

## **Philippines**

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### **Rural Agro-enterprise Partnerships for Inclusive Development and Growth Supervision Report**

Mission Dates: 02-13 March 2020  
Document Date: 14/04/2020  
Project No. 2000001200  
Report No. 5379-PH

Asia and the Pacific Division  
Programme Management Department



## Abbreviations and Acronyms

<b>ADB</b>	Asian Development Bank
<b>AGFP</b>	Agricultural Guarantee Fund Pool
<b>AOS</b>	annual outcome surveys
<b>AWPB</b>	Annual Work Plan and Budget
<b>BARMM</b>	Bangsamoro Autonomous Region in Muslim Mindanao
<b>BDS</b>	Business Development Service
<b>BP</b>	Business Plan
<b>BSP</b>	Bangko Sentral ng Pilipinas
<b>CADC</b>	Certificate of Ancestral Domain claims
<b>CADT</b>	Certificate of Ancestral Domain Title
<b>DA</b>	Department of Agriculture
<b>DBM</b>	Department of Budget and Management
<b>DBP</b>	Development Bank of the Philippines
<b>DILG</b>	Department of Interior and Local Government
<b>DIP</b>	Detailed Investment Plans
<b>DIP-CN</b>	Detailed Investment Plans Concept Note
<b>DOF</b>	Department of Finance
<b>DPWH</b>	Department of Public Works and Highways
<b>DTI</b>	Department of Trade and Industry
<b>eNGAS</b>	electronic National Government Accounting System
<b>FMI</b>	Farm to Market Infrastructure
<b>FMR</b>	Farm to Market Road
<b>FO</b>	Farmers organizations
<b>FSO</b>	Financial Sector Officer
<b>FSP</b>	Financial Service Provider
<b>FY</b>	Fiscal Year
<b>GAA</b>	General Appropriation Act
<b>GESI</b>	Gender and Social Inclusion
<b>GFI</b>	Government Financial Institutions
<b>GoP</b>	Government of the Philippines
<b>GPPB</b>	Government Procurement Policy Board
<b>INSURED</b>	Insurance for Rural Resilience and Economic Development
<b>IP</b>	Indigenous Peoples
<b>LBP</b>	Landbank of the Philippines
<b>M &amp; E</b>	Monitoring and Evaluation
<b>MIS</b>	management information system
<b>MOA</b>	Memorandum of Agreement
<b>MSME</b>	Micro, Small and Medium Enterprise
<b>MTIT</b>	Ministry of Trade, Investment and Tourism
<b>NC</b>	Negosyo Center
<b>NCA</b>	Notices of Cash Allocations
<b>NEDA</b>	National Economic Development Authority
<b>NPC</b>	National Project Director
<b>NPCO</b>	National Project Coordination Office
<b>NPM</b>	Non Policy Matter Opinions
<b>NSC</b>	National Steering Committee
<b>OFW</b>	Overseas Filipino Worker
<b>PCIC</b>	Philippine Crop Insurance Corporation
<b>PIM</b>	Project Implementation Manual

<b>PP</b>	Procurement Plan
<b>PPC</b>	Provincial Program Coordinators
<b>PSC</b>	Project Steering Committee
<b>PSC</b>	Project Steering Committee
<b>PVCF</b>	Provincial Value Chain Facilitator
<b>R&amp;D</b>	Research and Development
<b>RAPID</b>	Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project
<b>RCU</b>	Regional Coordinating Unit
<b>RD</b>	Regional Director
<b>RMB</b>	Rizal MicroBank
<b>RPC</b>	Regional Programme Coordinator
<b>RPCU</b>	Regional Programme Coordinator Unit
<b>RSIPs</b>	Regional Strategic Investment Plans
<b>RTWG</b>	Regional Technical Working Group
<b>SARO</b>	Sub Allotment Release Orders
<b>SBC</b>	Small Business Corporation
<b>SDO</b>	Special Disbursing Officers
<b>SIP</b>	Strategic Investment Plan
<b>TA</b>	Technical Assistance
<b>TOR</b>	Terms of Reference
<b>UP</b>	University of the Philippines
<b>UPLB</b>	University of the Philippines-Los Banos
<b>USD</b>	US Dollar
<b>VCF</b>	Value Chain Facilitators

