



Department of Agriculture
Agricultural Credit Policy Council



2019 Report on the Results of Field Validation Activities for the Survival and Recovery (SURE) Loan Assistance Program



April 15, 2020

by the ACPC Monitoring Division:



Norman William S. Kraft
Annalyn G. Garay
Gregoria M. Guce
Normando M. De Leon
Rufino T. Estrada Jr.
Rachel A. Bustamante
Arlyn D. Bancud
Christian Allain B. Canoy
Lariza Nicole A. Aure



Photo courtesy: BBC News

Photo courtesy: ABS-CBN News

TABLE OF CONTENTS

I.	Background.....	4
II.	Objectives in Conducting Field Validation for the SURE Program.....	5
III.	Methodology.....	5
IV.	Field Validation Results and Analyses.....	6
A.	Demographic Profile.....	6
A.1	Age and Gender.....	6
A.2	Monitoring of Persons with Disability (PWDs) in Borrower-Households.....	7
A.3	Main Income Source of Borrowing Households.....	7
A.4	Tenurial Status.....	8
B.	Validation of Borrowers' Compliance with Program Guidelines.....	8
B.1	Calamities and Emergencies Responded to by the SURE Program.....	8
B.2	Types of Farming Activities and Extent of Farm Area Damaged.....	9
B.3	Estimated Amount of Damage/Losses per Type of Livelihood.....	9
B.4	Did SURE Borrowers have any Existing Loan with Other ACPC Programs?.....	10
B.5	Length of Loan Processing Time.....	10
B.6	Amount of SURE Loan Received.....	11
B.7	Were Charges Deducted from the SURE Loan?.....	11
B.9	Were Borrowers Charged Interest?.....	12
B.10	Were Borrowers asked to Provide Loan Collateral/Security?.....	13
B.11	Loan Maturity.....	13
B.12	Status of SURE Loans.....	13
C.	Client Satisfaction Feedback of Small Farmers and Fisherfolk (SFF) under the Survival and Recovery (SURE) Loan and Assistance Program.....	14
C.1	Satisfaction with Loan Interest Rate.....	14
C.2	Satisfaction with Loan Amount.....	15
C.3	Satisfaction with Documentary Requirements.....	16
C.4	Satisfaction with Loan Processing Time.....	16
C.5	Satisfaction with Service/Personnel of Lending Conduit.....	17
C.6	Satisfaction with Distance to Lending Conduit.....	17
C.7	Overall Satisfaction of Program Borrowers.....	18
V.	SUMMARY.....	19
VI.	Remarks and Recommendations.....	21

LIST OF TABLES

Table 1. Specific Calamities / Emergencies that Affected SURE Program Borrowers Covered by the Field Validation	5
Table 2. Borrower Age Distribution.....	6
Table 3. Borrower Gender Distribution.....	6
Table 4. Incidence of PWDs in Household of Borrowers.....	7
Table 5. Main Income Source of Borrowing Households.....	7
Table 6. Tenurial Status of Borrowers	8
Table 7. Calamities or Emergencies Experienced by Borrowers	8
Table 8. Total Farm Size vs. Size of Calamity-Damaged Area.....	9
Table 9. Estimated Amount of Damage / Losses Incurred by SURE Farmer and Fisherfolk Borrowers ..	10
Table 10. Borrower with Existing Loans under other ACPC Programs.....	10
Table 11. Length of Processing Time	11
Table 12. Amount of Loan	11
Table 13. Loan Deductions.....	11
Table 14. Loan Purpose and Actual Utilization.....	12
Table 15. Responses with Regard to Charging of Interest.....	12
Table 16. Responses on Requirement of Collateral	13
Table 17. Loan Maturity	13
Table 18. Status of SURE Loans.....	14
Table 19. Satisfaction with Program Interest Rates	14
Table 20. Satisfaction with the Loan Amount.....	15
Table 21. Additional Capitalization/Loan Amount Needed	15
Table 22. Satisfaction with Documentary Requirements	16
Table 23. Satisfaction with Loan Processing Time	16
Table 24. Satisfaction with Service/Personnel of Lending Conduit.....	17
Table 25. Satisfaction with Distance to Lending Conduit.....	17
Table 26. Summary of Borrowers' Satisfaction with the Program Terms and Conditions.....	18
Table 27. Overall Satisfaction with the ACPC SURE Program.....	18

I. Background

The Survival and Recovery (SURE) Program is a quick response, post-disaster support facility for calamity-affected small and marginal farmers and fisherfolk and their households. The program supports the government's goal of helping small agriculture and fishing households in calamity-affected areas regain their capacity to earn a living by providing immediate financial relief through a loan package. The program was developed in 2016 in response to natural disasters that occurred in the country that year which resulted in severe losses to agricultural production and contributed to the lethargic performance of the agriculture sector. The SURE Program complements the initiatives of other government agencies in providing rehabilitation support in calamity-affected areas.

