

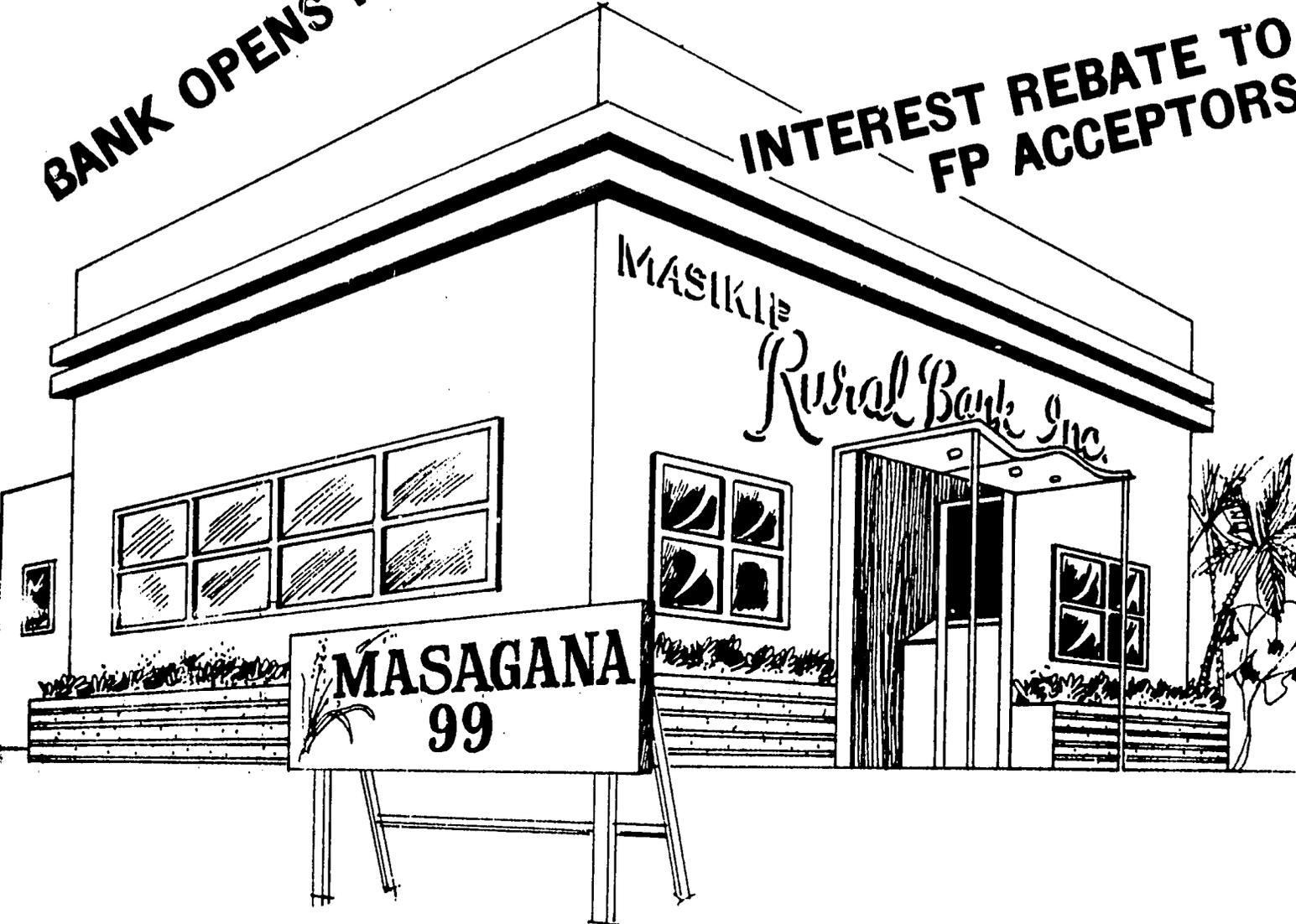
Philippines

PD-AAV-878

Isrl 83738

BANK OPENS FP CLINIC

**INTEREST REBATE TO
FP ACCEPTORS**



FAMILY AND NUTRITION PLANNING THROUGH RURAL BANKING

Women in Development
Agency for International Development
Room 3043, New State
Washington, D.C. 20523
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Date of Acquisition _____
Source _____

END OF TOUR REPORT

**David A. Delgado
USAID
March 1976**

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FOREWORD

I have written this report to serve USAID personnel in other divisions, as well as the Population Division. The bankers involved in this project comprise the "eagles" of the banking system, some of the most progressive and innovative bankers in the country. I encourage interested USAID personnel to visit these and other bankers and consider them as either potential allies in related development programs (such as Project Compassion, applied nutrition, agricultural education and extension, marketing, etc.) or as important sources of feedback on general rural development activities.

It has been personally rewarding to have been an observer of this project since its inception. Prior to my assignment with the USAID/Population Division, I had the opportunity to discuss elements of this project with skeptics and critics of all types. It was valuable to the project design to heed this criticism and "build" the project deliberately to remove these areas of potential weakness. For example, it was suggested that the entire project consisted of a single highly motivated individual who had technical and financial resources, and community leadership not available in other municipalities and was, thus, not a replicable project. Yet the project has been easily replicated without project funding in municipalities scattered throughout the country, among liberal and conservative bankers, with varying degrees of resources available. Most skeptics doubted bankers' willingness to offer interest rebates on loans, yet several have chosen this option as a part of their bank strategy.

This project incorporates many of the challenges posted by the U.S. Congressional mandate and uniquely builds upon an already established, respected economic institution, the 760 strong rural banking systems of the Philippines. Its replicability does not entail the costly and time-consuming creation of new institutional structures. The supervised credit delivery system design, by its very nature of staggered loan releases, coupled with technical supervision, provides adequate tools to encourage and maintain family planning acceptors. Rural banks have the geographic network and access to rural families and, perhaps most important, the opinion leadership which would make the potential impact of their involvement in this project quite significant.

The single major strength of the project is the motivation and dedication of the bank managers who identified need, designed, tested and implemented this new concept of "integrated financing." The bankers involved in this project came from diverse professional backgrounds. For example, there are veterinarians, surgeons, pharmacists, attorneys, retired educators, and businessmen. More than half of these banks are managed by women. The wealth of experience which they bring to this project, their particular modifications and innovations on the basic "model" will provide valuable program feedback if this project is expanded to cover more banks and more provinces.

The speed and pattern of diffusion of the new "integrated financing" since its official birth in June 1975 is amazing. This is a credit both to the project concept and to the many highly motivated individuals who promoted and supported the project personally. My thanks to each of them for their patience with me and for permitting my eager participation in the various aspects of the project.

David A. Delgado
USAID/Manila
March 1976

First Quarter Report

AID Contract No. 492-630

David A. Delgado, Technical Consultant, "Family Planning thru Rural Banking"

I. Overall Assessment of Progress to Date:

At present there are six banks actively involved in the Family Planning through Rural Banking project. There are dozens of banks watching their performance from the sidelines. These banks will soon become involved. The single most interesting feature of the project has been the speed with which other banks have taken an interest in participating in promoting family planning. On May 30, 1975, Mr. Lenni Kangas and I spoke at the 22nd Annual National Rural Bankers Convention. On June 8, the first bank Family Planning clinic was inaugurated in Pampanga. In mid-November, the Rural Bank of Pagsanjan, Laguna arranged ten vasectomy operations for bank clients. Since October, Dr. Esmundo, Mr. Kangas and I have met with three regional bankers' conferences to discuss possible involvement of other rural banks in this project. At each conference new ideas emerge, and new bank leaders are identified. On February 1, a new Family Health Clinic was established in Cebu City. On February 4, two bankers in La Union (Luna and San Gabriel) joined the program. Two new banks in Zamboanga del Sur have telegraphed for technical assistance on developing their proposed strategy. "Recruiting" new banks to join the movement has never been difficult. The major problems met concern putting into the hands of these progressive banks the basic tools to get them operationally involved.

Hopefully a project agreement will be signed permitting the potential involvement of many banks on a limited scale and the pilot testing of bank clinics or satellite clinics among selected "strategic" banks. The monitoring of the experiences of these banks should provide valuable feedback into the national program as a whole, and this project in particular.

I am very optimistic that in the next three to four years a significant number of banks will be able to provide comprehensive family planning, health and health insurance benefits to their clients. Considering the fact that bankers are a traditionally conservative group, it is most encouraging to see the growing interest of bankers to even consider such a "revolutionary" concept in banking: the provision of bank-sponsored family health benefits for clients.

The success of the project will, in the long run, depend upon 1) the imagination and resourcefulness of bankers to surmount the problems they will inevitably encounter; 2) the sound financial management of their agricultural loan portfolios; and 3) the dedication of these bankers who are involved in developing, refining and retesting this "integrated" concept.

II. Definition of Terms Used:

Supervised credit: The term refers to non-collateral short-term production loans substituting technical supervision, joint liability groupings, and marketing agreements in lieu of traditional mortgages. Loans are approximately half cash (for labor) and half inputs (in the form of purchase orders for specified fertilizers or agro-chemicals.) Loans are released on a staggered basis, i.e., as needed throughout the term of the 180-day note. This credit system can uniquely assist the national population program in several ways: 1) farmers are coming from remote barrios to rural banks for needed production loans (more than 800,000 such borrowers); 2) banks likewise have supervisory capacity in those same barrios thru mobilized production technicians (usually college graduates); 3) continued contact with farmers through staggered releases permit bi-monthly follow-up thus potentially decreasing the high dropout rate; and 4) any bank-sponsored interest rebates based upon an annual performance (such as birth or pregnancy-free period of time) should encourage the acceptance of the more effective methods of contraception.

IAP: Integrated Agricultural Financing, a pilot financing scheme whereby rural banks offer annual loans to farmers for a variety of enterprises. Eighteen rural banks in Central Luzon, Southern Tagalog and Bicol were initially chosen to participate in this program. Family planning is emphasized as a part of the IAP lending scheme. The banks chosen to participate in the IAP must encourage borrowers to practice family planning in order to participate in the IAP.

SIF: Special Integrated Financing, developed at the Rural Bank of San Luis, the SIF refers to the five criteria which must be met before an interest rebate of 2% is granted to borrowers. The criteria are: 1) accept family planning (any method, but must maintain a pregnancy-free year); 2) motivate another couple to have a pregnancy-free year; 3) plant nutritious vegetables and trees (like malungay) in the home lot; 4) improve the sanitary environment of the home (blind drainage or toilet); and 5) repay the loan on time.

FP&B: The Farm Plan and Budget is a loan document intended to reflect the specific needs and timing of the borrower's planned farming operation. Though redesigned for the IAP program, the FP&B would be a valuable source of data to draw borrower-family planning acceptor profiles since data is collected on farm size, net worth, family size, educational attainment, etc.

FMT: Farm Management Technicians or P.T. (Production Technicians), extension agents employed by the rural bank or assigned from a GOP agricultural production agency, assist farmers execute a FP&B, supervise the loan, and assist in marketing and loan repayment. These technicians usually have access to motorcycles and have continuing contact with farmer borrowers. If properly trained, they could motivate FP acceptors, provide follow-up and even act as potential barrio resupply agents. All IAP rural banks must have one such FMT on his staff and most have three or more such employees.

Selda/Damayan: These terms are interchangeable. A selda is a group of five to fifteen farmers jointly and severally liable for repayment of non-collateral loans. This social pressure, substituted for traditional collateral, can likewise be utilized effectively for family planning, particularly where group/community incentives might be developed. The SIF program utilizes this social pressure effectively since a farmer can become ineligible for an interest rebate should the additional acceptor he is required to motivate have a pregnancy during the annual loan period.

RBAP: The Rural Bankers Association of the Philippines has fifteen directors from each major region, plus president, vice-president and secretary and treasurer. Directors are chosen annually. This is a very influential group of bankers. Their involvement in any pilot program is to be encouraged.

III. Participating Rural Banks:

RURAL BANK OF SAN LUIS, PAMPANGA: Manager Ms. Guadalupe Vergara

The bank's interest in Family Planning activities dates back to 1969, but the bank became operationally involved June 8, 1975, with the inauguration of the IMCH clinic in the bank. The clinic is staffed by two doctors, two midwives and one nurse. Thirty-eight out-of-school youths have graduated from an IMCH-designed health delivery course and are able to provide primary health care, and assistance with the taking of medical histories. About ten of the CHOW (Community Health Outreach Workers) have been selected for further training in hospitals in Pampanga or Manila. Fifteen of the CHOW continue to work with the clinic personnel, but it is anticipated that they will eventually drop out if they are not properly utilized and compensated for their time.

Evaluation: The World Neighbors have arranged for a socio-economic survey of the San Luis community with emphasis upon the FP health delivery services of the bank clinic in conjunction with the World Neighbors-funded Special Integrated Financing (SIF) program. A USAID-sponsored Contraceptive Prevalency survey has been planned for San Luis but has not yet been conducted. The contractor has gathered average monthly savings account balances for the period October 1971 to October 1975 in order to graph the pattern and growth of savings. The frequency distribution indicates that large numbers of small depositors make up the bulk of deposits to the San Luis Bank (see Annex.)

Problems Encountered:

1. The IMCH staff reported difficulty in making barrio visits due to insufficient transportation to these areas. An IMCH project vehicle is available for their use but no money was made available for gasoline, maintenance or driver's salary.

The World Neighbors have agreed to provide half of the projected cost of using the IMCH vehicle provided the community supports the project by raising the other half of the funds. The project staff has agreed to solicit monthly funds from barrio captains and civic organizations in the community. Payment can be made in palay to be stored in a bonded warehouse and monetized as needed to meet these expenses. The IMCH project vehicle is now operational and should greatly facilitate clinic operation.

2. There continues to be friction between the existing RHO staff and that of the IMCH clinic. It is important to note that the source of friction is a result of an incident in 1969 and is not necessarily a result of the establishment of a competing FP-health unit in San Luis.

It is unfortunate that complete cooperation between the two clinics has not been established. The principal organizers of the San Luis Development Council will continue to attempt to resolve this issue.