## A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Not at risk
Country:	Philippines	Environmental and Social Category:	B
Project Name:	Rural Agro-enterprise Partnerships for Inclusive Development and Growth	Climate Risk Classification:	2
Project ID:	2000001200	Executing Institution:	Department of Trade and Industry
Project Type:	Credit and Financial Services	Implementing Institutions:	Department of Trade and Industry
CPM:	Alessandro Marini		
Project Director:	Edwin Banquerigo		
Project Area:	Region 8, 9, 10, 11, 12 and 13		

Approval Date:	17/04/2018	Last audit receipt:	not available yet
Signing Date:	15/10/2018	Date of Last SIS Mission:	17/03/2020
Entry into Force Date:	08/07/2019	Number of SIS Missions:	1
Available for Disbursement Date:	14/10/2019	Number of extensions:	0
First Disbursement Date:	18/12/2019	Effectiveness lag:	15 months
MTR Date:	not available yet		
Original Completion Date:	30/09/2025		
Current Completion Date:	30/09/2025		
Financial Closure:	not available yet		

### Project total financing

<b>IFAD Financing breakdown</b>	Asia and the Pacific Division	\$2,500,000
	IFAD	\$62,902,000
<b>Domestic Financing breakdown</b>	Beneficiaries	\$2,066,000
	Private sector local	\$2,837,000
	National Government	\$10,780,000
	Domestic Financing Institutions	\$12,437,000
<b>Co-financing breakdown,</b>		
<b>Project total financing:</b>		\$95,120,000

### Current Mission

Mission Dates:	02-13 March 2020
Days in the field:	9 days
Mission composition:	The mission was led by Alessandro Marini, IFAD Country Director and included: Jing Pacturan, IFAD Country Officer; Michael Hamp, IFAD Lead Regional Technical Specialist; Marc de Sousa Shields, Agribusiness and Value Chain Specialist; Ike Clovis Payumo, Engineer; Yolando Arban, Project Management and M&E Specialist; Arthur Tantuan, Procurement Specialist; and Zidni Marohombsar, Financial Management Specialist.
Field sites visited:	Leyte, Agusan del Sur, Dipolog, Zamboanga del Norte, Bukidnon, South Cotabato, Koronadal, North Cotabato, Davao del Sur

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

<b>Effectiveness and Developmental Focus</b>	<b>4</b>	<b>Project Management</b>	<b>4</b>
Effectiveness	4	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	N/A	Coherence between AWPB and Implementation	3
Nutrition	N/A	Performance of M&E System	4
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

<b>Sustainability and Scaling-up</b>	<b>5</b>	<b>Financial Management and Execution</b>	<b>4</b>
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	3
Partnership-building	5	Quality of Financial Management	4
Human and Social Capital and Empowerment		Quality and Timeliness of Audit	
Quality of Beneficiary Participation	4	Counterparts Funds	5
Responsiveness of Service Providers	5	Compliance with Loan Covenants	5
Environment and Natural Resource Management		Procurement	4
Exit Strategy			
Potential for Scaling-up			

<b>Relevance</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project (RAPID Growth) was approved by the IFAD Executive Board in April 2018, the Financing Agreements were signed in April 2019 and it entered into force in July 2019. The Project Completion Date is 30 September 2025. It is implemented in six regions in Mindanao and Visayas (regions 8-13) and twenty target provinces, selected based on their growth potential in specific commodities, poverty incidence and operational efficiency considerations. The project will initially target four commodities of the seven prioritised by DTI, namely cocoa, coffee, processed fruits and nuts, and coconut. These commodities present attractive market and social features, and have potential to provide sustained economic benefits to both small farmers and enterprises.

From 2 to 13 March 2020, a joint IFAD-Government Supervision and Implementation Support Mission visited the Project to assess its performance and implementation status. The mission had a kick-off meeting in Manila on 2 March. Starting on 3 March the Mission divided into three teams that visited 2 Regions each on 3-7 March, thus covering all the regions where the Project is implemented. On 9-10 March the Mission met relevant stakeholders and partners, including technical staff from DTI and the NPCO, in Davao, prior to the pre-wrap up technical meeting on 11 March. The final wrap up meeting, scheduled for 13 March in Manila, could not be held due to the restrictions enforced as a result of the COVID19 emergency. Consensus on the content and agreed actions of the Aide Memoire, which constitute the core of this report, were however reached through e-mail exchange.