The SURE Program is being implemented by the Agricultural Credit Policy Council (ACPC). Loan assistance under the program is interest-free and is extended through the partner financing institutions of ACPC under its other existing loan programs. Those eligible to avail themselves of SURE loans are affected small farmers and fisherfolk (SFF) and agricultural workers in areas declared under a state of calamity.

SURE loans are intended to finance the requirements of rehabilitating the farming and/or fishing or livelihood activities of calamity-affected small farm/fishing households, including for procurement of production inputs, for the repair of farm/fishery assets, and for the acquisition of livestock/work animals.

Loan amount under the program is limited to a maximum of P25,000 per borrower. The maturity period is determined by the conduit depending on the gestation of the project and the capacity of the borrower to repay the loan. However, it should not exceed the maximum period of three (3) years. No interest nor other deductions are charged or collected from program borrowers, except for a one-time 3% service fee. Loan collaterals are likewise not required.

In case a calamity-affected small farmer and fisherfolk-borrower also has an outstanding loan under any of the other ACPC credit programs, he may also avail of a one (1) year moratorium on payment of his outstanding loan obligation.

The program covers areas that are declared under a state of calamity by the local government unit (LGU) as validated by the Department of Agriculture (DA) and/or by the local office of the National Disaster Risk Reduction and Management Council (NDRRMC) to have sustained considerable damage in agriculture due to a calamity.

In order for the program to provide immediate relief to calamity-affected small farmers and fishers, program lending conduits are encouraged to expedite the processing of loans within fourteen (14) days or less.

One of the activities of ACPC to monitor program implementation is the gathering of information and feedback directly from program borrowers as well as partner lending conduits regarding their experiences in participating under the SURE program.

This report contains the results of the field validation activities conducted by ACPC for the SURE Program in 2019.

II. Objectives in Conducting Field Validation for the SURE Program

Program field validation activities for the SURE Program are conducted by ACPC to:

- a. Validate at the borrower level if program implementation by partner lending conduits is compliant with the program guidelines; and
- b. Gather client satisfaction feedback on program implementation from both partner lending institutions and program borrowers.

III. Methodology

Field validation activities for the SURE Program were conducted in the 3rd Quarter of 2019. SURE borrowers were randomly selected from Loan Disbursement Reports (LDRs) submitted to ACPC by its partner lending conduits under the program. At least thirty (30) borrowers from each lending conduit were selected.¹ The randomly selected program borrowers served as the sample group for the field validation.

A structured survey questionnaire was used in gathering information from the sample borrowers as well as lending conduits for the program validation activity. Among the information that were gathered from the borrowers are their demographic profile, extent of agricultural damage caused by the calamity they experienced, how they utilized their SURE loan, whether charges were paid on their loan, the maturity of their loan, and their satisfaction feedback with regard to the program features.

For the 2019 field validation activities that were conducted for the SURE Program, a total of 155 borrowers from four (4) lending conduits were interviewed. The specific calamities or emergencies that were experienced by these borrowers include Typhoons Vinta, Ompong, Rosita and Agaton, and the Boracay Island Closure/Rehabilitation (Table 1).

Table 1. Specific Calamities / Emergencies that Affected SURE Program Borrowers Covered by the Field Validation

Name of Partner Lending Conduit	Province	Type/Name of Calamity	Date	No of Borrower - Respondents
Cantilan Bank	Agusan del Norte	Typhoon Auring	January 2017	62
Paglaum Multi-Purpose Cooperative	Zamboanga del Norte	Typhoon Vinta	December 2017	32
Nueva Segovia Consortium of Cooperatives	Pangasinan	Typhoons Rosita and Ompong	Sept-Oct, 2018	28
Integrated Bank of Numancia Multi-Purpose Cooperative	Aklan	Boracay Closure	April 2018	33
TOTAL				155

¹ However, due to the unavailability of some of the selected sample borrowers in Nueva Segovia Consortium of Cooperatives (NSCC) in Pangasinan during the conduct of the field validation itself, only twenty-eight (28) borrowers were interviewed there.

IV. Field Validation Results and Analyses

A. Demographic Profile

A.1 Age and Gender

While the ages of SURE Program borrowers range from 25-86 years old, majority (58%) are in the 40-59 years' age bracket (Table 2). On the other hand, almost 1 out of every 3 borrowers is a senior citizen (i.e. 60 years of age and up). The youth (i.e. below 19-39 years of age) are represented by approximately only 1 for every 10 borrowers. Average age among SURE Program borrowers is 55 years.

