

Elenita San Roque Project Proposal Summary

Since 1994, Credit Union Microfinance Innovation (CUMI) has been one of the focal points of ACCU services to members and in countries where poverty is widespread. The innovations have improved the quality of service to the “have less” by incorporating wealth-building strategy (savings) rather than creating dependency on loan, continuous education, doorstep service, self-help group pressure, and graduation to the regular membership of the credit union. ACCU recognizes that access to affordable financial services, savings and credit, and education would not ensure the sustainability of the entrepreneurial poor. ACCU equally recognizes the importance of “Access to Markets” as an important component of CUMI.

Paglaum Multi-Purpose Cooperative in the Philippines¹, a supporter member of ACCU and a recipient of CUMI Performance Award in 2010, is recognized for its commitment to reach the ‘have less.’ PMPC operates in the Southern part of the Philippines, where poverty incidence is high. PMPC has demonstrated its social responsibility by reaching out to the poor. It has implemented the Credit Union Microfinance Innovations (CUMI) since 1999, which has 30,139 members. Currently, the program is unable to finance larger loans because of the low absorption capacity of members. Lack of entrepreneurial skills and market opportunities are constraints in enabling poor women run viable and innovative enterprises.

Project Design - The project goal is to establish a fully functional Business Development Center (BDC) for Paglaum Multi Purpose Cooperative (PMPC <http://www.paglaumcoop.org.ph>) by December 31, 2015 aimed at:

- Improved business performance of MSEs (Medium and Small Enterprises) owned by rural and women entrepreneurs
- Increased transformation of MSEs from the informal to the formal sector
- Increased number of start-ups
- Increased income and employment opportunities in rural areas and particularly for women
- Increased leadership skills of women and involvement in credit union governance
- Increased financially literate membership

The BDC will play a crucial role in developing women members’ entrepreneurial skills and access to markets, information, and linkages to business development services with other institutions, accreditation, quality assurance and trade facilitation. Apart from financial access, PMPC will also provide entrepreneurial and market support through the BDC to ensure that their businesses are sustainable and viable. PMPC will also incorporate financial literacy training and tools to help members build wealth and consequently get out of poverty.

¹ As of December 2012, 27.9% of Philippine population is living below poverty line (income below US\$377/mo.) or 270 million. The country’s population growth is 2.36% or 5,000 people daily. The unemployment rate is of high 6.8%.