3. CHOW: At present there is no way of providing compensation for the services provided by the CHOW (Community Health Outreach Worker). The project staff has proposed a bank loan (at subsidized interest rates) to groups of CHOW in order for them to earn extra income. Projects to be financed would include rabbits, livestock and vegetables. In order to utilize these young people more effectively, it is further proposed that vegetables grown by these workers be processed locally and fed to the children found to be malnourished in those barrios.
4. It was not clearly stated during the launching of the program that ALL rural bank borrowers were eligible for interest incentives if they met the criteria established for the Special Integrated Financing project (SIF). Mr. Vergara has informed his staff to encourage all clients to visit the clinic for information and service and to consider participation in the SIF program.
5. Bank personnel had not, until recently, been trained in FP methods or motivational techniques. This is gradually being corrected through seminars given by the IMCH staff. It is vital to the bank project that all staff become aware of the bank's new direction in lending. Any new employees should likewise be trained.
6. A senior project staff from the various agencies involved has been formed and meets monthly. Through this council it is hoped that more barrio residents will become informed of the bank's FP-nutrition program.

General Assessment: Mike Vergara, as always, is ahead of his time in introducing such a program through his bank. After a well-publicized launching, the bank clinic was quite successful in gaining new acceptors. This was a result, I feel, of a combination of factors, including the reputation and leadership of Mr. Vergara, the long-term working relationship of the World Neighbors technicians in San Luis and Mexico, the convenience, location and innovation of the bank clinic, and the enthusiasm and dedication of the young clinic staff, headed by Dr. Ben Arca. In the long run, however, the clinic will be evaluated in terms of its ability to sustain and expand these services to more barrios and to more clients. The organization of the "development council" or senior project staff should enable the planning, target setting and implementation of future goals set by them. The cost of running the clinic, after credibility and service has been established, should become an increasing responsibility of the barrios served. This is now being done for the cost of fuel and maintenance of the IMCH project vehicle. Mr. Vergara must continue to study the expansion of his bank savings, loan volume, repayment and net profit. The documented increases in net profit for him, as a result of the bank clinic, will be the yardstick which will be used by other bankers in the future. Only if he can make money in the long run will other bankers be interested in following his lead.

PAGSANJAN RURAL BANK: Mrs. Soledad Cabreza, Manager

On November 15, 1975, Mrs. Cabreza organized vasectomy operations for ten borrowers she had motivated. Operations were conducted initially by local doctors in coordination with the Governor's office. Dr. Estrada of the IMCH itinerant team arrived in time to perform several vasectomies and was able to demonstrate new procedures to the attending physicians.

Mrs. Cabreza has arranged for Dr. Rebon of Bay, Laguna to spend Monday afternoon in her bank to hold free clinic services. There have been six additional sterilizations performed by Dr. Rebon in the Pagsanjan Puericulture Center.

Mrs. Cabreza has moved into her new bank building and is planning to renovate the old building to accommodate additional medical staff. Her bank provides loans to farmers from as far away as Bay and Sta. Maria, Laguna.

Problems:

1. Mrs. Cabreza has access to the Governor's audio-visual equipment but has difficulty securing motivational movies for her borrowers.
2. Mrs. Cabreza reports that few patients take advantage of Dr. Rebon's presence in the bank. I suggested advertising his services more prominently, which she is now doing through the use of the large "blue lady" decals, family planning and nutrition posters.
3. Honorarium for the doctor is not being provided and is an out-of-pocket expense of the bank management.

General Assessment: Mrs. Cabreza is highly motivated. She was initially successful motivating vasectomy acceptors partly due to her "campaign" (three movies, and personal appearances in several barrios, sometimes lasting until curfew) and the general awareness of sterilization among Laguna residents. She is aware that to properly service her clients' needs she should offer a wider range of services. She now has the service of a respected doctor one day a week. She is increasing her advertising of the doctor's services, seeking to attract new acceptors for methods other than vasectomies. Her interest rebate is intended for those acceptors choosing the more effective methods and is not yet linked to a pregnancy-free year.

CABANATUAN CITY RURAL BANK: Mrs. Susan Liwag, Manager

The Cabanatuan City Rural Bank last year began to conduct educational campaigns in the barrios concerning the economic and health implications of small families. Handouts were prepared by the bank, at bank expense, and distributed to clients. Mr. Roger Liwag uses slides to lecture on family planning to an estimated one hundred farmers a day during loan release periods.

Plans: The Cabanatuan City Rural Bank plans to design its own incentive mix and referral system for bank clients.

Problems: The management reports lack of adequate supplies of comics and FP pamphlets as major constraints.

General Assessment: The Liwags are noted for their successful large-scale banking. Their bank is the largest in Nueva Ecija and it is well managed. The Liwags have access to the audio-visual equipment from their college (Liwag College). In the past they have developed their own farm curricula which was taught from the school. They should be encouraged to consider the use of their teaching staff to develop a "lecture series" on family planning and nutrition which the Liwags can deliver during their barrio visits.

IV. Provincial Federation Involvement

Laguna: President - Rafael Amoranto. The Provincial Federation of Laguna Rural Banks, thirty-one in number, have attempted to schedule a meeting with Dr. Esmundo and the Governor to explore ways in which the province-wide RB network can work together in support of this idea.

The Laguna Federation, one of the earliest federations established, is a cohesive and influential group. Such a province-wide FP involvement has been discussed with Governor San Luis in the past. This federation can easily develop and maintain information and possibly service delivery on family planning and nutrition for its clients.

IV. Provincial Federation Involvement (Cont'd.)

Cebu: Mr. Tony Baltazar. The 27-member federation of Cebu RBs are a fairly cohesive and powerful group of bankers. They are willing to initially support the Sugbuanon Rural Bank (Mrs. Rosita Arcenas, Manager) efforts, and after gaining some insights into problems encountered will attempt to establish several bank-based information and service delivery sites among other rural banks. Mr. Baltazar, the affable president of the Federation, is an excellent idea man who can probably produce sound, responsible new strategies for this "integration."

Pampanga: The Pampanga Federation of Rural Banks would be another logical choice to provide province-wide bank support for family planning. I have not met the present president from Apalit Rural Bank, but I feel sure that once a project agreement has been signed, the Pampanga bankers would be willing to endorse the project for their federation, and, perhaps, since the concept was conceived in Pampanga, should be the first federation to sponsor a provincial program.

V. Regional Agricultural Credit Workshops

Rural Bank Regional Agricultural Credit Conference: The contractor attended two regional conferences during the quarter. The first conference for Northern and Central Luzon Rural Bankers in Baguio City in October generated a fair amount of interest. It was noted, however, that the time allotted for the presentation was inadequate to fully explore the ways in which bankers could support the national population program. The open forum following the presentation of the program by the guest speakers was unstructured and limited by time.

The second conference, Agricultural Credit Conference for Rural Banks in the Visayas, held in Iloilo in December, was the most productive conference for several reasons. The discussion period following the brief presentation by Dr. Esmundo was almost 90 minutes long. The panel of resource speakers included several rural bankers who were practicing physicians, many with considerable background in family and nutrition planning. Questions were submitted in writing and the tone of the questions was constructive and useful. Prior to Dr. Esmundo's briefing on the national population program, the POPCOM regional officer distributed family planning pamphlets with sample condoms attached. Attractive posters were displayed in the session room, all of which usefully stimulated interest during the discussion period. These elements (1) adequate time for both presentation and discussion (minimum of two hours); (2) local resource persons familiar with bank operations; (3) the dissemination of FP pamphlets with sample contraceptives and (4) questions submitted in writing, seemed to be critical in establishing a productive forum on family planning through rural banking.

These recommendations have been discussed with Director Gimenez of Central Bank and members of the Rural Bankers Association of the

Philippines (RBAP). It should be noted, however, that the primary concern of those attending the conferences is not to discuss family planning but rather to plot strategies designed to increase loan repayment, net profit, reduce arrearages, etc. The reception in general to the inclusion of family planning and nutrition as a topic for discussion at a rural bank conference has been quite favorable.

VI. Project Agreement

A project agreement between the Commission on Population, Central Bank, Rural Bankers Association of the Philippines, National Economic and Development Authority and USAID is in final form. There have been substantive discussions between POPCOM, the Department of Rural Banks and the RBAP during the drafting of this document.

The project agreement will consist of a four-page Memorandum of Agreement outlining responsibilities and duties of each of the five parties. Annex A to the Memorandum includes specific information on the objectives and goals of the project; the target group; strategies and methods to be employed in reaching this target group (including IEC, Training and Clinic Services) and proposed incentives for bankers to consider. Separate sub-agreements between selected rural banks and POPCOM will be utilized in order to provide bank management maximum latitude and flexibility in developing their own program.

While many bankers might wish to establish their own clinics, rigid guidelines outlined in Annex A will be followed in placing several clinics and satellite clinics in the rural banks. Referrals from bank management to existing government or private service facilities will probably be most cost effective.

The responsibility of identifying and later "sponsoring" motivated rural bankers and supplying them with needed IEC support, contraceptives and arrangements for suitable clinical services (including sterilization), will become another of the major responsibilities of the Regional Officers.

VII. Research and Statistics

Savings: The average monthly balance of all savings deposits in San Luis Rural Bank have been plotted and the frequency distribution for October 1975 collected. A similar study is recommended for the remaining seventeen IAF banks and some non-IAF banks in these provinces to analyze whether this growth pattern is significantly different from other banks in the area. Indicators, such as the 1972 flood and the start of Masagana 99, have been placed to analyze change in shape/frequency distribution as a result of small farm credit programs.

Results of this analysis will be one indicator of the impact of small farm credit program effects on savings mobilizations. It will be a useful baseline indicator for future evaluation of rural bank family planning/health programs on savings deposits three or four years from now. The results of such research will be extremely useful to the Agricultural Development staff who might be persuaded to become involved in the analysis.

Profiles: It has been extremely difficult to create farm family profiles from existing bank sources. All future FP&B of family planning acceptors, savings passbooks and clinic records, as well, will be prominently marked by the postage stamp-size "blue lady" decals for easy reference.

Hopefully in the next several months it will be possible to define the initial RB-FP acceptors of the San Luis Clinic in terms of size of land holdings; type of land; educational attainment; family size; repayment record; savings history; family planning method, etc. This should become a useful tool for bank management in identifying which borrowers they have been able to reach, allowing them to concentrate on those farmers falling outside the profile area.

Participating bankers should be given an adequate supply of the stamp-size "blue lady" decals to facilitate their research into the savings, repayment records, etc. of "acceptors" and "non-acceptors."

San Luis Rural Bank Clinic Statistics as of February 29

Total Acceptors 302
Continuing Users 209

<u>Method</u>	<u>Number</u>	<u>Percent of Total</u>
Pills	133	44
Condoms	54	18
IUD	14	5
Sterilization		
Male	3	1
Female	91	30
Foam	<u>7</u>	<u>2</u>
	302	100

Female Sterilization: Thirty-seven (37) laparoscopies were performed September 30, 1975 in the bank clinic. On February 21, another forty-one (41) laparoscopies were performed for a total of seventy-eight (78) female sterilizations within the bank clinic since June. Thirteen clinic referred patients are included in statistics below.

Median Age of Patient 31.7
Median Number of Children 5.2

Age of Acceptors

<u>Range</u>	<u>Frequency</u>	<u>Percent</u>
24 and below	5	5
25-29	35	39
30-34	18	20
35-39	28	31
40 and above	<u>5</u>	<u>5</u>
	91	100%

Number of Children

<u>Range</u>	<u>Frequency</u>	<u>Percent</u>
3 and below	14	15
4 - 5	41	45
6 - 7	25	28
8 - 9	10	11
10 and above	<u>1</u>	<u>1</u>
	91	100%

VIII. Future Considerations

- A. Incentives: In the near future, there may be a need to examine the possible use of incentives to 1) encourage more bankers to actively support the national population program, and 2) encourage the adoption and practice of contraception among more and more farm families served by a rural bank.

The rural banking system at present enjoys many incentives to participate in supervised credit lending. Incentive structures for them to adopt and sponsor a responsible and active family planning component in their lending program would likely center around tax exemption benefits. These would include 1) tax exemptions for extra vehicles, audio-visual equipment or other related items purchased at bank expense in support of the project; 2) tax exemptions for legitimate costs incurred in such a project such as personnel salaries, staff travel allowances, etc.; and 3) reduction of any taxes on net profits. Attorney Lorenzo Miravite of the RBAP, would be an excellent participant in any discussion of tax allowances for rural bankers.

Additional incentives might be suggested in the area of guarantee coverage of loan papers (increasing the percentage of coverage for those IAF papers whose borrowers are acceptors.)

Although it is too early to tell, the use of incentives for borrowers might be premature. The use of an annual loan period and an incentive tied with timely repayment of a non-collateral loan should gain wide acceptance among bankers, particularly where "past dues" are a major constraint to profit. However, the economic implication of such an incentive (especially when linked with savings), if adopted on a wide scale, should be carefully examined. Alternative incentive schemes should be developed and tested, as well.

- B. Bankers' Conference. Many bankers have recently expressed the need to meet with key officials of POPCOM, Central Bank, AID and other rural bankers to discuss their experiences with their individual programs, to explore the possible use of individual (and group) incentives, relate any problems encountered, etc. Such a "summit meeting" would be most useful if organized within the next four or five months. It should be limited to those bankers with experience or great interest in the family planning through rural banking project. (Annex iii should be of assistance in selecting and inviting participants.) Unlike regional bankers' conferences, this meeting should be devoted entirely to discussion of ways in which bankers can be of assistance to the national population program. If properly structured, the discussion period would provide an excellent forum to exchange ideas between bankers and population policy makers.

Innovations In Family Planning Sprea

Philippines Rural Bank Of San Luis Provides 'Family Planning Loans'

Incentives for family planning take many forms around the world, as government and private agencies struggle against the rapid growth of population. Most incentives are a payment to the acceptor, motivator or doctor — paid as soon as a contraceptive method is accepted.

The Rural Bank of San Luis in Pampanga, Philippines, has a better idea. This bank's incentive is in the form of a lower interest rate on agricultural loans to families who have had a birth-free year.

Miguel Vergara, manager of the bank, developed his "family planning loans" after several years experience of lending money to poor farmers with no collateral. Between 1967 and 1972, Miguel made loans totaling \$384,550 to 2,906 families with no collateral. Of these loans, 3 per cent have been repaid. During the same period, only 88 per cent of the loans made through the ordinary bank operation — to 1,860 land owners with collateral required — were repaid.

Although the loans are smaller, Miguel prefers to loan to poor farmer or laborers who have no collateral

since he feels they are the best risk. He points out that the rich borrowers may not pay back their loans because they have their own money, and often education, to use as a back-up if they lose favor with the bank. The educated borrowers may not pay back their loans because they can always move away and find a job elsewhere. The poor farmer or laborer is unable to leave his community because he lacks money and education. If he does not pay back his loan, he will lose the valuable respect of his community and become a social outcast from his neighbors.