Male borrowers under the SURE Program are only slightly more in number than the female borrowers (Table 3).

Table 2. Borrower Age Distribution

Age Group	No. of Reporting	% Share
19 years old and below	-	-
20-29 years old	5	3
30 -39 years old	10	6
40 - 49 years old	36	23
50 - 59 years old	54	35
60 years old and above	50	32
Total	155	100
Mean	55	
Youngest	25	
Oldest	86	

Table 3. Borrower Gender Distribution

Gender	No. Reporting	% Share
Male	85	55
Female	70	45
Total	155	100

A.2 Monitoring of Persons with Disability (PWDs) in Borrower-Households

Republic Act (R.A.) 7277 encourages active participation in promoting the welfare of disabled persons and ensuring gainful employment for qualified persons with disability (PWD).² State agencies' compliance with the law through their respective programs is reported and closely monitored. Under the SURE Program, 14% of the interviewed borrowers reported having PWD/s among their household members who, therefore, also benefited from program access (Table 4).³

Table 4. Incidence of PWDs in Household of Borrowers

No. of HH member	No. Reporting	% Share
0	134	86
1	21	14
2	-	-
3	-	-
4	-	-
Total	155	100

A.3 Main Income Source of Borrowing Households

Table 5 shows that, consistent with the main intent of the SURE program to assist calamity-stricken farmers and fisherfolk, the main livelihood of most of the SURE Program borrowers (86%) are in agriculture and fish production, with a more significant share being engaged in crop production. Only a handful of the randomly selected borrower-respondents for the field validation are fisherfolk (i.e. affected particularly by back-to-back typhoons Rosita and Ompong in Pangasinan). No fisherfolk were randomly sampled from among the program borrowers in Zamboanga del Norte and Agusan del Norte.

On the other hand, the remaining 14% of interviewed borrowers are those who lost their tourism-based/ non-farm sources of income (e.g. food vending, salary and wages, souvenir shops etc.) as a result of the closure and rehabilitation of Boracay Island over a period of several months in 2018. Intervention of the SURE Program to assist those affected by the Boracay closure was a special government response through the Department of Agriculture.

Table 5. Main Income Source of Borrowing Households

Main Source of Income	No. Reporting	% Share
Farm and Fisheries	127	86
Crop Production	123	83
Fisheries Production	4	3
Non-Farm	22	14
Total	155	100

² An Act providing for the Rehabilitation, Self-Development and Self Reliance of Disabled person and their integration into the mainstream of Society and for other purposes.

³ The types of disabilities reported include: injury from accident, congenital disabilities (i.e. autism, blindness, cleft lip).

A.4 Tenurial Status

About 4 out of every 5 SURE borrowers either own or are tenants of the farmlands they are cultivating (Table 6). The rest, on the other hand, are renting or leasing the land that they till.

Table 6. Tenurial Status of Borrowers

Tenurial Status	No. Reporting	% Share
Owned	50	39
Tenant	48	38
Rented/Leased	29	23
Mortgaged	-	-
Total	127	100

B. Validation of Borrowers' Compliance with Program Guidelines

B.1 Calamities and Emergencies Responded to by the SURE Program

Farmers whose crops were damaged by typhoons make up almost 80% of the SURE Program borrowers (Table 7). Most of the typhoon-affected program borrowers are from Agusan del Norte who sustained agricultural losses due to Typhoon Auring in January 2017. The others are from Zamboanga del Norte who, on the other hand, sustained losses from Typhoon Vinta in December 2017, and from Pangasinan who were affected by back-to-back typhoons – Rosita and Ompong – in September and October 2018. All these provinces were declared under state of calamity by the government.

The rest of the SURE borrowers interviewed are residents of Boracay Island in Aklan Province who lost tourism-related livelihood when the popular tourist destination was closed by the government and rehabilitated for 6 months in 2018 due to the presence of excessive levels of biohazardous waste in the island.

Table 7. Calamities or Emergencies Experienced by Borrowers

Type of Calamity/Emergency	Province Affected	Months/Year	No. Reporting	% Share
Typhoon				
Auring	Agusan del Norte	January 2017	62	40
Vinta	Zamboanga del Norte	December 2017	32	21
Rosita and Ompong	Pangasinan	Sept-Oct, 2018	28	18
Sub-Total			117	79
Other Events				
Boracay Closure/Rehabilitation	Aklan	April 2018	33	21
Grand Total			155	100

B.2 Types of Farming Activities and Extent of Farm Area Damaged

Almost all of the SURE borrowers who are engaged in crop production are palay farmers (92%), which also validates that palay farmers are the crop producers most affected by typhoons (Table 8). The other types of crops planted by the rest of the farmer-borrowers are corn, coconut, and other high value crops.