### Key Mission Agreements and Conclusions

Eight months after entry into force in July 2019, the project team is making good progress in finalizing all preparatory activities. The first disbursement occurred in January 2020, six months after entry into force. The National Project Coordination Office is fully staffed in all key positions and recruitment of all other positions at regional and provincial level is ongoing and expected to be finalized by end of April 2020. The basic financial management systems are in place and with the recent recruitment of the Procurement Officer the same is expected for the procurement systems in the near future. The logical framework has been reviewed and updated and the M&E system, including plans for the undertaking the baseline survey, is gradually being established. The Project Steering Committee and Regional Technical Working Groups are all established and functional. Considerable effort has been dedicated to the elaboration of the Project Implementation Manual and a very comprehensive final draft has been submitted during the mission. The project is overall on-track with all main loan covenants.

Overall disbursement and AWPB execution, however, remain very low: 8% for IFAD Loan and Grant disbursement combined, which is moderately unsatisfactory compared to the disbursement profile of similar IFAD projects; and only 4% for the mini Annual Work Plan and Budget for 2019. This modest performance is due to the delay in recruiting key project staff, the majority of which only came on board between the last quarter of 2019 and now, and, more important, delays and issues in the appropriation of the project budget for both 2019 and 2020.

Over the next few months priority should be given to the following areas to ensure that project implementation (and disbursement) steadily pick up by early 2021:

**Value chain investment planning.** It is now important for the project to move quickly from the preparatory and planning phase to actual investment and implementation. While the first batch of Regional Strategic Investment Plans (RSIPs) has been completed, they still do not provide sufficient information to guide the actual investment in the selected value chains. The project team now has to put maximum effort in the elaboration of the first batch of 15-20 Detailed Investment Plans (DIPs). **Agreed action:** finalize the preparation of the first batch of DIPs by end of June 2020 with the aim to have them approved by the respective RTWGs by end of July 2020.

**Full project staffing.** While all positions at the National Project Coordination Office (NPCO) have been filled, a number of key staff (49 out of a total of 105) at regional and provincial level still need to be recruited. This should be given highest priority by DTI to ensure that the required staff is on board for the design of DIPs. **Agreed action:** complete the hiring process and fill all remaining project staff vacancies by end of April 2020.

**Project Implementation Manual.** A very comprehensive final draft of the PIM has been submitted by the NPCO during the mission. Extensive discussions were held and comments provided on a number of aspects. Further review by IFAD is ongoing. **Agreed action:** IFAD will submit consolidated comments to the PIM by end of March 2020; based on such comments, the NPCO will finalize the PIM and submit for formal No Objection by end of April 2020.

Delays and issues have been experienced in the appropriation of the project budget for both 2019 and 2020, which has severely impacted the utilization of loan and grant funds. The AWPB 2020 has not yet been finalized, with almost one quarter of the financial year already past. **Agreed action:** DTI will seek reissuance of the loan allotment for 2019, including budget and disbursement authorizations for the grant funds, and submit request for authorization of the budget for 2020 by end of March 2020.

Agreed action	Responsibility	Agreed date
Finalize preparation of first batch of DIPs	DIP Teams	June 2020
Complete the recruitment of all remaining project staff at regional and provincial level	NPCO / DTI Region.	April 2020
Submit consolidated comments on draft PIM	IFAD	March 2020
Finalize PIM based on comments received and submit for formal No Objection	NPCO	April 2020
Ensure budget authorizations for FY 20019 and FY 2020	DTI	March 2020

## D. Overview and Project Progress

Component 1 – Direct Assistance to Enterprises

### Value chain planning

**Regional Strategic Investment Plans.** Twelve RSIPs have been contracted, with 11 completed and being validated by respective Regional Technical Working Groups (RTWGs). Twelve RSIPs remain to be contracted. The completed RSIPs have overall served their primary purpose of providing data/ information inputs for the development of Detailed Investment Plans (DIPs). The RSIP development ToRs can, however, be improved to enhance/simplify DIP guidance and to speed their completion. Revised RSIP ToRs are provided in the technical paper 1 in Appendix. **Agreed action:** procure the consultants for the undertaking of the second batch of RSIPs with the aim to start the preparation by end of May 2020.