Icasiano Clarin and Edgar Pangilinan, World Neighbors multi-purpose extension workers in Pampanga, began working with Miguel Vergara in 1970. Icasiano and Edgar work with the bank as voluntary extension workers, serving as a "bridge" between the bank and community.

They help community members form "damayan" groups of seven to 12 members. Membership in a "damayan" is one prerequisite for getting a bank loan. If one "damayan" member is unable to repay his



Miguel Vergara, Edgar Pangilinan and Icasiano Clarin (right to left) discuss low interest "family planning" loans with clients at the Rural Bank of San Luis.

loan, the others back him up.

Members also help one another with technical problems. Members may even help one another construct the proper housing for pigery or poultry projects.

The bank has now hired an agricultural technician, who works very closely with Icasiano and Edgar.

Instead of cash, the bank loan is in the form of a purchase order for such needs as drugs, feeds, fertilizer or pesticides. A bank provision with these small loans allows the borrower to use 25 per cent of his loan for medical aid or education of children.

The bank also helps market the crops or animals — often at better prices because it deals in large quantities. Small farmers are paid cash from the bank for profits which exceed the amount they borrow.

The coordination of this loan program calls for real dedication, and a genuine interest in community welfare by the bank people.

Miguel Vergara has such interest and has found that the venture can also be profitable. However, his main hope is for the communities in his area to develop to the point where everyone can live a comfortable and fruitful life. His realization that family planning is an important part of this development led him to initiate "family planning loans."



Poultry production is made possible through loans to small farmers. Each member of a "damayan" must build bank-approved poultry pens before a loan is given.

San Luis clinic launched

The San Luis family planning clinic, a cooperative undertaking of the residents of San Luis, Pampanga, was inaugurated yesterday.

The project is an integrated community maternal and child health-nutrition and family planning extension services set up under the leadership of Dr. Fe del Mundo, president of the Maternal and Child Health Association of the Philippines, and Miguel Ver-

gara, president and manager of the San Luis rural bank.

The organizations that had helped in its establishment are the Christian Community Workers; Rural Bank of San Luis; World Neighbors -- Pampanga; Farmer's Association of San Luis; the Children's Medical Center Philippines through the Institute of Community and Family Health and the Institute of Maternal and Child Health; and the Maternal and Child Health Asso-

ciation of the Philippines.

Domingo Puno, president, Farmers Association of San Luis, delivered the opening remarks while Mayor Narciso Salas of San Luis delivered the welcome address. Dr. Fe del Mundo, president of the MCHAP and the Children's Medical Center, introduced cooperating agencies.

Special guest was Mrs. Jose Rofio who read the message of the First Lady, Mrs. Imelda Romualdez

Marcos. She was introduced by Dr. Florencio Gomez, provincial health officer of Pampanga.

Master of ceremonies was Leodegario Cueva, Jr., president of the Christian Community Workers of San Luis.

After the program a demonstration was conducted by the advance family planning technology team of the Children's Medical Center of the IMCH.

Make yourself a copy of an excellent piece!

Delgado

4 TUESDAY, JUNE 24, 1975

The Times Journal

Editorials

San Luis project

The President's call for wider citizens' participation in pushing through Government reforms has resulted in a number of community projects proliferating throughout the country. Their proliferation demonstrates the whole-heartedness of the collective response given by community members to the challenge posed by the Chief Executive. One such project was recently launched in San Luis, Pampanga, which used to be the seat of the former Hukbalahap movement. This undertaking is distinguished not only for its uniqueness but also for the fact that it supports one of the government's priority programs which is family planning.

For the program to succeed, it is believed that it should have a greater acceptability in the small towns and remote areas where family planning, which is another name for population control, is little understood or appreciated. And yet, it is in these places where poor economic conditions prevail, that it is necessary to have only small families. Incentives are offered to cut down on the number of children and, in the case of the San Luis project, the help of the rural bank in the municipality has been enlisted.

As an encouragement, couples who join the

family planning movement are charged a lower interest rate by the San Luis rural bank on their loan applications. It was explained that experience has shown that couples who do not practice family planning invariably fail to keep up with the amortizations, including interest, on their bank loans. Every child added to the family means extra expenses that will have to take precedence over some obligations, like the liquidation of outstanding loans. It is hoped that if the other rural banks that are scattered all over the country join in the novel experiment, they could constitute a strong collective force, in giving the government's family planning program a big boost.

The San Luis rural bank's loan scheme is integrated with a medical program in the municipality handled by the Institute of Maternal and Child Health of the Children's Medical Center and the Maternal and Child Health Association of the Philippines. While these medical bodies provide the expertise, there are also four civic organizations in the town lending assistance.

The San Luis experiment is just a beginning. It can be duplicated on other projects patterned after it could be adopted by other municipalities.

Plan your family and get bank rebate

A unique banking innovation tied in with family planning is getting favorable response in San Luis, Pampanga.

Bank borrowers are given a two per cent rebate on the loan interest if they join the family planning movement.

Started in June, 1975, the Rural Bank of San Luis, in cooperation with other family planning agencies, launched the project to encourage families in San Luis to practice birth spacing.

Eligibility

Bank clients are eligible for the rebate if they:

- 1) Accept family planning (any method is acceptable but the couple must be "pregnancy-free" during the loan year);
- 2) Motivate another couple to have a pregnancy-free year;
- 3) Plant nutritious vegetables;
- 4) Improve the sanitary

environment of their homes; and

5) Repay the loan on time.

The banking-family planning and nutrition scheme was launched by the rural bank in cooperation with the integrated community maternal and child health, nutrition and family planning extension services, Commission on Population, Central Bank, the US Agency for International Development and Institute of Maternal and Child Health.

Miguel Vergara, president and manager of the rural bank, explained that banking should play a vital role in the population program because experience has shown that couples who do not practise family planning invariably fail to keep up

with the payments of their bank loans.

He noted that large families and malnutrition derail small farmer credit programs as family expenses take priority over other obligations.

Clinic, too

To effectively carry out the banking-family planning movement, the rural bank has allotted a space for a family clinic. The clinic, which is fully equipped and staffed by two doctors, a nurse and two midwives, is funded by IMCH.

By exposure to FP posters and flipcharts and the offer of free FP services to bank clients and visitors, the rural bank has motivated a total of 197 family planning acceptors.

Noting that not much attention is given to farm laborers or seasonal workers, the rural bank has expanded its coverage to provide small-scale industry loans and backyard livestock projects to "non-farmers."

Vergara reported that his bank's savings deposits rose from P17,000 to P575,000 in just four years of operations. He attributed part of the gains made to "the higher repayment of loans brought about by the decrease in family size and consequential reduction of family expenses."

Encouraged by the experience of the rural bank, other rural banks such as those from Capas, Cabanatuan City, and Pagsanjan have launched similar incentive schemes.

It's farming, not rice importations for FNCB, La Suerte

A multinational banking institution and a cigarette factory have embarked separately on corporate rice farming in response to the government's drive to involve big business firms in food production, the National Grains Authority reported yesterday.

Joining the ranks of corporations which are having their own corporate farms are the First National City Bank (FNCB) and the La Suerte Cigar and Cigarette Factory. This brings to 227 the number of corporations actually engaged in rice production under General Order 47.

Quezon. The area is expected to yield 11,050 cavans initially, to about 13,600 cavans in the succeeding years, for the bank's 595 employees.

Under the agreement between the two firms, FNCB will finance the operations of the farm while Phil Seeds will provide overall management.

La Suerte, on the other hand, has already cleared and levelled 120 hectares of its 600-hectare farm in Warat, Solana, Cagayan. The company reported that 26 hectares of the area have already been planted to IR-30.

G.O. 47 requires large corporations with 500 or more employees to supply the cereal needs of their personnel through importation or actual production.

Coconut fibers inspection fee cut

The Department of Trade yesterday reduced the inspection fee on commercial coconut fibers from P8 to P1 per bale to enable the product to compete effectively in the world market.

Trade Secretary Troadio T. Quiason, Jr., said the reduction of the inspection fee followed representations made by the Federation of Coir Producers and Exporters which pointed out that the higher rates for inspection fee will eat away whatever little profit is left to the industry.

Coconut fibers currently face depressed demand in

Tie up

FNCB tied up with Philippine Seeds, Inc. in developing 90 hectares in barrio Layang Cambuga, Mulanay,

Zambales Base bares

Japan's ec

TOKYO, Jan. 28 (AFP) — Japan's economic recovery is still slow with private com-

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POPULATION MAKATI

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DATE REC'D.

TO - AID/Washington

FROM - AMEMBASSY MANILA

DATE SENT

Jan. 19, 1976

SUBJECT - Special Activity Report: Family Planning/Nutrition
Through Rural Banking

REFERENCE -

The Philippine Rural Banking system was established in 1952 to 'promote and expand the rural economy' by 'facilitating and improving their productive activities'. At present there are over 750 such banks serving more than 600,000 farmers in rural areas through out the country.

Since 1966, several progressive rural bankers experimented with non-collateral production loans substituting credit supervisors, joint liability groups, and marketing pledges for traditional mortgages. Loan default for a variety of reasons continues to plague the system. One banker has attributed part of the repayment problem to large families whose home consumption requirements exceed present production. The resultant poor health, aggravated by insufficient and poorly planned diet, provided these farmers legitimate reasons for failure to repay. This banker with the help of a World Neighbors has designed and is testing corrective long-term measures. Thus, Family Planning/Nutrition through Rural Banking was born.

Since 1973 the Rural Bank of San Luis, Pampanga has extended more than 7 million pesos (US \$900,000) of unsecured loans to local farmers. Loan repayment have been good. Bank savings have grown from P17,000 to P573,000 in just four years of operation and 95% of these deposits are less than P500.00. Clearly, small farm income

PAGE OF

TRANSMITTED BY <i>[Signature]</i>	OFFICE AD/POP	PHONE NO. 620	DATE 1/16/76	APPROVED BY <i>[Signature]</i>
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is increasing, but the bank owner believed that rapid, unchecked population growth threatens these recent gains.

In June 1975, Mr. Miguel Vergara, bank owner, converted part of his bank into a family planning/nutrition/health clinic. This fully equipped clinic, funded by the Institute of Maternal and Child Health, is staffed by two doctors, a nurse and two midwives. Clinic service is free to borrowers and non-borrower alike, in either the bank clinic or established barrio clinics. At the end of the first six months of operation, December 31st, the clinic reported 200 acceptors and 197 continuing users broken down by method as follows:

<u>Method</u>	<u>No.</u>	<u>% of Total</u>
Pills	99	50%
Tubal Ligation	41	21%
Condoms	37	19%
IUD	10	5%
Vasectomy	3	2%
Coam	7	5%

197		

(In September, 37 tubal ligations were performed in the bank clinic and another group sterilization is scheduled for January).

To supplement the clinic services, the World Neighbors Association loaned \$15,000 to Mr. Vergara to begin "Special Integrated Financing" under which bank clients are eligible for interest incentives if they meet the following criteria: 1) accept family planning (any method is acceptable but couple must have a pregnancy-free year) 2) motivate another couple to have a pregnancy free year, 3) plant nutritious vegetables (supervised by the bank production technician), 4) improve the sanitary environment of the home, and 5) repay the loan on time. Borrowers meeting these conditions are granted a 2% rebate on interest in the form of an individual savings account. To remain eligible each borrower must motivate a new acceptor each year.

Concerned that government attention is focused only upon the farmer to the exclusion of the landless laborer (60% of San Luis population are seasonal farm workers) the bank has expanded loan coverage to provide small scale industry and backyard livestock loans to "non-farmers." San Luis residents have responded enthusiastically to the bank's "new direction" and though limited by shortage of funds, Vergara is mobilizing additional resources to meet the demand.

Concerned with rural unemployment, the bank has established four, one hectare plots designed to maximize rice production from small land-holdings. The cropping system using only the manual labor of 6 workers per hectare three hundred days a year, is producing more than 700 cavans of paddy/hectare/year (30.8 metric tons per ha/year.) This yield represents 2 1/2 times the average reported yields on irrigated land under the national production campaign. . . Masaganan 99.

In July, 1975, Mr. Vergara and Asst. Director Gimenez of the Central Bank attended an AID/Airlis House-sponsored conference in Washington, D. C. on banking and the population problem. Upon their return, they have succeeded in convincing 30 rural bankers in other towns to combine comprehensive health services with their various lending activities. Based upon the interest, motivation and initial success reported by these bankers the Philippine Population Commission, the Central Bank Dept. of Rural Banks and USAID have drafted a project agreement establishing pilot FP/Health clinics in these rural banks to replicate Vergara's program. The integration of Family Planning Nutrition and Health emphasis with the critical production credit role of the rural banking system should meaningfully assist the national goal of placing these services within reach of the 30 million Rural Filipinos.

SULLIVAN

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TO - AID/W TOAID A-

FROM ... USAID/Manila

SUBJECT .. Family Planning

REFERENCE ..

The January 29, 1976 issue of Business Day carried the following article.

"Plan your family and get bank rebate"

"A unique banking innovation tied in with family planning is getting favorable response in San Luis, Pampanga.

"Bank borrowers are given a two per cent rebate on the loan interest if they join the family planning movement.

"Started in June, 1975, the Rural Bank of San Luis, in cooperation with other family planning agencies, launched the project to encourage families in San Luis to practice birth spacing.

"Bank clients are eligible for the rebate if they:

- 1) Accept family planning (any method is acceptable but the couple must be 'pregnancy-free' during the loan year);
- 2) Motivate another couple to have a pregnancy-free year;
- 3) Plant nutritious vegetables;
- 4) Improve the sanitary environment of their homes; and
- 5) Repay the loan on time.

PAGE 1 OF 2

DATE BY GAZ/jmery:mjc	OFFICE ODM	ISSUE NO. 448	DATE 12/29/76	APPROVED BY GAZ/jmery, Director
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"The banking-family planning and nutrition scheme was launched by the rural bank in cooperation with the integrated community maternal and child health, nutrition and family planning extension services, Commission on Population, Central Bank, the US Agency for International Development and Institute of Maternal and Child Health.

"Miguel Vergara, president and manager of the rural bank, explained that banking should play a vital role in the population program because experience has shown that couples who do not practice family planning invariably fail to keep up with the payments of their bank loans.