Regardless of the type of crop, typhoons are consistent in damaging almost the entire farm area (Table 8). Although coconut farms sustained a comparatively lesser extent of damage, it is nonetheless still extensive at 80% of the farm area.

Losses sustained during typhoons by program borrowers engaged in livestock and poultry production are comparatively less at only 13-14% mortality in stocks (Table 8). All the four fisher program borrowers, on the other hand, reported that their boats were completely damaged.

Table 8. Total Farm Size vs. Size of Calamity-Damaged Area

Type of Commodity	No. Reporting	Total Farm Size (ha)	Damaged Area (ha.)	% of Damaged Area to Total Farm
Crop/s				
Palay	117	215	198.6	92.4
Corn	3	3	3	100
Coconut	5	5	4	80
High value crop	2	2	2	100
Livestock and Poultry	No. Reporting	Total No. of Heads	Mortality (No. of Heads)	% of Mortality to Total No. of Heads
Swine	37	129	17	13
Cattle	8	42	6	14
Poultry	9	570	77	14
Fisheries Production	No. Reporting	Total No. Fishing Boats	No. of Boats Damaged	% of Damaged Boats
Municipal Fishing	4	4	4	100

B.3 Estimated Amount of Damage/Losses per Type of Livelihood

The biggest average amount of calamity-inflicted losses on a per borrower basis was reported by crop farmers, with palay farmers reporting the highest average value of damage / losses per capita, i.e. P65,686 (Table 9). Municipal fishermen borrowers reported an average amount of damages per individual amounting to P33,750. On the other hand, the lowest average values of agriculture-related losses per capita were reported by livestock and poultry raisers, i.e. from P11,250 (average for poultry raiser) to P23,888 (average for cattle raisers).

Those affected by the closure/rehabilitation of Boracay reported livelihood losses amounting to an average of P61,634 per individual (Table 9).

Table 9. Estimated Amount of Damage / Losses Incurred by SURE Farmer and Fisherfolk Borrowers

Type of Commodity / Economic Activity	Average Amount of Damage / Losses per Borrower (PhP)
Crop/s	
Palay	65,686
Corn	40,500
Coconut	43,000
High Value Crops	25,000
Livestock and Poultry	
Swine	12,312
Cattle	23,888
Poultry	11,250
Fisheries Production	
Municipal/ Coastal Fishing	33,750
Tourism-based Livelihood*	61,634

* Boracay closure

B.4 Did SURE Borrowers have any Existing Loan with Other ACPC Programs?

None of the SURE program borrowers who were interviewed was found to have an existing loan under other ACPC programs (Table 10). There was therefore no validation of the program's moratorium feature on repayment of loans (i.e. under the other programs).

Table 10. Borrower with Existing Loans under other ACPC Programs

With Existing Loan in Another ACPC Program	No. Reporting	% Share
Yes	-	-
No	155	100
Total	155	100

B.5 Length of Loan Processing Time

On the average, it takes about 9 days for a SURE loan to be processed and released (Table 11).⁴ For 84% of the interviewed program borrowers, loan processing was within ACPC's 14-day prescriptive period. In fact, 30% of the borrowers even reported that loan processing took only less than 5 days. However, there are also some who reported experiencing processing time going beyond 2 weeks, which is too long for a recipient of any calamity loan assistance. Some of the causes of delay that were gathered include the clustering approach adopted by some lending conduits in processing and approving loans (i.e. loan processing commences only after a certain number of applications has been gathered) and the length of time it takes for concerned local government units (LGUs) to identify and submit a list of potential beneficiaries.

⁴ From submission of application to actual receipt of loan proceeds.

Table 11. Length of Processing Time

Length of Processing time	No. Reporting	% Share
Less than 5 days	46	30
6-14 days	84	54
More than 14 days	25	16
Total	155	100
Mean	9 days	

B.6 Amount of SURE Loan Received

Of every 5 SURE borrowers, 3 were able to receive the full loan amount of P25,000 under the program (Table 12). The other 2, on the other hand, received even as low as P 5,000. Those who received the lower amounts are mainly borrowers in the province of Pangasinan who were affected in the 4th quarter of 2018 by typhoons Rosita and Ompong. The partner lending conduits that catered to them were constrained to ration their SURE loan funds in view of the many calamity victims (of the back-to-back typhoons) in Pangasinan.

Table 12. Amount of Loan

Loan Amount (PhP)	No. Reporting	% Share
Less than 25,000	60	39
25,000	95	61
More than 25,000	-	-
Total	155	100
Mean	P17,000	
Minimum	P5,000	
Maximum	P25,000	

B.7 Were Charges Deducted from the SURE Loan?