**Detailed Investment Plans.** The project must now turn quickly to defining Detailed Investment Plans (DIPs), or structured programme interventions plans for commodity production at the appropriate level (market linkages can go beyond provinces). DIPs are based on RSIPs and will vary in approach by provincial priorities and commodity. Two main generalizable market linkage models are envisaged: (i) via large anchor firm; and, (ii) through multiple MSME firms. Investment and inputs by the project will vary by DIP model and are anticipated to include a mix of extension services, business development services, technical assistance (TA) packages, farmer organization institutional development, enterprise/farmer training and/or financing. Most enterprises involved in DIPs will require a business plan (BP) which will be elaborated as part of the DIP and used to ensure that participating enterprises have the capacity to fulfil agreed-upon roles. A structured DIP template is provided in the technical paper 1 in Appendix.

**DIP teams.** A range of RAPID and DTI staff input will be required to develop DIPs. DIP formulation teams will be created at the appropriate level, the size and composition of which will vary by province and/or commodity. They will generally include 3 to 5 members selected for technical/management capacity related to target commodity and could include project staff at regional level, Provincial Program Coordinators (PPC), as well other relevant contracted or DTI organic staff. One Provincial Value Chain Facilitator (PVCF), who will eventually be in charge of the facilitation and monitoring of the DIP, and one Negosyo Centre (NC) staff will be included in all DIP teams. Teams will have a designated leader who will provide substantive input and manage the team. DIP teams will have access to consultants to support the DIP formulation, which will however remain the ultimate responsibility of the DIP Team. The DIP teams will be nominated by the Project Director in consultation with the relevant project staff and Provincial Directors. ToRs will be prepared for the DIP teams, based on the draft ToRs provided in the technical paper 1 in Appendix.

**DIP approval process.** The DIP development flow chart detailed in the RAPID PIM has been revised to enhance the DIP process and approval mechanisms (see in technical paper 1). The new process includes the development of a short (max. one page) DIP Concept Note (DIP-CN) to be approved by the Regional Programme Coordinator (RPC) and Regional Director (RD) before moving to full development. Once approved, a DIP team will be formed to develop the full DIP. Once fully developed, the DIP will be approved by the RD/RPC and then passed to the National Project Director for approval. The DIP will then be presented to RTWG for final approval. All DIPs will be subject to IFAD No Objection. **Agreed action:** formally appoint the teams for the first batch of DIPs by end of April 2020.

### Business and advisory services



**Business development services.** Rosters of prequalified business development service (BDS) providers to support enterprise and farmer organizations/cooperatives are being developed at the provincial level. The procurement and management of BDS provision to the MSMEs and farmers organizations supported by the project will be undertaken by the NCs. BDS suppliers accredited under RAPID will be added to the NC supplier registry. This will allow individual suppliers to be contracted by the NCs via small value procurement (for contracts less than PHP 1 million), with an estimated time of 7-15 days for procurement.

**Agriculture advisory and extension services.** Agricultural extension services for smallholder producers will be critical to improving existing production, and, where required, supporting production expansion. DTI has substantial capacity to provide enterprise development support but has limited experience/capacity offering extension services. For this reason, RAPID will contract qualified services providers, such as NGOs and other organizations with capacity and experience providing large-scale extension services. ToRs and bidding documents will be prepared on the basis of the needs identified in the DIPs.

**Institutional development of famers' grassroots organizations.** Capacity building on organizational development, institutional strengthening and governance for tier one farmers' organizations and primary cooperatives will be critical for the sustainability of the value chain investment. National and regional level farmers organizations are ideal partners for the project in this respect, given their experience and expertise, as well as the opportunity they would offer to grassroots organizations to sustainably access relevant services in the future as members. The Project has made extensive consultations at national and regional level with such organizations to explore opportunities for these envisioned strategic partnerships. The next step will be to enter into partnership agreements with relevant national farmers organizations and national/regional cooperatives, based on the needs identified as part of the DIPs.