"He noted that large families and malnutrition derail small farmer credit programs as family expenses take priority over other obligations.

"To effectively carry out the banking-family planning movement, the rural bank has allotted a space for a family clinic. The clinic, which is fully equipped and staffed by two doctors, a nurse and two midwives, is funded by IMCH.

"By exposure to FP posters and flipcharts and the offer of free FP services to bank clients and visitors, the rural bank has motivated a total of 197 family planning acceptors.

"Noting that not much attention is given to farm laborers or seasonal workers, the rural bank has expanded its coverage to provide small-scale industry loans and ~~backyard~~ backyard livestock projects to 'non-farmers.'

"Vergara reported that his bank's savings deposits rose from P17,000 to P573,000 in just four years of operations. He attributed part of the gains made to 'the higher repayment of loans brought about by the decrease in family size and consequential reduction of family expenses.'

"Encouraged by the experience of the rural bank, other rural banks such as those from Capas, Cabanatuan City, and Pagsanjan have launched similar incentive schemes."

SULLIVAN *21*

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DEPARTMENT OF STATE
TELEGRAM

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E. O. 11652: N/A

SUBJ: FAMILY PLANNING INCENTIVE SCHEME ASSOCIATED WITH RURAL
 LOANING ESTABLISHMENTS

REF: STUDY REPORT

USOM REQUESTS DETAILS ON HOW SCHEME WAS ESTABLISHED ALONG
 WITH COMMENTS ON POSSIBLE REFINEMENTS/ADAPTATIONS.

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POPULATION FORUM

Monthly Publication of the Commission on Population

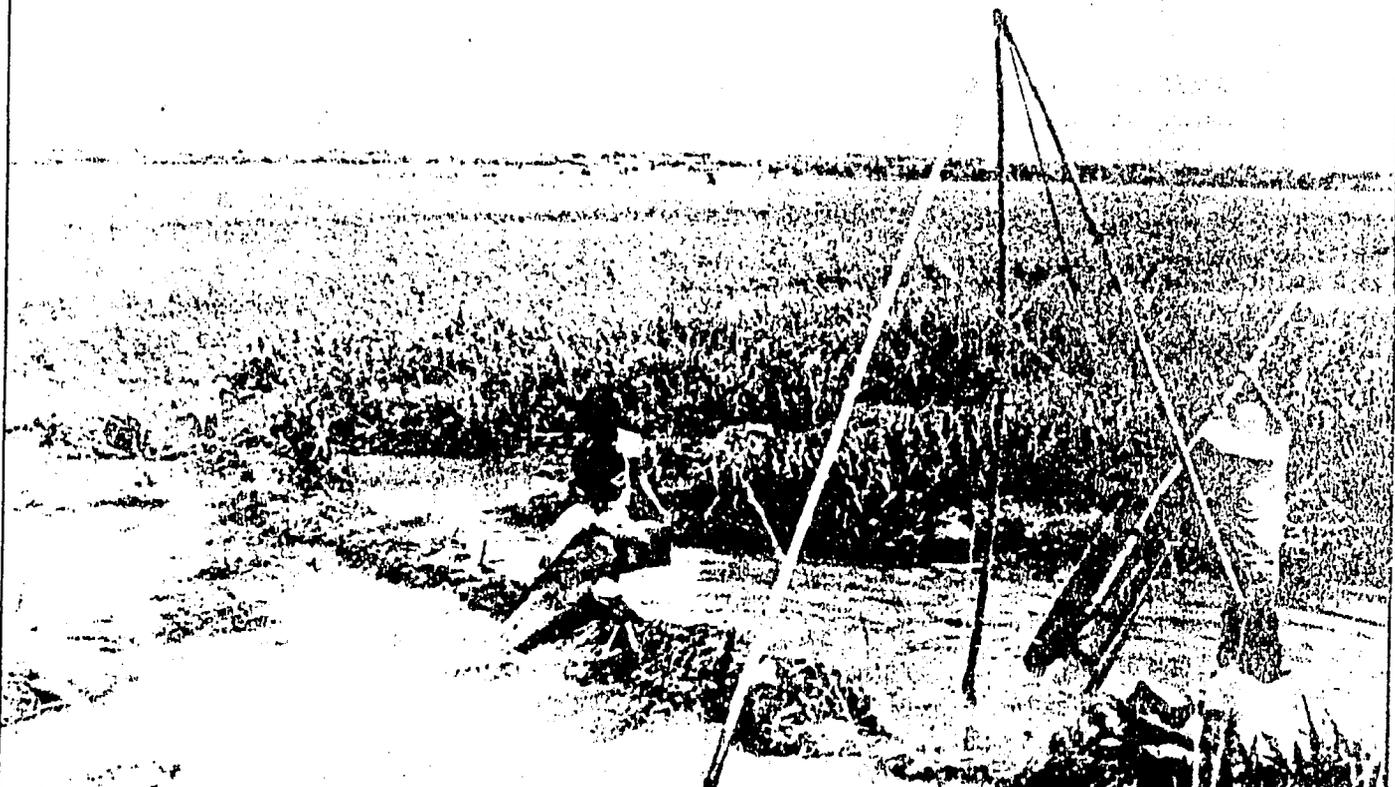
Vol. 2 No. 2

February 1976

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- Family Planning Through Rural Banking
- Open Letter to Co-workers in the Philippine Population Program
- TIDA Calendar for 1976
- Asian Demography and Population Trends
- Feedback

FAMILY PLANNING THROUGH RURAL BANKING



Through the rural banking network, the National Population Program would be able to reach more than 500,000 clients annually—the farmers, fishermen, cottage and small industry entrepreneurs who avail themselves of rural credit facilities.

Story on p. 2

FAMILY PLANNING THROUGH RURAL BANKING

Mike Vergara explains to farmers:

The real problem now is population, not production. Even if production soars to a thousand cavans per hectare, if the population also soars to uncontrollable dimensions, all efforts would be useless.

EDITOR'S NOTE: Family planning and rural banking are seemingly divergent subjects. In rural bankers conferences held recently in Baguio, Iloilo and Cagayan de Oro Cities, prominent bank officials were openly curious as to why a spot on the program was devoted to the discussion of family planning.

Dr. Rafael A. Esmundo, executive director of the Commission on Population, explained that family planning through rural banking is a logical and consistent subject area for the more than 700 rural bankers in the Philippines.

Through the rural banking network, the National Population Program would be able to reach more than 500,000 clients annually—the farmers, fishermen, cottage and small industry entrepreneurs who avail of rural credit facilities. Rural bankers could be instrumental in motivating people in their communities to become initial and continuing family planning acceptors.

The following is the story of one rural bank involved in the

population program, the Rural Bank of San Luis, as compiled by Lilian Matic-Cruz and Teresita Padilla of the Commission on Population and Dave Delgado of USAID.

THE TOWN OF SAN LUIS

The municipality of San Luis, Pampanga which is about 75 kilometers north of Manila is predominantly agricultural. The average farm size is 2.4 hectares and as of 1970, annual income per family was P1,000. San Luis has 5,100 families with an average of seven children. Annual growth rate is estimated at 3.6 per cent with only 10 per cent of the eligible population practicing family planning.

Until the early '70s, San Luis had quite a reputation primarily because of social unrest and the yearly floods that ravage the municipality. While the neighboring town of Mexico steadily progressed with the financial assistance of the Rural Bank of Mexico (like restructuring and refinancing loans to farmers during cala-

mities), San Luis remained relatively undeveloped.

THE RURAL BANK OF SAN LUIS, PAMPANGA, INC.

San Luis posed a big challenge to those concerned with improving the living conditions of its people. Particularly challenged was Miguel Vergara (president-manager of the Rural Bank of Mexico), a bachelor devoting practically his whole lifetime to the service of the poor.

Against the advice of friends and relatives, Mike Vergara gave up his position at RB Mexico and established the Rural Bank of San Luis, Pampanga, Inc. on April 17, 1971. He was determined to help the people of San Luis improve their condition.

The Rural Bank of San Luis started with a paid-up capital of P150,000 from private sources, plus the savings of the people, a deposit of P70,000 from Mother Gertrudes Imperial of the Daughters of Charity Order (to be loaned for irrigation projects), a deposit from Mother Milagros Dayrit of



the Assumption Convent (to be loaned for poultry projects), a deposit of P67,000 from the World Neighbors and the credit assistance from the Central Bank of the Philippines.

The management of San Luis offers the people several financing programs, including the Integrated Agricultural Financing (IAF) scheme, the latest lending scheme developed for the rural farmer-borrower. Under the IAF scheme, a farmer-borrower teams up with other farmers to form a group of around five to twelve borrowers (called "selda" or "damayan") whose farmlands are preferably adjacent to each other.

In the spirit of Filipino "bayanihan", farmers organized under the Selda Damayan concept are given a credit line for short-term diversified agricultural production loans and medium-term loans for small farm machineries. The promissory notes signed by all the members of the Selda Damayan make them jointly and severally liable for the loan of each and every member. This supervised credit scheme sys-

tematizes agricultural lending, maximizes productivity and real income, reduces the cost of loan delivery and improves the loan recovery of rural banks.

The various supervised financing schemes evidently improved living conditions in San Luis. It was observed, however, that despite these special privileges, borrowers still couldn't pay their loans on time. Why was this so?

THE NEED FOR FAMILY PLANNING

The management discovered that family size greatly affects the ability to pay the loan. In general, those with less than three children were more progressive; those with seven or more could hardly pay their bank loans because practically all the farm income was spent on basic necessities like food, clothing and shelter. Farmers with large families also often resorted to seeking additional loans for subsistence from local usurers who demanded 50 per cent interest even if the loan is paid within the month.

Large families and, consequently, malnutrition, thus hamper the

smooth operation of small farmer credit programs as extra expenses take priority over other obligations.

As Mike Vergara maintains, the real problem now is population, not production. Even if production soars to a thousand extra per hectare, if the Filipino population is also soaring to uncontrollable dimensions, all efforts would be useless.

In April 1975, the Rural Bank of San Luis developed and launched what is called Special Integrated Financing (SIF), a financing program which combines IAF with family planning, nutrition and sanitation programs. The SIF gives full support to the family planning and nutrition programs of the country. Funds to implement this prototype financing scheme come from the World Neighbors deposit.

SIF INCENTIVE SCHEME

Mike Vergara capitalized on the idea that Central Bank regulations do not permit higher interest rates but no one says a private banker can not lower interest

Turn to next page.

A woman who has had tubal ligation tries to allay the fears of bank clients who are about to undergo the same experience.



rates to his borrowers. With a lower interest rate as incentive, therefore, the management believed they would finally be able to reach a large enough number of farmers to contribute significantly to lowering the municipal birth rate.

Borrowers participating in the rural bank's SIF scheme pay only ten per cent interest on their loans instead of the usual twelve per cent provided they:

- practice family planning (Any method is acceptable provided no pregnancy occurs within the one year duration of the loan);
- motivate another couple to have a pregnancy—free year;
- plant nutritious vegetables in the home lot;
- improve sanitation of their home environment or build a sanitary toilet; and
- repay the loan on time.

The two per cent rebate is then placed in an individual savings account for the borrower. This can be used later for the children's education, medical expenses and other such needs.

Mike Vergara also emphasizes the arithmetical financing side in motivating borrowers to practice family planning. He always cites the example of a farmer earning six pesos a day. But since this farmer also spends for his wife, he only earns three pesos, and since he has children to provide for, actual earnings could be as low as just one peso a day. This diminishing utility principle is designed to counteract farmers' beliefs that more children mean more riches.

In the rural bank's building, Mike Vergara has allotted space for a family planning clinic offering free services to bank clients and visitors. The fully equipped clinic is funded by the Institute of Maternal and Child Health and staffed by two doctors, a nurse and two midwives.

To date, the Rural Bank of San Luis has a total of 197 family planning acceptors. Pills chalked up the highest percentage of acceptors (50%), with tubal ligation (21%), and condom (19%) ranking second and third respectively. Mike Vergara funds the transportation expenses of accept-

ors who are provided sterilization services in the provincial hospital or in Manila.

A measure of the bank's overall success is the growth of its bank savings from P17,000 to P573,000 in just four years of operation. This, according to Mike Vergara, is partly attributable to the higher repayment of loans brought about by the increased awareness of the importance of small family size, practice of family planning and consequent expected reduction of average family expenses.

As population awareness generated through the banking system has been found responsive, other rural banks such as those in Capas, Cabanatuan City and Pagsanjan have joined in the population movement by developing similar incentive schemes. They have, for example, conducted education programs on family planning and nutrition to clients and employes, as well as to people in the barrios.

As Mike Vergara emphasizes, family planning through rural banking is a sure way to reach the poor, the mass of the people.

Other Interested Rural Banks

Northern Luzon

La Union - RB Luna: Dr. Danny Bolong, Manager. The Luna RB has decided to implement a 2% rebate policy for bank FP acceptors.

Pangasinan - RB San Manuel: Mrs. Amelia Isaac, Manager.
RB San Quintin: C.S. Tiu

Isabela - RB Ilagan: Mr. Jesus Aquas, Manager.

RB San Gabriel - Mrs. Concepcion Orenca, Manager. Dr. Orenca is the chief surgeon and administrator at the Bethany Hospital, San Fernando, La Union. His wife, a pharmacist by profession and the ex-vice Mayor of San Gabriel, is a bright, active banker with excellent management skills. They are developing their own strategies/program for bank clients.

Central Luzon

Tarlac - RB Gerona: Dr. Abellar, President. There is a World Neighbor technician in this municipality and Dr. Abellar has begun to discuss FP information service with him. The bank will begin on a small-scale to incorporate the family planning in the bank's model IAF barrio just outside the town proper.

- RB Capas: Johann Ruiz, Manager. This is the largest rural bank in Tarlac, managed by an able young man with good, workable ideas. He has been selected to participate in the pilot RB-FP project. For many reasons, the involvement of this bank and this manager, in particular, should be encouraged.

Nueva Ecija - Cabanatuan City: Mr. and Mrs. Manuel Liwag. This is the largest and most aggressive bank in Nueva Ecija. Mr. Liwag is showing FP slides to his clients in the bank. They have done limited campaigns in the barrios for family planning and nutrition awareness.