All of the interviewed SURE borrowers reported that they were charged a service fee of 3% in advance by their respective lending conduits (Table 13). While the program allows partner lending conduits to charge a one-time service fee of up to 3%, 1 in every 10 borrowers also reported that they were additionally charged other expenses in advance, e.g. membership fee, loan protection insurance, and savings. Based on anecdotal accounts gathered from lending conduits, these other deductions were applied by the lending conduits only to those who are first-time (new) borrowers. The practice is nevertheless contrary to what the SURE program is advocating that no charges shall be deducted from the loan.

Table 13. Loan Deductions

Type of Deduction	No. Reporting	% Share
Service fee	155	100
Membership Fee	7	5
Savings	3	2
Loan Protection Insurance	4	3
Total	155	100

B.8 Loan Purpose vs. Actual Use of Loan

Incidence of loan diversion (i.e. utilization of the funds by the borrower in deviation of the allowed terms of the lender) is very minimal among SURE borrowers (Table 14). In fact, almost all the program borrowers (99%) reported that they utilized their SURE loans for the purpose they had indicated when they applied for the loan. Close to 3 out of 4 borrowers (73%) intended to use their SURE loan to finance their agricultural production livelihood. A little more than 1 out of 5 borrowers, on the other hand, claim that they applied for a SURE loan in order to use it for their household expenses (e.g. for medical expenses, for food, for children's education expenses, for house repairs, and also for buying household appliances) since it will take a while before their damaged livelihoods can recover.

Only 2 cases of loan diversion were documented during the field validation. In both instances, loans intended for agricultural production purposes were used instead for household expenses (Table 14).

Table 14. Loan Purpose and Actual Utilization

Loan Purpose	Purpose Applied For		Actual Utilization	
	No. Reporting	% Share	No. Reporting	% Share
Agriculture (includes crop production, livestock raising)	113	73	111	72
Commercial / Trade/Retail (include petty trade)	5	3	5	3
Manufacturing (includes food processing, textiles production, crafts, leather work)	2	1	2	1
Services	1	1	1	1
Household expenses (e.g. medical expenses, food, education, house repair, HH appliances)	34	22	36	23
Total	155	100	155	100

B.9 Were Borrowers Charged Interest?

Table 15 shows that all the program borrowers interviewed were not charged any interest by the lending conduits involved in the program. This validates that the partner lending conduits complied with the program's zero interest policy.

Table 15. Responses with Regard to Charging of Interest

With or Without Interest	No. Reporting	% Share
With interest	-	-
Without interest	155	100
Total	155	100

B.10 Were Borrowers asked to Provide Loan Collateral/Security?

All the interviewed borrowers did not submit any type of collateral to secure their loan (Table 16). This therefore also validates compliance of the partner lending conduits with the non-collateral requirement of the program as stipulated in the guidelines.

Table 16. Responses on Requirement of Collateral

With or Without Collateral	No. Reporting	% Share
With Collateral	-	-
Without Collateral	155	100
Total	155	100

B.11 Loan Maturity

Program guidelines provide that maturity period for SURE loans can be up to a maximum of three (3) years. As a measure to prevent moral hazard problems of borrowers being lax with their loan repayment obligations given such a long maturity period, however, some lending conduits opted to still lower the maturity period for their borrowers to 1-2 years. Table 17 shows that although 50% of the interviewed SURE borrowers were given relatively longer loan maturities of 2-3 years, 47% on the other hand got a loan maturity period of only 7 months to 1 year. The average SURE loan maturity of 2 years is less by one year than the program's maximum allowed maturity period.

Table 17. Loan Maturity

Maturity Period	No. Reporting	% Share
6 months and below	-	-
7-12 months	73	47
12-18 months	-	-
19-24 months	4	3
25 months to 36 months	78	50
Total	155	100
Mean	24 months	
Minimum	12 months	
Maximum	36 months	

B.12 Status of SURE Loans

Incidence of past due loans among SURE borrowers is high at 43% of interviewed program borrowers (Table 18). These borrowers admitted that their SURE loans have already matured but remain unpaid. Reasons given by borrowers for non-payment include: a) misconception that the loan is a grant or donation; b) insufficient income; c) family expenses were prioritized over loan payments (note that 36% of the program borrowers reported applying for SURE loans precisely for household expenses such as for medical expenses, for food, for children's education expenses, for house repairs, and also for buying household appliances); and d) the farm was hit by another calamity. The loans of the other borrowers, on the other hand, are mostly still current.