**Partnership with private sector companies for service provision.** Large anchor firms are often well positioned to provide technical advisory services to smallholder farmers to improve/expand production in line with market requirements and quality standards. Indeed, some of the companies have already established capacity in this respect. By partnering with such companies in the provision of these services, RAPID can ensure that company demand and smallholder supply are rapidly expanded in a synchronized manner. In the interest of efficiency and value for money, RAPID will consider to enter into cost-sharing partnership agreements to mobilize the expertise and technical resources of reputable companies to provide quality services to smallholder farmers.

## Matching Grants

Matching grants are part of the instruments that the project has to support improved agricultural production, productivity and quality, as well as to promote private sector investments for inclusive value chains. The PIM provides comprehensive guidance on the management and implementation process of the conditional matching grant scheme under component 1, including the matching grant ratios for equipment and planting materials and the ceilings of investments considered for the calculation of the grant element. Any grant beneficiary is expected to invest at least 10% from his/her own capital (equity).

## Farm-to-Market Infrastructure

**Farm-to-Market Infrastructure planning.** The identification of Farm to Market Infrastructure (FMI) emanates from the RSIPs and the DIPs. The latter are still to be formulated, hence FMIs are yet to be firmly identified. While the above planning process proceeds, the NPCO should start proactively identifying, selecting, and prioritizing the FMI sub-projects. An initial priority short list by Region will be prepared and consolidated at regional level for review and deliberation by the RTWG. The NPCO shall consolidate the short-listed FMIs at project level and keep track of the budget requirement for the prioritized FMIs, to effectively manage the excess demand vis-à-vis the available budget. Given the latest amendment on Department of Public Works and Highways (DPWH) design standards, the unit cost will substantially increase from an average of PHP 7 million during the RAPID design stage to about PHP 15 million per kilometre. This will consequently reduce the logical framework target of 140 km to only about 60 km. **Agreed action:** Prepare a regional priority short-list of FMIs and submit to respective RTWGs by end of May 2020, for approval by end of June 2020. **Memorandum of Agreement with Department of Interior and Local Government (DILG).** The Memorandum of Agreement (MOA) between DTI and DILG for implementation of the infrastructure sub-component is still to be finalized. Its signature is currently planned for end of April. After MOA signing, DILG and DTI will conduct a planning workshop at the national and regional (to firm-up implementation arrangements and preparatory activities. By the 3<sup>rd</sup> quarter of the year, the final list of FMI sub-projects for funding in 2021 shall have been identified and duly endorsed by the concerned local development councils and included in the local budgeting for FY 2021 by October 2020. **Agreed actions:** Finalize MOA between DTI and DILG for approval by end of March 2020.

## Component 2 – Institutional Strengthening

**Value chain governance.** The project aims to support the creation and capacity building of Regional and Provincial Industry Councils to promote value chain-wide coordination and public-private dialogue on strategic policy issues. The cacao and coffee sectors already have existing industry organizations/councils at national and, to some degree, regional/provincial levels. In the case of the other commodities (e.g. coconut, calamansi, mango, etc.) industry governance frameworks are much less structured and organized and the project will play a pivotal role in the formation and organization of the respective councils.

**Negosyo Centres.** The Negosyo Centers (NCs) will play a pivotal role in the provision of BDS to the MSMEs and farmers organizations supported by RAPID. To this effect, in every RAPID target province, NCs will be organized into a network of complementing centers with the DTI-managed NC at provincial level taking the lead in ensuring that NCs in the network are able to facilitate the access of farmers, cooperatives and MSMEs to services funded by RAPID. In order to increase the effectiveness of NCs as platforms for service delivery, the project will support them in a number of areas, including: (a) customizing and simplifying the existing training modules and materials<sup>[1]</sup> already existing at various NCs to better tailor them to the capacity building needs of the RAPID beneficiaries, as identified by the DIPs; (b) hands-on competency development, capacity building and training along with those provided to the project contracted staff; (c) office equipment and training facilities at NC level, including information technology for better outreach and communication and GIS profiling of production areas.