- RB Cabiao: Mr. Nanding Ortiz. Nanding Ortiz is a director of the RBAP and is quite influential in the province. He organized barrio captains from the barrios his bank serves to meet with POPCOM regional officials to "launch"

his programs. However, due to the purge, POPCCM officials were not present. Mr. Ortiz is still interested in coordinating banking activities with family planning and nutrition personnel and is offering air-conditioned office space in his bank as a satellite clinic set.

Bulacan

- RB Sta. Maria: Mrs. Angelica Halili-Cruz manages an IAF bank and is interested in working with local family planning personnel, probably on a referral basis.

Pampanga

- RB Mexico: Guadalupe Vergara, Mike's sister, refers clients to the World Neighbor technicians, the Mexico RHU, or the San Luis bank clinic.

RB San Luis: First bank FP/Nutrition clinic.

RB Sta. Ana: Mrs. Limuoco has posters displayed and has been providing family planning handouts to clients. She is interested in a more systematic approach involving local family planning personnel. She would refer clients but wishes to have a motivator working within the bank on a part-time basis.

RB Arayat: Col. Vengson, Manager: Mike Vergara has talked with the bankers from Sta. Ana, Arayat and Candaba and reports they would develop a family planning program for their clients similar to the "model" established in San Luis. These five banks (including Mexico and San Luis) have a remarkably similar small farmer clientele. These bankers are close friends and have worked together since 1968.

Laguna

- Sta. Rosa: Mrs. Ramon Melencio, Manager. The Sta. Rosa bank is well managed, and its president is an influential member of the RBAP. He wants to participate in this program, but will wait for the signing of a project agreement and a set of "guidelines" before participating.

Los Banos RB: Mr. Caranto, Manager. The Los Banos RB has been given some posters and contraceptives for display in their barrio outlets. The president of this bank, Mr. Rafael Amoranto, is the President of the Laguna Federation and is hoping to invite POPCOM officials to meet with the bankers' federation and the governor to discuss various strategies for bankers to employ.

Pagsanjan RB: Mrs. Cabreza, Manager. This bank began family planning service for clients in November, 1975. Mrs. Cabreza organized the first sterilization operations in Pagsanjan. There is a doctor available in her bank every Monday for free consultation. Her old bank building is vacant and has been offered rent-free as a site for a bank Family Planning Health Clinic.

Bicol

- Camarines Sur: RB Pila: Horacio Marasigan, is an influential RBAP director who will become involved in the project very soon.

The Rural Banks of Nueva Caceres (Atty. Ravanera), Goa (Mrs. Salvador Tejo), Bula (Mr. Remolona) and Milaor (Atty. Tena) should be considered as excellent prospects for the Family Planning-Rural Bank project. Their participation would set the example for the other banks in the region.

Batangas

- Rural Bank of San Jose: Dr. and Mrs. Ilagan. I just met Mrs. Ilagan at the Agricultural Credit Conference for Southern Tagalog and Bicol rural bankers. Her husband is the administrator of the hospital in San Jose (owned by them.) Mrs. Ilagan seemed very interested in developing a family planning informational campaign among their borrowers.

Visayas

- Iloilo: Pototan Rural Bank, Dr. Ladrado, Manager. Dr. Ladrado is an affable leader among rural bankers in that region. He has been an active and vocal supporter of the rural bank and family planning programs.

RB Zaraga: Dr. de Leon, President. Dr. de Leon is the Dean of the Medical School in Iloilo and is an excellent prospective cooperator.

Cebu

- Sugbusnon RB: Mrs. Rosita Arcenas, Manager. Dr. and Mrs. Arcena opened a bank family health clinic February 1, 1976. At present, the clinic personnel are in training and the "reopening" of the bank clinic is scheduled for April. The clinic stresses general health and nutrition but emphasizes family size as a cause of much malnutrition. Mrs. Arcenas was chosen by the Cebu Rural Bank Federation to pilot test the idea of FP/Nutrition information and services for bank clients in Cebu.

Bohol: Baclayon Rural Bank: Doctora Virginia Lao, Manager. Dra. Lao was the FP physician in Baclayon town for many years prior to the establishment of the rural bank. She is aggressive, extremely competent and very interested in linking family planning with her bank operations.

RB La Trinidad: Mr. Goyeneche, Manager. Mr. Goyeneche has been asking for assistance in training some of his production technicians to motivate clients to practice family planning.

Negros Occidental - RB of La Castellana, Mrs. Lydia Tison, Manager. Mrs. Tison, an ex-RBAP director, attends all regional bank conferences and is an active supporter of the RB-FP project. She and her husband began a similar program several years ago for their sugar workers, but did not achieve the desired results. She is evaluating the experience of other banks before committing her bank again. I see her as a very key prospect to work with in the next year.

RB of Dumaguete: Manual Utzurran, Manager. Mr. Utzurran's bank is only five kilometers from Siliman University. He "requires" M 99 borrowers with more than four children to attend a family planning lecture in town. He refers potential acceptors to Siliman. He plans to gradually introduce bank incentives though this may still be a few years from now.

Zamboanga del Sur - Pagadian RB: Jose Lopez, Manager; Mr. Ballesteros, President. The Pagadian Rural Bank is reportedly interested in the SIF model of Mr. Vergara. The bank has several World Neighbor technicians assigned in the area and has made use of their services for bank acceptors.

Buug and Malangas RB: Atty. David Corpin, President. Atty. Corpin, presently an RBAP director, will very soon join the program in his two banks.

Mindanao - Davao City: Mr. G. E. (Vering) Torres volunteers the following resources to the Family Planning through Rural Banking project:

Educational Institutions: University of Mindanao and the Mt. Apo Science Foundation College.

Communication: Nine radio stations in Mindanao area.

Mindanao (cont'd.) - Savings and Loans Associations: Davao City Savings and Loans with branches in Vigos and Zamboanga City (more than 120,000 small depositors in these SLA's).

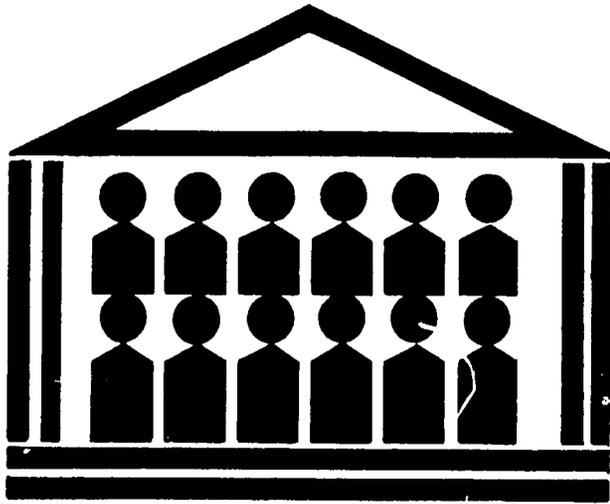
First Iligan Savings and Loans with a branch in Cagayan de Oro.

Rural Banks: Misamis Oriental: One bank in Lugaet, one in Initao and another bank in Lagindingan.

Davao del Norte: RB of Mawab

Davao del Sur: RB of Hagunoy

He has the approval of the Board of Directors of his banks to participate in the family planning program. Mr. Torres is awaiting more information on incentives linked with education and savings to become an input into his own particular bank strategies. Mr. Torres is highly regarded at Central Bank for his aggressive banking. He will likely develop a model to test in Davao City and after any necessary refinements replicate in each of his banks.



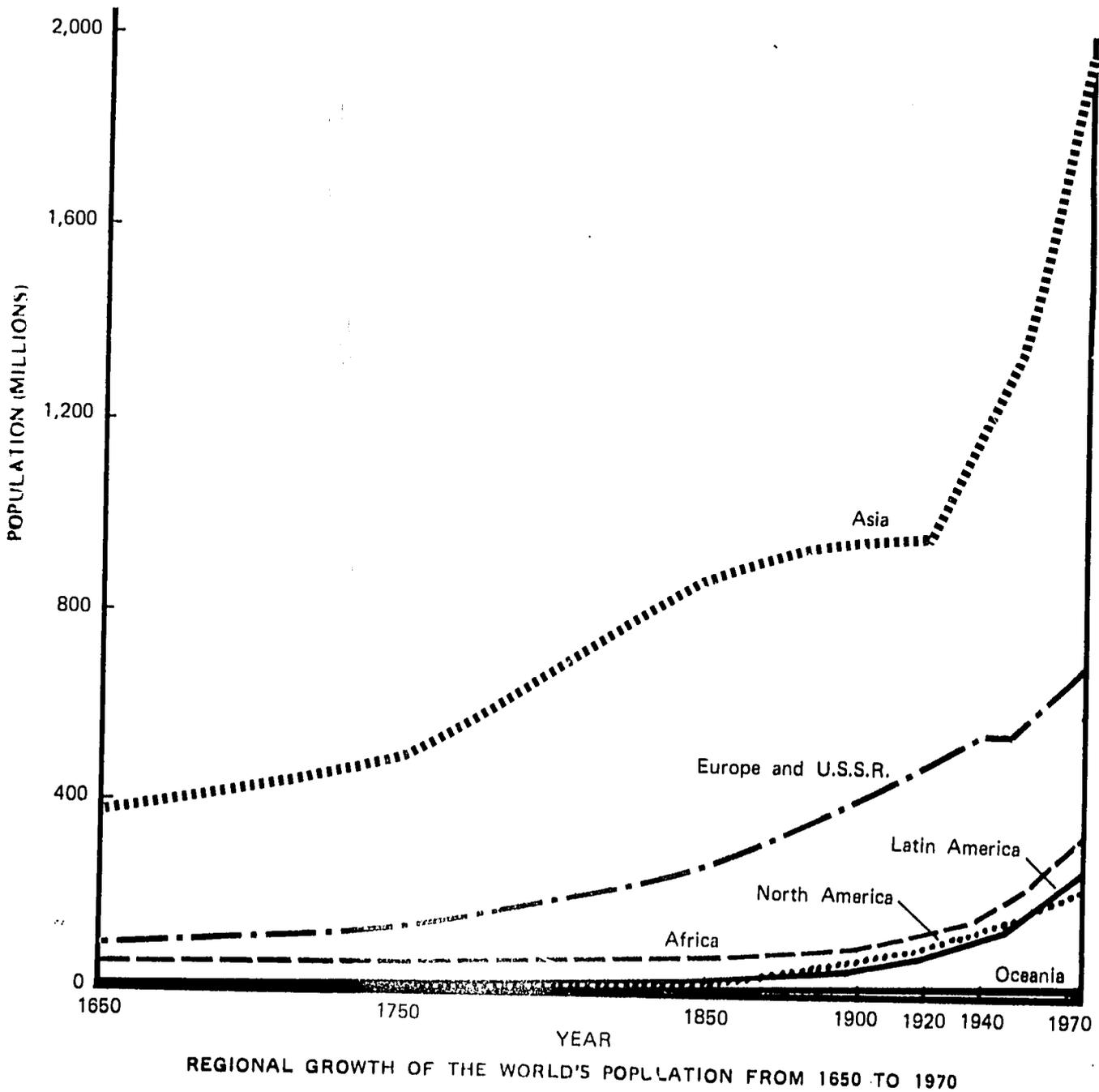
**rural businessmen and
bankers
... and the
population problem**

Prepared by POPCOM
and USAID's Office
of Population

October 1, 1975

WHAT IS THE PROBLEM?

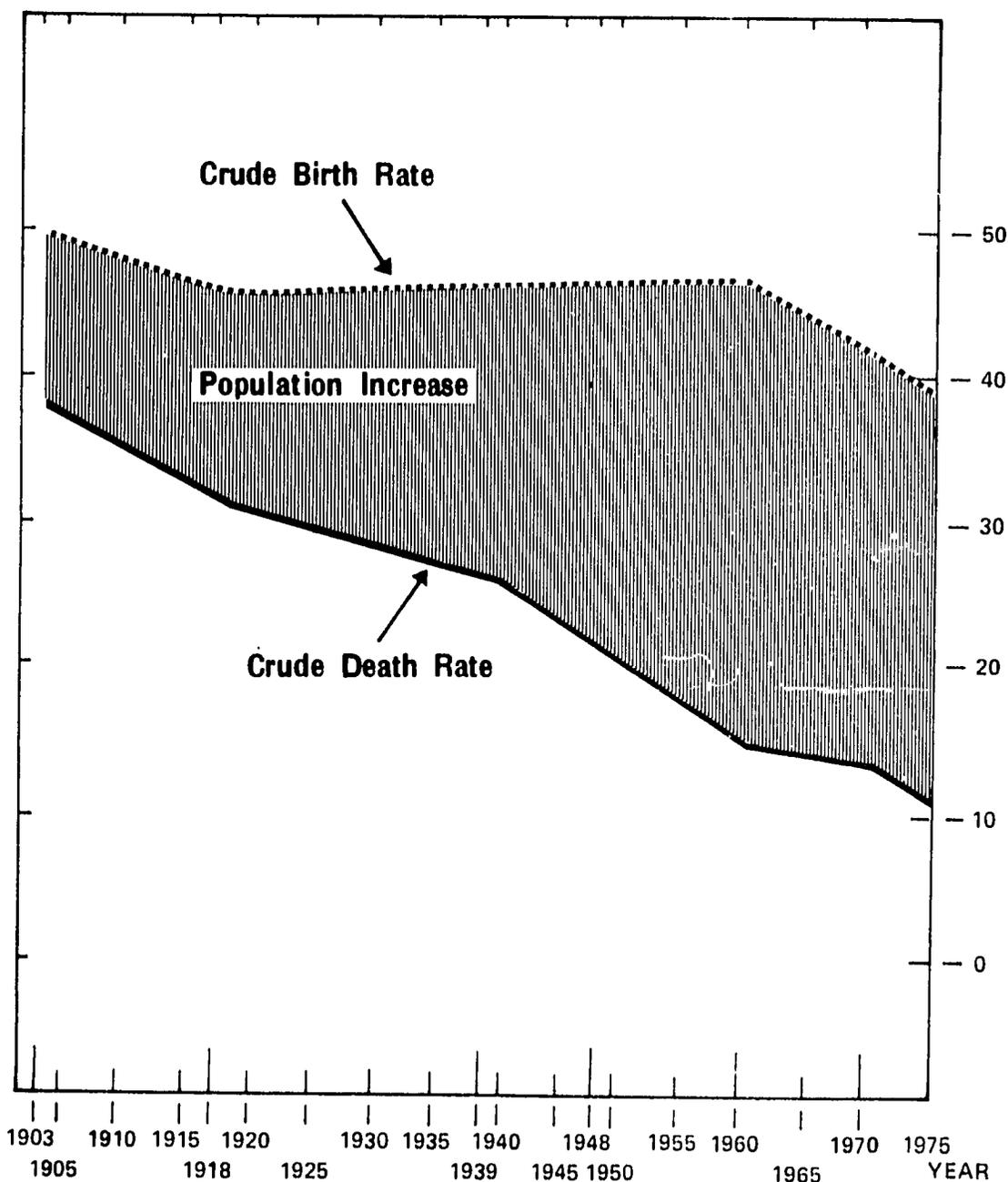
As this chart indicates Asia has grown dramatically as a region in the last fifty years. The Philippines, with an unusually high yearly growth rate of almost 3 percent, has contributed to this alarming increase in the region's population.



