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First Macro Bank is MCPI's Newest Member

The Microfinance Council of the Philippines (MCPI) officially welcomes First Macro Bank, Inc. (FMB) as the newest addition to its family of microfinance practitioners.

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Training on Client Protection Continues

As part of the ongoing campaign to put into practice the Client Protection Principles and incorporate it in the daily operations of microfinance institutions, the Microfinance Council of the Philippines, Inc. (MCPI) and Oikocredit organized a training on Client Protection Principles for Oikocredit's partners last September 22-23 in Fersal Hotel, Malakas, Quezon City.

In the training, participants were introduced to the six Client Protection Principles: Avoidance of Over-indebtedness; Transparent and Responsible Pricing; Appropriate Collection Practices; Ethical Staff Behavior; Complaints Handling and Resolution; and Privacy of Client Data. The gathering presented the attendees with the opportunity to identify their respective organization's strengths where these practices are concerned; as well as pinpoint areas that need improvement.

The emphasis on client protection is an advocacy known as the Smart Campaign; initiated by key microfinance leaders following the global financial crisis and the microfinance industry crises in a number of countries.

Aside from generating awareness of the key client protection principles, this activity also aimed to educate and build the capacity of the MFIs to carry out a self-assessment of their client protection practices; and create a team

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Greetings

Congratulations on your
25th year, TSKI!

Happy 9th anniversary,
KASAGANA-KA!



MCPI and PWRF-SP Partner for Water Services and Sanitation

Last September 1-2, microfinance and training institutions based in Luzon attended a seminar on Microfinance Program for Water Supply and Sanitation (WSS) in Un-served Communities in Astoria Plaza, Pasig City following the same seminar held in Cebu on May 26-27, 2011.

The 2-day seminar, organized in partnership between the Microfinance Council of the Philippines, Inc. (MCPI) and the Philippine Water Revolving Fund Support Program (PWRF-SP) aims to encourage more microfinance practitioners to: (1) include water and sanitation in the microfinance programs of their respective organizations, (2) partner with water service providers on water supply to serve waterless and poor households; and (3) significantly improve the sanitation aspect by

offering their clients loans for toilet construction or repair.

Topics in the seminar included Product Development Cycle discussed by Mr. Cristopher Lomboy, Asia PPI Specialist of Grameen Foundation; Introduction to Water Supply Operations and Sanitation, and Cost Estimates of Different Models by Engr. Rene Capiz, Water Supply Engineer of PWRF-SP; and Partnership Models for Water Supply and Sanitation by Ms. Doreen Erfe, Policy and Institutional Specialist of PWRF-SP.

Product development, according to Mr. Lomboy, starts by identifying needs and opportunities-in this case, the need for water and sanitation-before a product is designed and pilot-tested.

Different partnership models among MFIs, water utilities/water districts, water associations/borrower, and clients/households were discussed together with their respective roles and obligations in the partnership. Cost estimates on different WSS models were also given.

The Director for Alalay sa Kaunlaran (ASKI) Foundation, Inc. Babylyn F. dela Cruz showed ASKI's pilot water kiosk project in Barangay Bagong Sikat, Cabanatuan City. Inauguration of "Aguador sa Nayon" is in September 2011.

TSPI's partnership with PWRF-SP developed and pilot tested a

marketing tool and strategy to create greater appreciation of the value of proper human waste disposal. Since pilot testing commenced in the chosen branches, more than the target number of clients availed of the sanitation loan and a 100% repayment rate was observed for both existing and new clients.

Institute for Popular Democracy (IPD) Local Governance Program Coordinator Erik Villanueva's presentation focused on organization of water cooperatives in waterless communities and network with other associations for cooperation on technical, economic and policy issues. Models of water cooperatives in the country and in Bolivia were also shown, including their successes, setbacks, and assistance given them by the local government.

Video on Water for the Poor program of the USAID-Environmental Services Program in Indonesia capped the presentations.

Participants of the seminar voiced optimism on the project but cited that it needs funds, capability-building and information drive so there will be more takers-MFIs and clients alike.

Copies of the Powerpoint and video presentations, and the seminar report are available from the MCPI Secretariat.♦

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is published by the Microfinance Council of the Philippines, Inc.
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First Macro Bank was established in 1960 by a group of socially-conscious people led by Anatolio B. Cruz. Then known as Rural Bank of Pateros, Inc. and the only bank in the municipality at the time, it answered the banking needs of Pateros and its neighboring communities.