Table 18. Status of SURE Loans

Status of Loan	No. Reporting	% Share
Current	88	57
Fully Paid	1	1
Past Due	66	43
Total	155	100

C. Client Satisfaction Feedback of Small Farmers and Fisherfolk (SFF) under the Survival and Recovery (SURE) Loan and Assistance Program.

Satisfaction of individual borrowers with the ACPC SURE Program is gauged using the following criteria:

- 1) Satisfaction with the loan interest rate;
- 2) Satisfaction with the loan amount;
- 3) Satisfaction with documentary requirements;
- 4) Satisfaction with the loan processing time;
- 5) Satisfaction with the personnel/services of lending conduit;
- 6) Satisfaction with the distance to lending conduit; and
- 7) Overall satisfaction with the program/s.

Following are the results of the client satisfaction feedback survey conducted among random individual ACPC program borrowers:

C.1 Satisfaction with Loan Interest Rate

Zero interest loans are a special feature of the SURE Program in consideration of the calamity-hit agricultural livelihoods of the borrowers and their need to still recover economically. Around two-thirds (70%) of the program validation respondents unsurprisingly find the zero interest under the program as being “low”. The rest of the program respondents, on the other hand, rate it “just right”. But, on the average, the interviewed SURE program borrowers consider the program’s zero interest as “low” (Table 19).

Table 19. Satisfaction with Program Interest Rates

Perception of the Interest Rate	No.	% Share
Low	108	70
Just Right	47	30
High	-	-
Total	155	100
Mean Numerical Rating*	1.3	
Mean Descriptive Rating*	Low	

**Numerical rating and equivalent descriptive rating:
0.05 – 1.49 = Low
1.50 – 2.49 = Just Right
2.50 – 3.00 = High*

C.2 Satisfaction with Loan Amount

Table 20 shows that, for the majority (51%) of the interviewed SURE borrowers, the P25,000 (maximum) loan amount that can be availed under the program is not enough for the program's intended purpose of rehabilitating their damaged agricultural livelihood. Consequently, at the aggregate level, the SURE borrowers on the average find the program loan amount a bit inadequate to cover the cost of livelihood rehabilitation as well.

Of those who reported that the SURE loan amount is inadequate, 60% indicated the amount of the gap between their needed capital and the SURE loan amount. The amounts of capitalization gap that were reported range from a low of P6,000 to as much as P100,000. The average additional capital/loan needed approximately amounts to P37,000 (Table 21).

By combining the P37,000 average gap in amount of capital needed with the current P25,000 loan amount being provided under the program, the resulting sum of P62,000 could be closer to the actual average capital needed for livelihood rehabilitation by the calamity-stricken small farmer/fisherfolk-borrowers of the SURE Program.

The rest of the borrowers who reported inadequacy of the SURE loan were unable to provide the specific amount of capital they needed additionally.

Table 20. Satisfaction with the Loan Amount

Perception of the Loan Amount	No.	% Share
Adequate	76	49
Inadequate	79	51
Total	155	100
Mean Numerical Rating*	1.51	
Mean Descriptive Rating*	Inadequate	

**Numerical rating and equivalent descriptive rating:
0.05 – 1.49 = Adequate
1.50 – 2.00 = Inadequate*

Table 21. Additional Capitalization/Loan Amount Needed

Additional Capitalization/ Loan Amount Required	No.	% Share
Below P10,000	2	3
P10,001 - 20,000	9	11
P20,001 - 30,000	17	22
P30,001 - 40,000	2	3
P50,000 and above	18	23
No answer	31	39
Total	79	100
Average	P36,792	
Minimum	P6,000	
Maximum	P100,000	

C.3 Satisfaction with Documentary Requirements

Table 22 shows that, on the average, borrowers find the documentary requirements under the SURE Program “just right”, i.e. neither “too many” (i.e. inconvenient) nor “few” (i.e. too relaxed). Documentary requirements for calamity-hit farmers/fisherfolk who want to avail of a livelihood rehabilitation loan under the SURE Program have intentionally been reduced by ACPC to only include any government identification card, an ID picture, accomplished loan application form, and the promissory note. There are a few borrowers who nevertheless still find the requirements “too many”.

Table 22. Satisfaction with Documentary Requirements

Perception of Documentary Requirements	No.	% Share
Few	55	35
Just Right	90	58
Too Many	10	6
Total	155	100
Mean Numerical Rating*	2.29	
Mean Descriptive Rating*	Just Right	

**Numerical rating and equivalent descriptive rating:
2.50 – 3.00 = Few
1.50–2.49 = Just right
0.50–1.49 = Too Many*

C.4 Satisfaction with Loan Processing Time

According to interviewed SURE borrowers, processing time of the program loans on the average takes between 6-14 days, i.e. 1-2 weeks (Table 23). For a majority of the borrowers, processing time actually took less than a week. The <1-2week duration for loan processing is considered “just right” by SURE borrowers.