WHY IS THERE A PROBLEM?

The population growth rate of a country is determined mostly by the difference between birth rate and death rate. For a number of years a gradually declining birth rate was greatly outpaced by a sharply falling death rate, which was a result of worldwide improvement in sanitation, nutrition, public health techniques and medicines. For a stable population to exist the birth rate and death rate must come into closer balance.

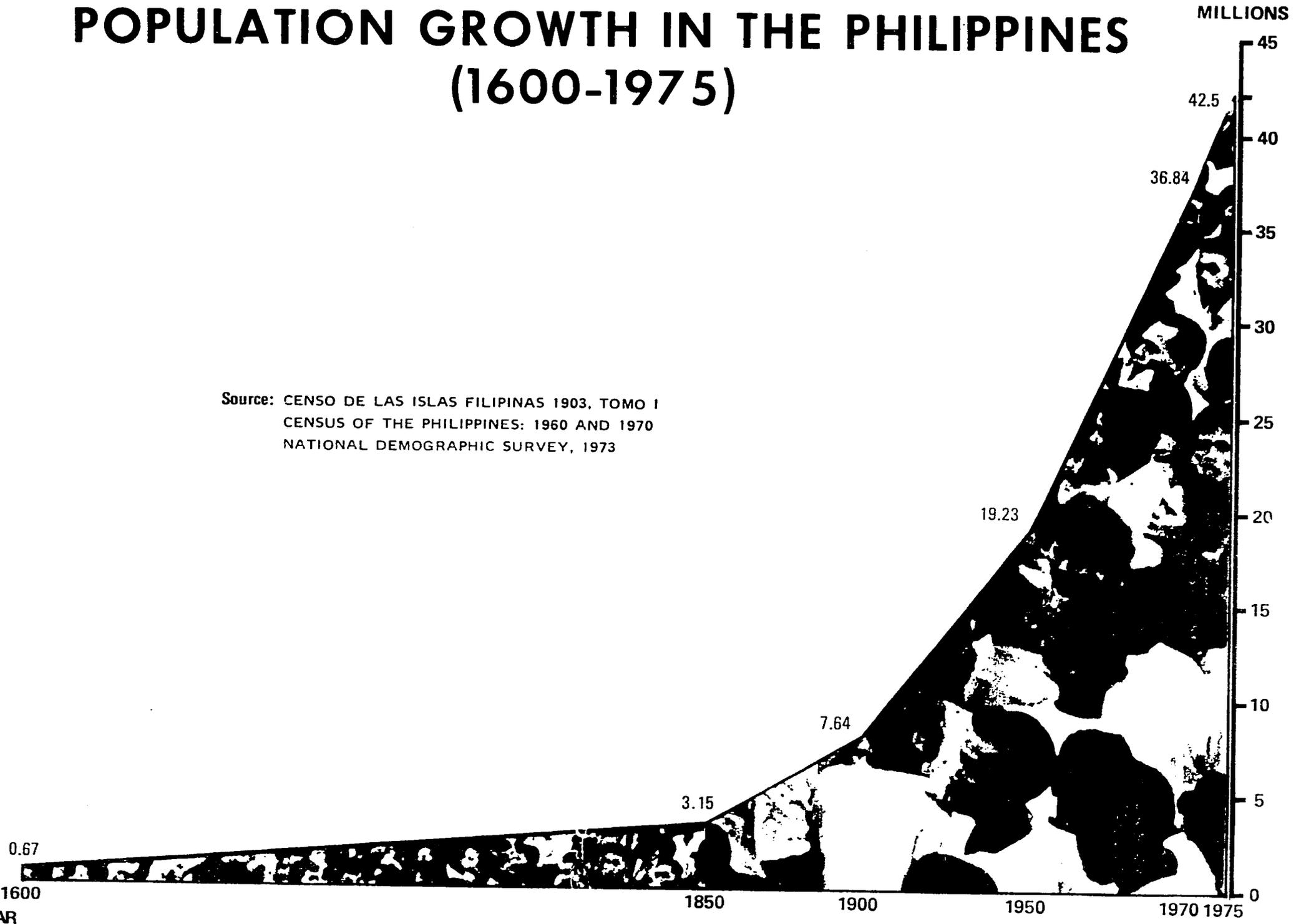
ESTIMATED RATES OF BIRTH, DEATH AND NATURAL INCREASE, PHILIPPINES, 1903 - 1970



SOURCE: M.B. Concepcion, fertility differences among married Women in the Philippines, 1963.

POPULATION GROWTH IN THE PHILIPPINES (1600-1975)

Source: CENSO DE LAS ISLAS FILIPINAS 1903, TOMO I
CENSUS OF THE PHILIPPINES: 1960 AND 1970
NATIONAL DEMOGRAPHIC SURVEY, 1973



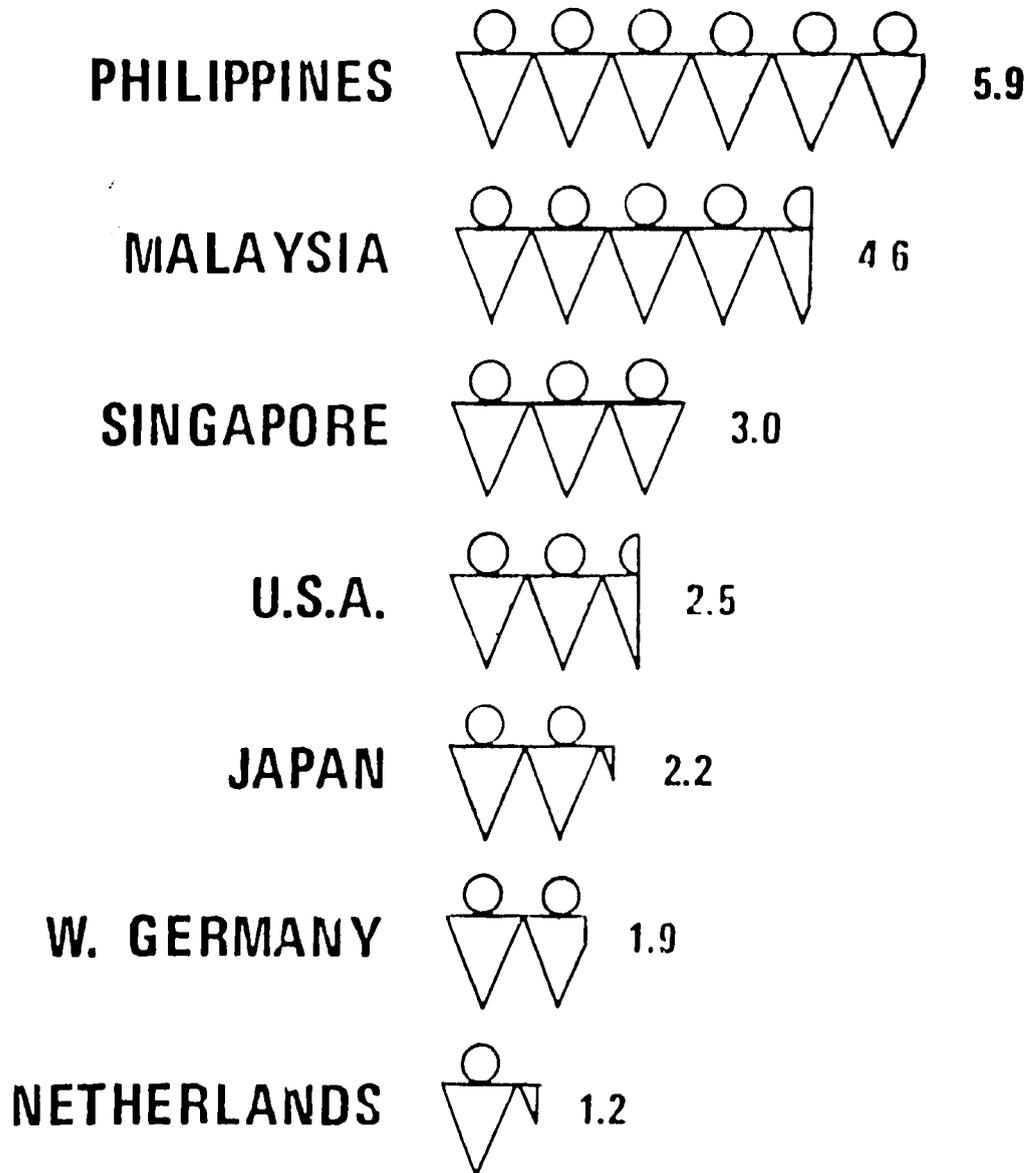
YEAR

MILLIONS

HOW DOES THE PHILIPPINES COMPARE IN FAMILY SIZE?

A large Filipino family means a very young population. Almost half of the country is under 15 years of age. These dependents make great demands on those in the labor force for support.

COMPLETED FAMILY SIZE



SOURCE: U.N. DEMOGRAPHIC YEARBOOK, 1972

WHY SHOULD RURAL BUSINESSMEN AND BANKERS SUPPORT THE POPULATION/FAMILY PLANNING PROGRAM?

1. Because you are concerned with long-run economic health of your community

- A. slower population growth means greater household and per capita income
- B. income growth means more savings which means more investment.
- C. more investment means more production, more jobs
- D. economically prosperous people are better credit risks
- E. reduced population growth is in your own self-interest

II. Because it makes good sense —

smaller families mean improved health, education, and nutrition and disposable income.

III. Because it is imperative

- A. The Philippines — your province — your municipality — have limited land, water, natural resources and resources for development.

The world won't support more people than the world can support.

Ultimately, population growth must and indeed will stabilize — so that people only reproduce themselves.

The sooner farm families move toward lowered completed family size, from almost six children today to 5—4—3 as quickly as possible, the better the individual and community prospects are for an improved standard of living.

**WHAT DOES A TYPICAL MUNICIPALITY IN THE
PHILIPPINES LOOK LIKE?**

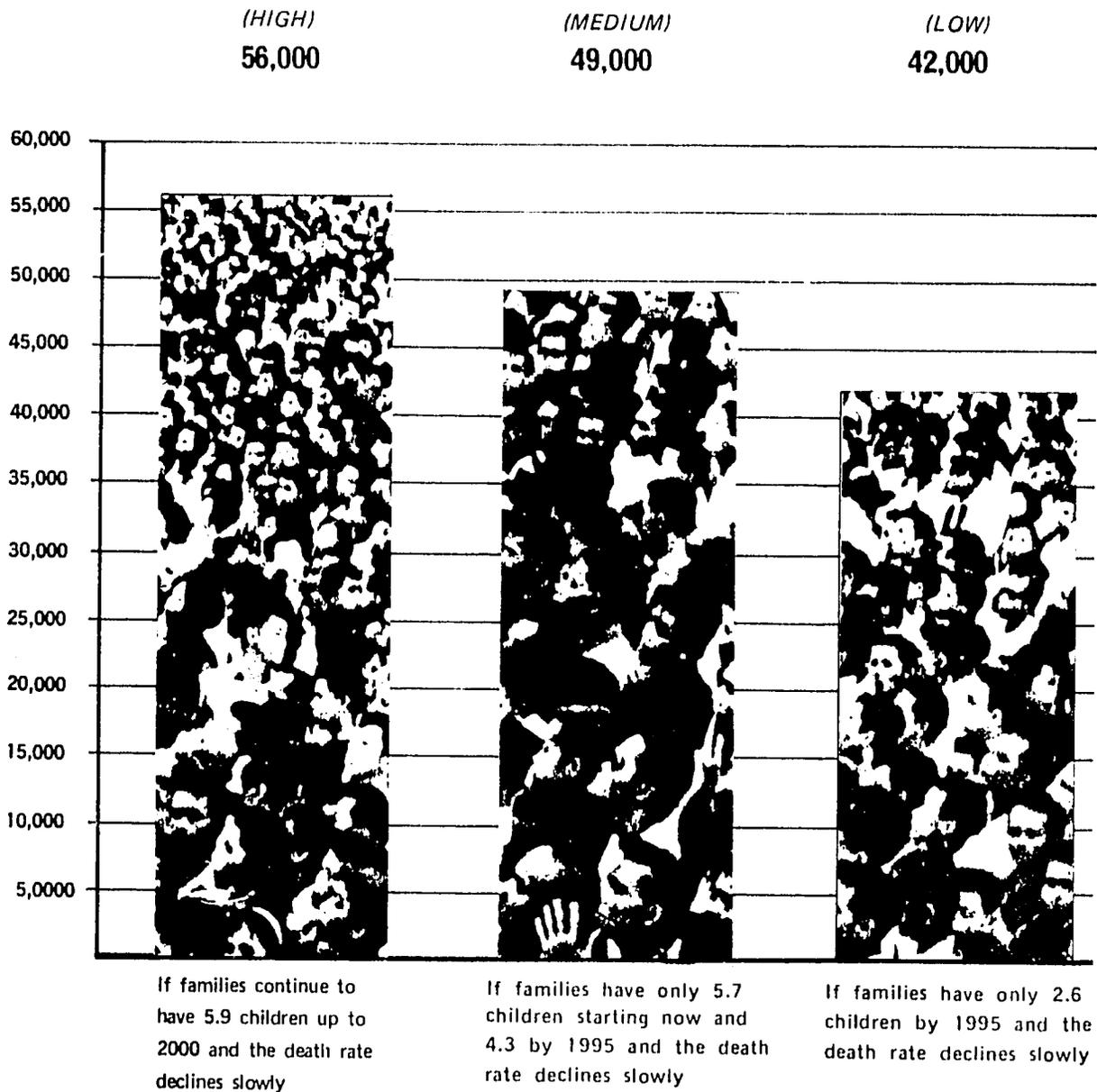
Imagine a typical municipality in the country — let's call it "MASIKIP." Based on averages from 1970 census, MASIKIP has the following characteristics:

Total Population (mid-1975)		25,000
Growth Rate (1960-1970)		3.0%
Crude Birth Rate		39.9
Crude Death Rate		9.5
Average Family Size		5.8
Population below 15 years		45.0%
Dependency Ratio		94
Land Area	204 km ²	20,400 hectares
Land Area (arable)	53 km ²	5,300 hectares
Population Density	122 per km ²	1.2 persons per hectare
Population Density (arable)	472 per km ² arable	4.7 persons per hectare (arable)
Percent of Labor Force Unemployed		7.7%
Household Income (1971)		₱2,818
Per Capita Income		₱ 486

WHAT IS THE FUTURE OF MASIKIP?

