazzling performance in microfinance, the country is still home to four million poor families. Forty-seven municipalities were tagged microfinance-unserved areas, but convergent efforts are being made to identify strategies and stimulate MFI-entry into these areas with zero microfinance presence.

The National Anti-Poverty Commission is set to establish NAPC regional offices in the six poorest regions, to facilitate the provision of localized programs and projects for the poor and underserved sectors in these areas of the country.

The creation and transformation of our institutions to fight poverty is more urgent than ever today. Frontier poverty remains our most pressing problem, and our addressing it together is our overarching goal.

Why do the poor in the frontier areas remain poor?

That is the essential question I hope will be addressed today.

What must be done to eradicate frontier poverty?

That is the question that I want everyone present to ponder, as you leave this hall.

I am grateful that today, at the start of my tenure as lead convenor of NAPC, I am part of this renewal of partnerships of sectors and institutions committed to fight poverty. I hope that your discussion will impress greater understanding of the situation in frontier areas and highlight possible interventions as to how to address the needs of the frontier poor. I hope that your openness to the experiences and views to be presented today will stimulate responsiveness to the needs that will be identified and mechanisms that will be recommended.

In achieving greater understanding and stimulating responsiveness, I am positive that this renewal of partnerships will be given a new meaning as our battle against poverty continues to be at the top of our priorities.

Thank you. And I bid you all: Welcome!