On the other hand, some borrowers (16%) reported experiencing slower loan processing time of more than 2 weeks.

Table 23. Satisfaction with Loan Processing Time

Perception of Loan Processing Time	No.	% Share
Fast	88	57
Just Right	42	27
Slow	25	16
Total	155	100
Mean Numerical Rating*	2.41	
Mean Descriptive Rating*	Just Right	

** Numerical rating and equivalent descriptive rating:
2.50 – 3.00 = Fast (< 5 days)
1.50 – 2.49 = Just Right (6-14 days)
0.05 – 1.49 = Slow (> 14 days)*

C.5 Satisfaction with Service/Personnel of Lending Conduit

SURE borrowers were “satisfied” on the average with the service and personnel of the lending conduit-partners of ACPC in program implementation (Table 24). There are only quite a few borrowers who reported that they were not satisfied with the service provided by the lending conduits citing as their reasons the following: a) approved loan amount is low; and b) lack of a more comprehensive orientation on the guidelines and features of the program.

Table 24. Satisfaction with Service/Personnel of Lending Conduit

Perception on Service of Lending Conduit	No.	% Share
Satisfied	149	96
Unsatisfied	6	4
Total	155	100
Mean Numerical Rating*	1.96	
Mean Descriptive Rating*	Satisfied	

** Numerical rating and equivalent descriptive rating:
1.50 – 2.00 = Satisfied
0.05 – 1.49 = Unsatisfied*

C.6 Satisfaction with Distance to Lending Conduit

Accessibility of conduits for the distribution of loans intended for livelihood rehabilitation is an important consideration for small farmers and fisherfolk whose farms or sources of agricultural/fisheries livelihood have been damaged by a natural or man-made calamity. Fortunately, with respect to the SURE Program, borrowers on average find the lending conduits to be accessible in terms of proximity (Table 25). However, although SURE lending conduits are considered “near” or accessible by a significant majority (76%) of the SURE borrowers, 1 in every 4 program borrowers, on the other hand, finds the location of the institution selected to release the SURE rehabilitation loan too far.

Table 25. Satisfaction with Distance to Lending Conduit

Perception on Proximity to Lending Conduit	No.	% Share
Near	188	76
Far	37	24
Total	155	100
Mean Numerical Rating*	1.76	
Mean Descriptive Rating*	Near	

** Numerical rating and equivalent descriptive rating:
1.50 – 2.00 = Near (short distance)
0.05 – 1.49 = Far (long distance)*

C.7 Overall Satisfaction of Program Borrowers

SURE borrowers, in sum, are satisfied with respect to the implementation of the program despite inadequacy of the program's maximum loan amount (Table 26.1). Table 26.2 confirms unanimous program satisfaction among the interviewed SURE borrowers.

Table 26. Summary of Borrowers' Satisfaction with the Program Terms and Conditions

Program Terms and Conditions	Mean Numerical Rating	Mean Descriptive Rating
Interest Rate	1.3	Low
Loan Amount	1.51	Inadequate
Documentary Requirements	2.29	Just Right
Loan Processing Time	2.41	Just Right
Lending Conduit Service/ Personnel	1.96	Satisfied
Distance to lending conduit	1.76	Near

Table 27. Overall Satisfaction with the ACPC SURE Program

Rating	No.	% Share
Very Satisfied	42	27
Satisfied	113	73
Unsatisfied	-	-
Very Unsatisfied	-	-
Total	155	100

V. SUMMARY

Around 79% of the sample borrowers reported that they were affected by calamities like typhoons (Ompong, Rosita, Vinta and Agaton) while 21% indicated that they were affected by the government's closure of Boracay Island in Aklan for rehabilitation (21%). All borrowers that are affected by typhoons, which is 86% of the total respondents, are engaged in agricultural activities such as crop production, livestock and poultry raising and fisheries production. About 2 out of every 5 SURE borrowers are either owners or tenants of the farmlands they are cultivating. On the other hand, sample program borrowers affected by Boracay Island Closure are engaged in non-farm income generating activities such as vending, employment and small business e.g. selling souvenirs, etc.

The most affected by typhoons are palay and corn production which sustained a 92% and 100% damages in the total farm area. Poultry producers reported a 14% of mortality while livestock raisers reported 27% of mortality in total number of heads, respectively. All fishermen-respondents also reported damages to their fishing boats and/or gears.

On a per individual basis, palay posted the highest estimated average amount of damage (Php 65,686), followed by coconut (Php 43,000), corn (Php 40,500) and finally, high value crops (Php 25,000). The average amount of damage among fisherfolk SURE borrowers is Php33,750, while among livestock producer-borrowers the average amount of damage for cattle raisers is Php23,888, for swine producers it is Php12,312, and for poultry raisers it is Php21,088.