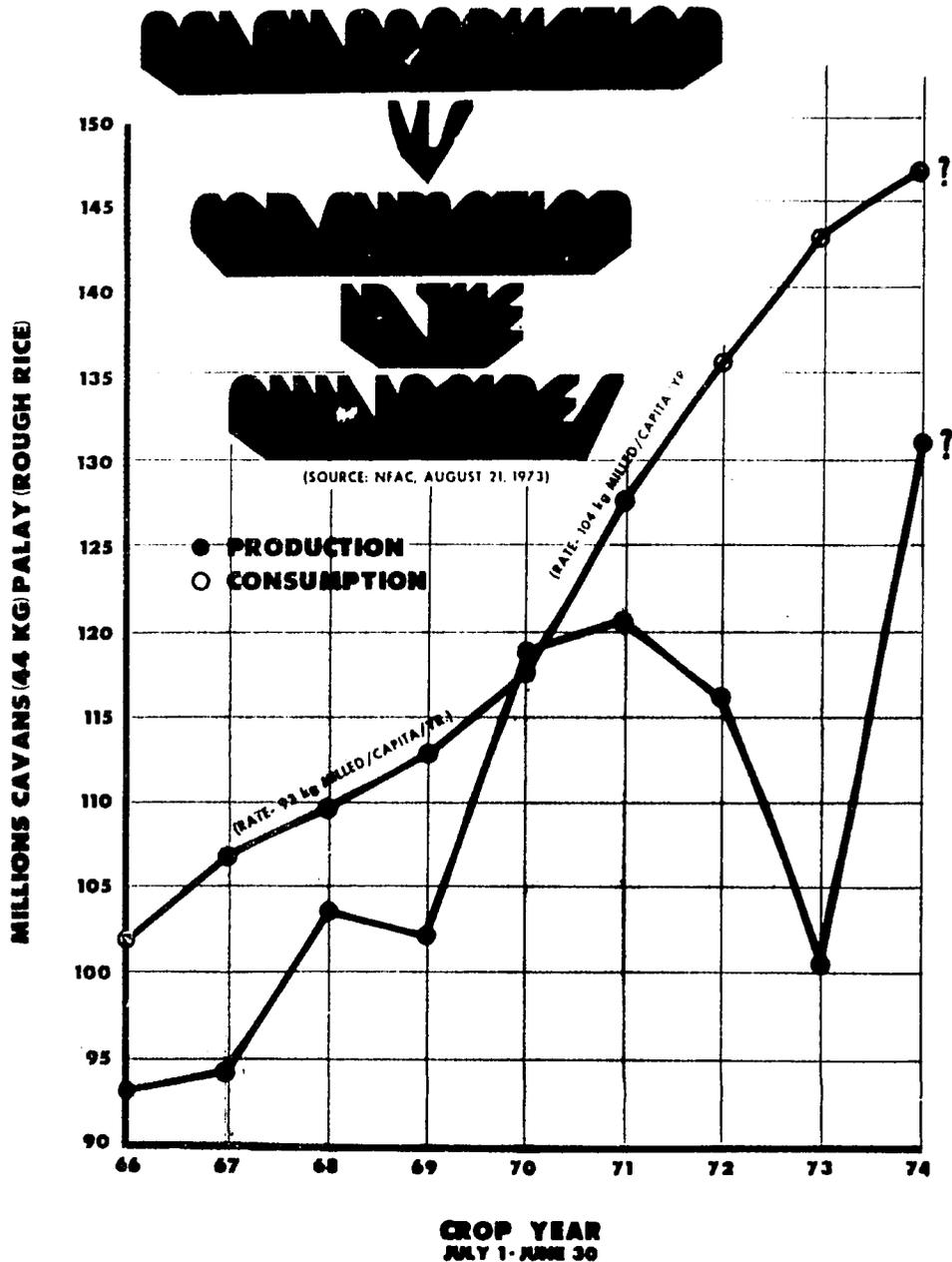
Let us look at MASIKIP 25 years from now. The population growth rate depends on how fast the birth rate and death rate go down. Here are projections based on various assumptions.

ALTERNATE POPULATION PROJECTIONS FOR THE YEAR 2000



The size of the population will have serious consequences on food availability, land availability, and on per capita income.

WHY IS THERE THE "PRODUCTION-CONSUMPTION GAP"?



While production is affected by: typhoons, floods, rats, insects, and disease

Consumption demands increase with population growth.

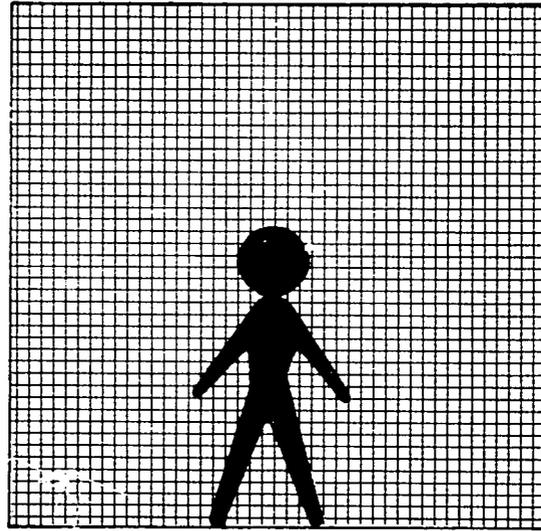
In 1975 MASIKIP consumes over 158 cavans of bigas daily!

If population grows at 2.8% per year, food requirements will double in 25 years

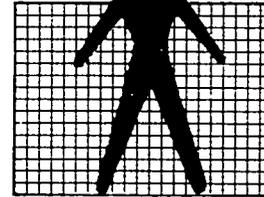
By 2000 MASIKIP will consume over 320 cavans of bigas/day!

Can farmers in your area meet this increased demand?

HECTARES OF LAND PER PERSON 1590-2000 MASIKIP



1590 45 Has.



1900 4.0 Has.



1940 2.0 Has.



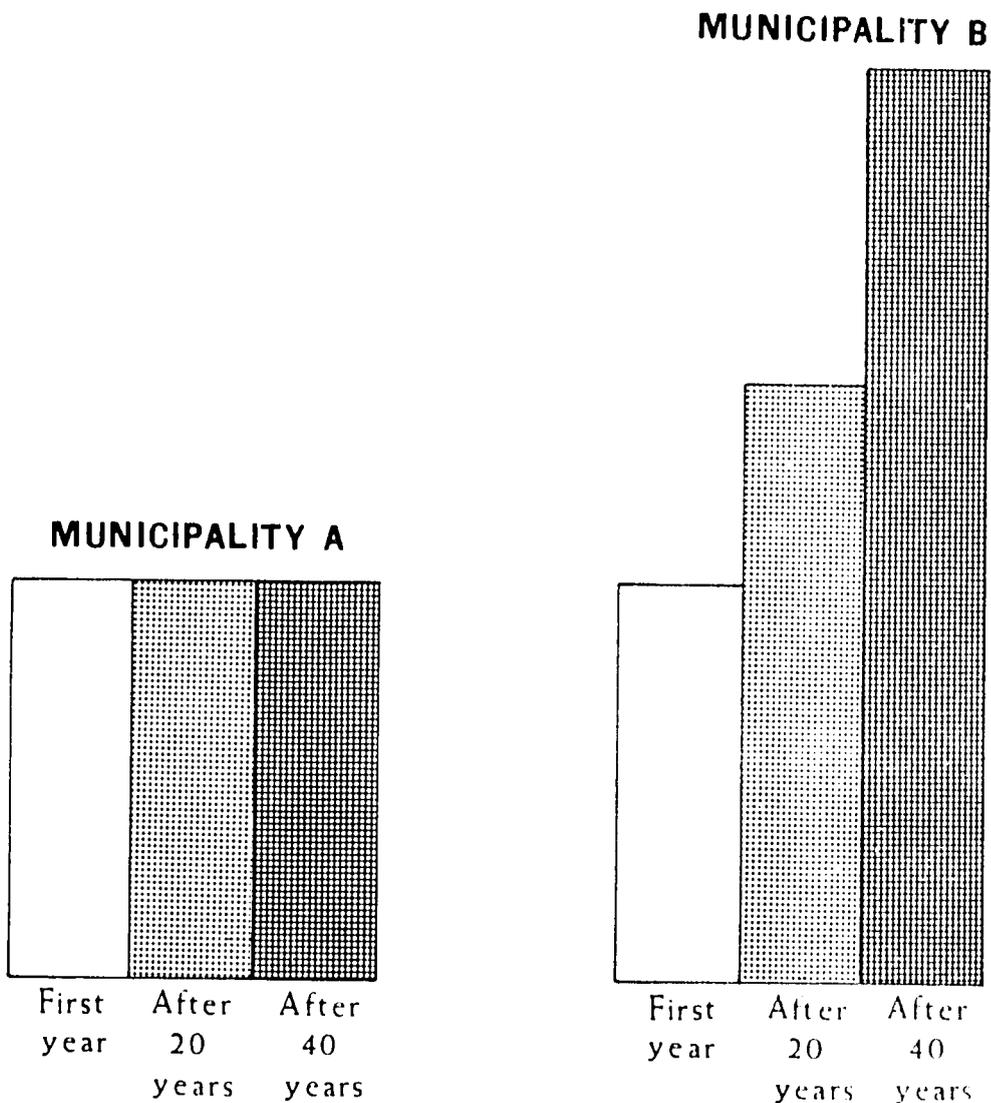
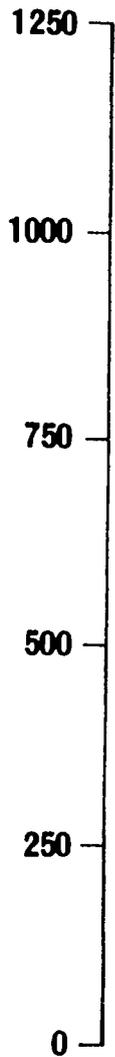
1970 .8 Ha.



2000 .3 Ha.
(NCSO high Population)

Growth of Per Capita Income in Two Municipalities, Both With Total Income Doubling Every 20 Years

Per capita
income in Pesos



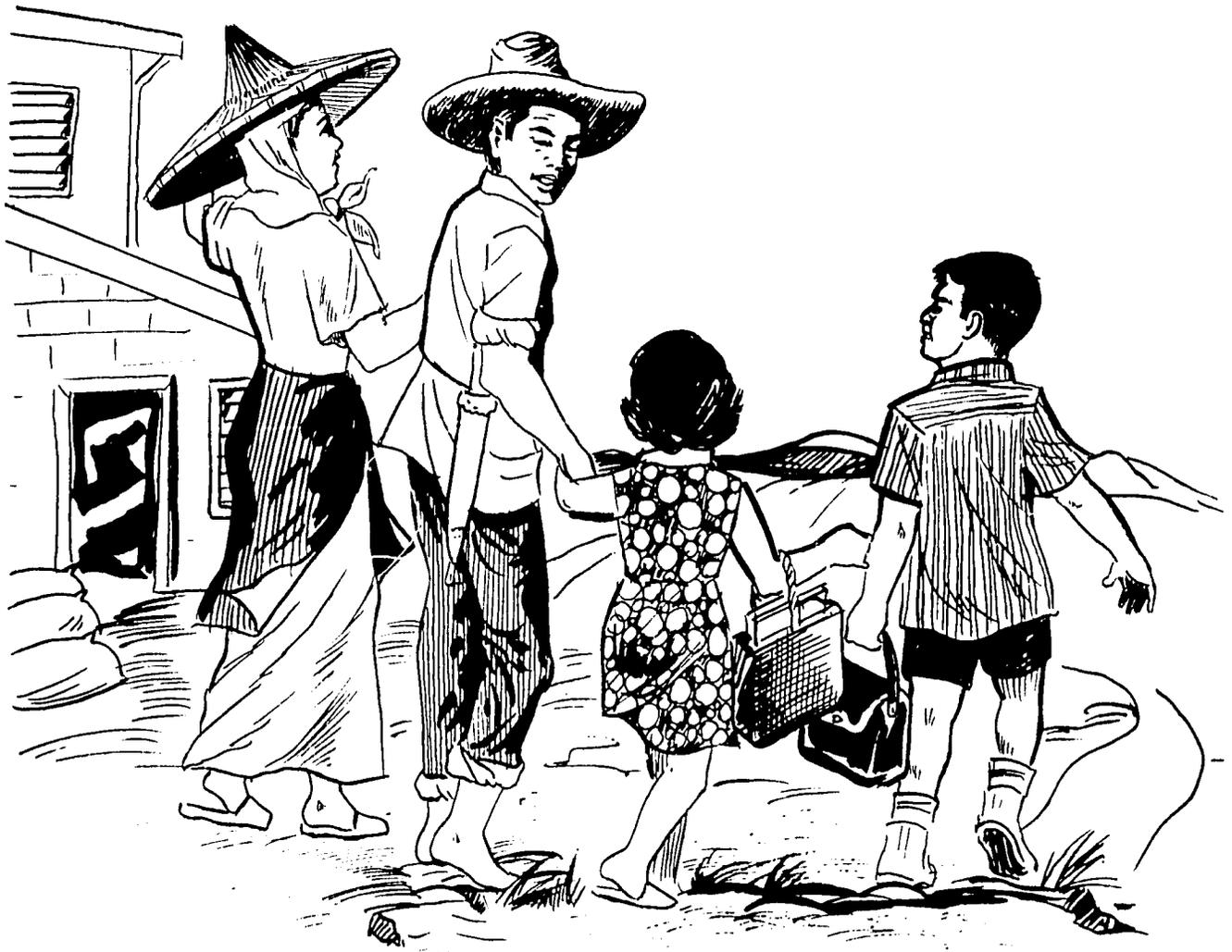
MUNICIPALITY A
Population doubles
every 20 years

MUNICIPALITY B
Population doubles
every 50 years

WHAT DOES INCREASED INCOME MEAN?