Although it did not offer microfinance products until the year 2000, FMB had been doing similar lending and community involvement where it is located. The bank believes in the enterprising poor as viable clients so it was natural for the bank to develop a microfinance product when the practice became mainstream.

“ We believe in the enterprising poor as viable clients... ”
 -First Macro Bank, Inc.

FMB has more than five thousand microfinance clients; and ten of its eleven banking units offer microfinance services. It listens to the needs of its clients and responds to them by offering customer-driven products. This and the non-financial offerings of the bank, such as livelihood training and seminars aimed at strengthening the capability of the microentrepreneurs, make First

Macro Bank an outstanding leader in community development.

First Macro takes pride in its staff of committed and dynamic professionals in its eleven branches in Metro Manila and neighboring towns, which provide clients with the highest quality of service. They offer regular banking products like savings, time and current account deposits; and microfinance, housing, car, salary, SSS, and business loans. Remittance and bills payment services are also available. FMB has also started providing clients with ATM services.

At the helm is the bank's President Reginald L. Ocampo, whose experience in the loans department and branch operations prior to becoming president more than enables him to steer First Macro to achieving its plans. In 2005, the same year he became president, the bank implemented some structural and organizational changes, including the setting up of the microfinance

compliance unit. The year 2006 saw the bank's participation in the Microfinance Information eXchange (MIX), in support to MCPI's program to establish industry benchmark; and this year First Macro demonstrated its commitment to pricing transparency by participating in the transparent pricing initiative of MicroFinance Transparency (MFT). Better microfinance services are expected as improvements are applied by the bank.

When asked why First Macro Bank joined MCPI, Mr. Ocampo said that FMB believes in MCPI's thrusts and vision. This confidence in MCPI as a good partner in promoting and strengthening the bank's microfinance program and the entire microfinance industry was the reason why FMB attended its training and seminars even before its membership was made official. On its end, MCPI is confident that FMB's membership will produce a long-lasting relationship that will not only support and develop microfinancing at FMB, but among rural banks in general.

Welcome aboard, First Macro Bank! ♦



of resource persons that could help Smart Campaign implement these principles.

MCPI joined Smart Campaign in 2008 when it started as a Beyond Codes project partner and since then has collaborated in a number of initiatives to promote the Client Protection Principles. On June 13-14, 2011, the same training was held in CSB International Conference Center and Hotel, Manila, with microfinance institutions, People's Credit and Finance Corporation (PCFC), and SEEDFinance Corporation as participants. It was organized by MCPI in partnership with the SEEP Network and Smart Campaign. ♦

Search is on for 2011 Citi Microentrepreneur of the Year

Aspirations. Hard work. Business strategy. Microentrepreneurial success. These are what the Citi Microentrepreneur of the Year (MOTY) is all about. And the search is on.

The Microfinance Council of the Philippines, Inc. (MCPI) received eighty four (84) nominations from its members and sixty one (61) from other networks after this year's launching of the Citi MOTY search on May 27, 2011. Out of this number, twenty four (24) nominees were included in the shortlist as semi-finalists. Teams composed of MCPI, the *Bangko Sentral ng Pilipinas* (BSP) and Citibank volunteers have visited the nominees for interview and further evaluation after which two screenings will follow to determine the winners.

The awards have two categories- **Masikap** and **Maunlad**. **Masikap** nominees have business assets worth P300,000 or less while **Maunlad**

candidates have P300,000 up to P1 million worth in assets. There will be one National winner and three Island Group (Luzon, Visayas and Mindanao) awardees for each category.

National winners in the two categories will receive P200,000 each; and the three Island Group awardees P100,000 each. As an added benefit for winners, a three-year life and health insurance coverage will also be awarded to them. The winners will also undergo training on financial literacy and entrepreneurship. A P10,000 incentive will also be given

to the MFI's branch and their loan officers serving the winners for their part in the achievement of the microentrepreneurs.

More than 70 outstanding microentrepreneurs who have improved their quality of life and generated employment for other members of the community through their sustainable enterprise have been recognized by the Citi MOTY search since the awards program started in 2002.

Announcement of winners will be in November 2011. ♦



Something new is coming soon...



www.microfinancecouncil.org

Microfinance, Agri Production Loans Available for Small Farmers/Fishers

An initial P400 million fund has been allocated by the Agricultural Credit Policy Council (ACPC) to fund either agricultural production or microfinance loans of eligible small farmers and fishers in the areas of operation of participating cooperative banks. For the full story, please go to <http://www.philstar.com/Article.aspx?articleId=731559&publicationSubCategoryId=66> (click the link to view online article). ♦