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Of Trees and Forest

Helping Hand for the Poor (Conclusion)

SENATE Bill No. 3255, which seeks to institutionalize the development of microenterprise development organizations, may be considered a kind of “public-private partnership program.”

The difference between them is that the ongoing PPP program, which is mainly for infrastructure and other big-ticket ventures, requires huge funding, while microenterprise development does not. And the goal of SB 3255 is no less significant than that of the PPP: reduce poverty by providing livelihood opportunities to the poor.

The bill endeavors to support and work in partnership with qualified institutions, to be known as microenterprise development organizations or microdevs, which will implement a development strategy to provide general and other entrepreneurial services to the poor.

Essentially, accredited microdevs will be operated like non-stock and non-profit corporations, governed by boards of trustees whose members won't receive compensation. In other words, this is aimed at benefitting the poor clients to achieve its poverty alleviation objectives.

Under this measure, a Microdev Accreditation Center will be created to institutionalize a system of accreditation and registration of microfinance entities. The center will monitor the performance of microdevs to ensure their compliance with the provisions of this measure and keep in check their commitment to help the poor and marginalized.

Qualified microdevs will provide the poor access to reasonable and affordable credit and related services, including microfinance, micro-insurance, health care and micro-housing, business development opportunities, such as leadership training and entrepreneurial skills training, human development services to help the poor achieve a level of sustainability and empowerment and adopt measures to promote a spirit of generosity and selfless giving among individuals and institutions that would help support all programs directly involved in poverty eradication.

I cannot over-emphasize the importance of this legislation. Microenterprises need access to finance to ensure that the poor are not left out of market development.

Microenterprises need access to business services to ensure that their contribution to key subsectors and to our national economy is maximized. They need an enabling environment that facilitates rather than inhibits their participation in markets.

Let me cite the Philippines Progress Report on the MDG updated as of October 27, 2010, which states that, “access to microfinance services by the entrepreneurial poor is considered an important tool in addressing poverty.”

With the government providing an enabling environment through the formulation and enforcement of appropriate policies and regulatory framework, it is envisioned that the private sector will take a greater role in the provision of financial services and encourage the poor to engage in viable and sustainable micro-enterprises.

Even globally, people have recognized the need for financial inclusion and its significance in supporting micro, small, and medium-scale enterprises (MSMEs), the

engines for economic growth and job creation, and in improving the livelihoods of the poor such as through the formation of the Global Partnership for Financial Inclusion.

With the support of both houses of Congress, I hope to see the enactment of SB 3255 into law before we will adjourn our session. And with its passage, I am confident that we finally make significant progress in our anti-poverty and employment generation programs.

Indeed, once enacted into law, it will be a landmark accomplishment of the 15th Congress primarily because it will help our 23.1 million poor kababayans rise above poverty.

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