All of the borrower-respondents reported that they do not have any existing ACPC loan other than the SURE loan. Thus, the SURE program feature of allowing a moratorium on ACPC loan program payments was not validated. On loan processing time, it takes about an average of 9 days for a SURE loan to be processed and released. Majority (84%) of the interviewed program borrowers said that loan processing was within ACPC's 14-day prescriptive period.

Of every 5 SURE borrowers, 3 were able to receive the full loan amount of P25,000. The rest, on the other hand, received even as low as P5,000. The partner lending conduits that catered to them were constrained to ration their SURE loan funds due to numerous calamity-affected borrowers who would like to avail of loans. The loan bears zero interest and no collateral was required from the borrowers. However, all the borrowers were charged a service fee of 3% by their respective lending conduits. New or first-time borrowers of the lending conduit were additionally charged with other expenses (e.g. membership fee, loan protection insurance and savings)

SURE loans were mainly utilized to finance the borrowers' requirements for rehabilitation and/or improvement of their farm such as crop production and livestock and poultry raising. The loans are payable mostly within 2-3 years. Although, the prescribed loan maturity period under the program is 3 years, some lending conduits opted to shorten the maturity period for their borrowers to 1-2 years as a measure to prevent moral hazard problems of borrowers being lax with their loan repayment obligations given such a long maturity period.

Incidence of past due loans among SURE borrowers is high at 43% of the sample borrowers who were interviewed. Some of the cited reasons for non-payment are: a) misconception that the loan is a grant or donation; b) insufficient income; c) family

expenses were prioritized over loan payments; and d) the farm was hit by another calamity.

On the satisfaction of individual borrowers with the ACPC SURE program, the following are the borrower-respondents' perceptions on the implementation of the program:

1. Satisfaction with the loan interest rate - On the average, the interviewed SURE program borrowers still consider the program's zero interest to be "low"
2. Satisfaction with the loan amount- At the aggregate level, the SURE borrowers on the average find the program loan amount a bit inadequate to cover the cost of livelihood rehabilitation.
3. Satisfaction with documentary requirements- On the average, borrowers find the documentary requirements under the SURE Program "just right", i.e. neither "too many" (inconvenient) nor "few" (too relaxed).
4. Satisfaction with the loan processing time- On the average loan processing takes between 6-14 days, i.e. 1-2 weeks. The <1-2week duration for loan processing is considered "just right" by SURE borrowers. However, for a majority of the borrowers, processing time actually took less than a week.
5. Satisfaction with the personnel/services of lending conduit - SURE borrowers were "satisfied" on the average with the service and personnel of the lending conduit-partners of ACPC in program implementation.
6. Satisfaction with the distance to lending conduit - On the average, SURE program borrowers find the lending conduits to be accessible in terms of proximity.
7. Overall satisfaction with the program/s - SURE borrowers, in sum, are satisfied with respect to the implementation of the program despite inadequacy of the program's maximum loan amount

VI. Remarks and Recommendations

1. Some of the documented program implementation practices found to be inconsistent with the SURE program guidelines are the following:
 - Loan processing time for 16% of borrowers took longer than 14 days;
 - 1 in every 10 borrowers received loans with advance deductions other than the one-time service fee.
2. SURE borrowers are nonetheless unanimously satisfied with the implementation of the program despite finding the program's maximum loan amount a bit inadequate.
3. ACPC should ensure that processing of SURE loans from the generation of list of potential borrowers by the LGUs to the processing and approval of loan applications by partner lending conduits does not take too long. The release of loan assistance for farmers and fisherfolk afflicted by a calamity should be immediate.
4. Since actual average maturity applied by lending conduits on SURE loans is 2 years, ACPC may consider reviewing the program's existing loan maturity policy.
5. Given the very high incidence of past due repayments among SURE borrowers, ACPC should immediately investigate the reasons behind the past due accounts to prevent a further escalation of loan delinquency problem.
6. ACPC to review the amount of the program's loan cap in view of feedback from majority of borrowers that the amount is inadequate for its intended purpose.
7. ACPC to provide SURE borrowers with a more comprehensive orientation on the guidelines and features of the program (as well as on the required crop insurance program), as requested by program borrowers.
8. 1 out of 4 program borrowers find the location of the lending conduit too far and, therefore, probably inaccessible to other eligible borrowers. In selecting its partner lending conduit/s for a given calamity, ACPC should give greater consideration to proximity or the potential lending conduit/s' capacity to physically reach and serve the targeted affected farmers and fisherfolk.