- o higher loan and credit repayment ability
- o greater ability to save
- o greater commercial purchasing power – more income
- o more money for family health care
- o more money for food
- o more money for education, home and farm improvements, durable goods

BETTER STANDARD OF LIVING FOR THE ENTIRE COMMUNITY



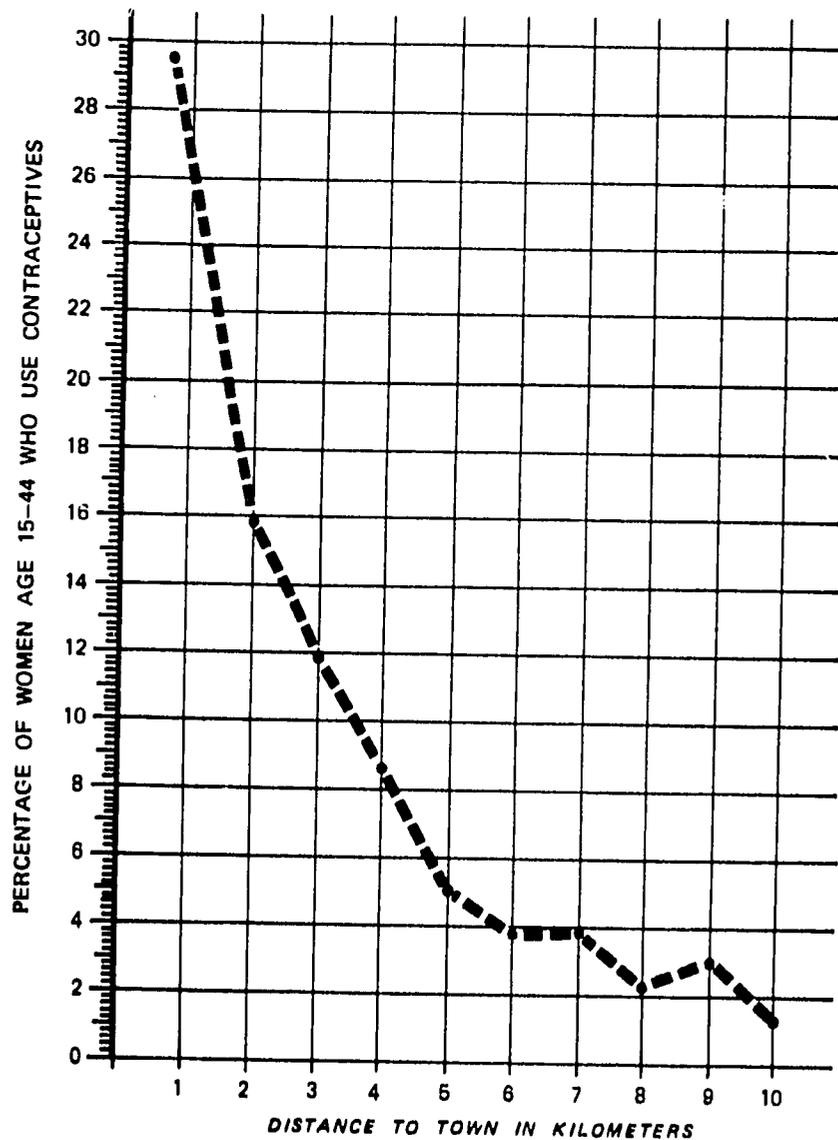
WHY SHOULD RURAL BUSINESSMEN AND BANKERS BECOME INVOLVED?

As this chart indicates family planning acceptance decreases with distance from the poblacion. If the program is to be successful, it must make every effort to reach the barrios. Rural Bankers and Businesses can help because:

- ▲ Rural businesses and banks are strategically located
- ▲ RB's for example deal with over 500 thousand clients annually
- ▲ RB's and businesses deal with the more progressive sector of rural society
- ▲ All concerned civic leaders must join hands to solve the problem — no single group or agency can do the job alone.

The GEOGRAPHIC DISTRIBUTION OF CLINIC USERS

AS THE DISTANCE FROM THE TOWN PROPER INCREASES
THE RATE OF FAMILY PLANNING USE DECREASES.



WHAT HAVE SOME BANKERS AND BUSINESSMEN DONE?

- reduced interest rates on loans to participants in family planning/nutrition programs
- made family planning/nutrition information available to clients and employees
- conducted education programs on family planning/nutrition in the barrios

WHAT CAN ALL MANAGERS OF BUSINESSES AND BANKS DO?

- be informed about the implications of rapid population growth and malnutrition
- prominently display information on family planning/nutrition
- discuss the problems with mayors, family planning and nutrition leaders
- develop and implement your own community strategy for family planning/ nutrition based upon the resources in your own municipality

*Editorials***San Luis project**

The President's call for wider citizens' participation in pushing through Government reforms has resulted in a number of community projects proliferating throughout the country. Their proliferation demonstrates the whole-heartedness of the collective response given by community members to the challenge posed by the Chief Executive. One such project was recently launched in San Luis, Pampanga, which used to be the seat of the former Hukbalahap movement. This undertaking is distinguished not only for its uniqueness but also for the fact that it supports one of the government's priority programs which is family planning.

For the program to succeed, it is believed that it should have a greater acceptability in the small towns and remote areas where family planning, which is another name for population control, is little understood or appreciated. And yet, it is in these places where poor economic conditions prevail, that it is necessary to have only small families. Incentives are offered to cut down on the number of children and, in the case of the San Luis project, the help of the rural bank in the municipality has been enlisted.

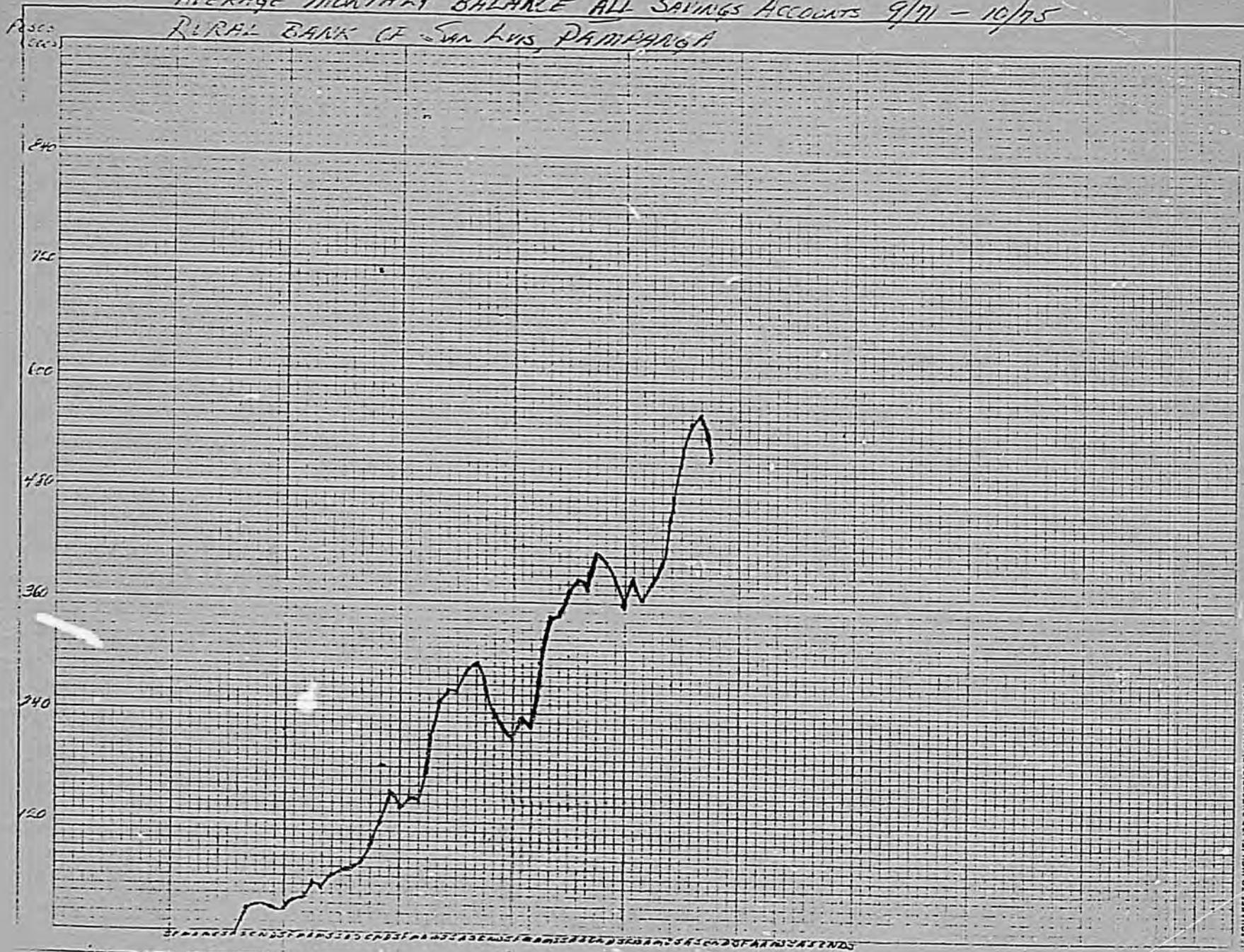
As an encouragement, couples who join the

family planning movement are charged a lower interest rate by the San Luis rural bank on their loan applications. It was explained that experience has shown that couples who do not practice family planning invariably fail to keep up with the amortizations, including interest, on their bank loans. Every child added to the family means extra expenses that will have to take precedence over some obligations, like the liquidation of outstanding loans. It is hoped that if the other rural banks that are scattered all over the country join in the novel experiment, they could constitute a strong collective force, in giving the government's family planning program a big boost.

The San Luis rural bank's loan scheme is integrated with a medical program in the municipality handled by the Institute of Maternal and Child Health of the Children's Medical Center and the Maternal and Child Health Association of the Philippines. While these medical bodies provide the expertise, there are also four civic organizations in the town lending assistance.

The San Luis experiment is just a beginning. It can be duplicated or other projects patterned after it could be adopted by other municipalities.

AVERAGE MONTHLY BALANCE ALL SAVINGS ACCOUNTS 9/71 - 10/75
 RURAL BANK OF SAN LUIS, PAMPANGA



1 SQUARE TO INCH (ELITE TYPEWRITER) INQUIRY 11/77

47

1971 1972 1973 1974 1975 1976

4 year growth of Savings in \bar{X} Δ $\text{step/yr} = 129,357.$

Rural Bank of San Luis (Pamp.), Inc.
San Luis, Pampanga

AF

<u>No./Yr.</u>	<u>X Savings Dep</u>	<u>X Time Dep</u>	<u>Total</u>
Aug. '71	₹ 973.80	-	₹ 973.80
Sept. '71	24,161.44	-	24,161.44
Oct. '71	27,252.32	-	27,252.32
Nov. '71	27,971.78	-	27,971.78
Dec. '71	24,031.47	-	24,031.47
Jan. '72	23,963.76	-	23,963.76
Feb. '72	31,258.80	-	31,258.80
March '72	32,928.53	-	32,928.53
April '72	55,650.87	-	55,650.87
May '72	47,852.94	-	47,852.94
June '72	60,384.74	-	60,384.74
July '72	62,869.19	-	62,869.19
Aug. '72	65,615.11	-	65,615.11
Sept. '72	74,258.57	-	74,258.57
Oct. '72	94,284.54	-	94,284.54
Nov. '72	120,066.67	-	120,066.67
Dec. '72	156,288.11	-	156,288.11
Jan. '73	137,988.58	-	137,988.58
Feb. '73	139,537.51	10,000.00	149,537.51
March '73	135,366.85	10,000.00	145,366.85
April '73	207,200.40	10,000.00	217,200.40
May '73	242,402.11	10,000.00	252,402.11
June '73	253,238.71	10,000.00	263,238.71
July '73	252,986.41	10,400.00	263,386.41
Aug. '73	276,883.52	10,400.00	287,283.52
Sept. '73	283,074.31	10,400.00	293,474.37
Oct. '73	257,655.86	10,400.00	268,055.86
Nov. '73	225,890.66	10,400.00	236,290.66
Dec. '73	213,530.77	10,500.00	224,030.77
Jan. '74	205,234.12	10,500.00	215,734.12
Feb. '74	226,684.80	10,500.00	237,364.80
Mar. '74	219,028.10	10,500.00	229,528.10
Apr. '74	284,396.52	10,500.00	294,896.52
May '74	334,137.66	10,500.00	344,637.66
June '74	330,301.43	16,801.00	347,102.43
July '74	354,722.13	16,401.00	371,123.13
Aug. '74	368,289.34	16,401.00	384,690.34
Sept. '74	376,867.57	16,401.00	376,867.57
Oct. '74	357,254.91	46,278.50	413,533.41
Nov. '74	349,228.75	55,731.00	406,559.76

Rural Bank of San Luis (Pamp.), Inc.
San Luis, Pampanga

<u>Mo./Yr.</u>	<u>X Savings Dep.</u>	<u>X Time Deposit</u>	<u>Total</u>
Dec. '74	₱327,400.52	₱ 56,631.00	₱384,031.52
Jan. '75	304,005.08	55,869.53	359,874.61
Feb. '75	297,584.54	87,431.53	385,013.07
Mar. '75	278,456.81	87,431.53	365,888.34
Apr. '75	292,862.44	87,431.53	380,293.97
May '75	329,982.77	87,431.53	417,414.30
June '75	370,418.63	87,431.53	457,850.16
July '75	393,653.07	126,231.53	519,886.60
Aug. '75	393,494.99	161,231.53	554,726.52
Sept. '75	402,591.52	161,231.53	563,823.05
Oct. '75	365,348.03	152,081.53	517,429.56

Prepared by:

Lourdes C. Cueva
Savings Bookkeeper

Frequency Distribution (DEMAND DEPOSITS)

<u>₱ range</u>	<u>N</u>	<u>TOTAL</u>
₱ 0-500	2,546	161,096.65
₱ 501-1,000	48	36,797.62
₱ 1,001-5,000	40	89,841.10
₱ 5,001-10,000	11	73,104.51
₱ 10,001-50,000	4	9,742.09
over ₱50,000	0	