### Component 3 – Technical Assistance and Partnership with FSPs

RAPID supports the financial institutions capacity to serve target value chains players and address market imperfection and institutional deficiencies for the development of the prioritized value chains. Improving the capacity and outreach of project participating FSPs will take them to the next level of service delivery in terms of financial inclusion and agricultural development finance rather than pursuing business as usual. As of now, limited progress has been made in this strategic direction. The late recruitment of the Financial Sector Officer (FSO) in the NPCO, who has taken office in February, and the incomplete operational guidelines in the respective PIM sections explain most of the delay.

The key principle of partnership with FSPs is to enable targeted smallholder producers, MSMEs, as well Overseas Filipino Workers (OFWs) as potential investors back home to make informed choices in terms of financial products, services and their preferred business partner FSP. This will be achieved through the provision of financial and digital literacy training and mobilization of Government Financial Institutions (GFIs), commercial and cooperative banks and other FSPs, including insurance companies. It is planned that at least ten project participating FSPs will be incentivized, to pro-actively expand their outreach to the agricultural and rural finance, agricultural value chain finance market segment and to diversify the range of financial products and services for new clientele. This entails offering tailored technical assistance and institutional development support under RAPID as well as the matching grant scheme to producers and value chain processors.

Four potential FSP partners have been identified so far, including Landbank of the Philippines (LBP); Development Bank of the Philippines (DBP); Small Business Corporation (SBC) and Rizal MicroBank (RMB). The Technical Paper 3 in annex provides the details of the envisaged role of these four identified partners. **Agreed action:** the NPCO will formalize the collaboration with the above 4 FSPs through the signing of MOAs by end of April 2020.

**Agricultural insurance.** The RAPID design foresees potential support to the improvement of insurance for high value, long gestational crops, and the possible bundling of these insurance products. The Philippine Crop Insurance Corporation (PCIC), the implementing agency of the government's crop insurance programme under the Department of Agriculture, currently offers several lines of agricultural insurance. A study will be financed by the Insurance for Rural Resilience and Economic Development (INSURED) programme, hosted by IFAD, to investigate methodologies and/or alternative insurance products for improving the speed and efficiency of loss assessment and claims settlement for high-value, long gestational crop insurance. The study will be prepared by mid-September 2020 in order for findings to help support the planning and implementation of RAPID's insurance components. **Agreed action:** IFAD/INSURED will undertake a study on methodologies and insurance products by end of September 2020

**Guarantee mechanisms.** RAPID will address the collateral requirements by FSPs, which often is a bottleneck for smallholder producers and rural small-scale businesses. Depending on the dimension of the collateral gap, the project may assist Philguarantee, the government-controlled corporation established to consolidate all government guarantee programmes, to expand its current guarantee facilities from short-term crops to long-gestating crops and capital expenditures, including those prioritized by the project. Furthermore, RAPID had foreseen assistance to AGFP to expand its current guarantee from only food crops to long-gestating crops, including those prioritized by RAPID.

### Component 4 – Innovation Fund

RAPID envisages supporting the establishment and capitalization of an Innovation Fund by SBC. The intention is to provide incentives for private equity and venture capital firms to engage with SMEs, particularly those that require capital for technology and biotechnology innovations, including research and development (R&D). SBC as the Innovation Fund manager is expected to develop a pipeline. RAPID would cover the costs of technical assistance to develop the co-investment conditions and share models, investment pipeline, disbursement and monitoring, divestiture plans etc. of private equity/venture capital firms or local impact investors. As of the date of the mission, limited progress has been made in this component and SBC is still elaborating the implementation procedures for the Innovation Fund for its Board to approve and eventually integrate in the PIM. **Agreed action:** SBC will finalize the operational modalities of the Innovation Fund and submit to IFAD for No Objection by end of May 2020.

<sup>[1]</sup>[1] DTI Region 10 has customized and adapted the MENTOR ME national training module into "Enhanced Business Learning Session" module that utilizes local industry experts and entrepreneurs as mentors and advisers.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Finalize MOA between DTI and DILG and submit for approval</b>	NPCO/DILG	03/2020
<b>Appoint the teams for first batch of DIPs</b>	NPCO	04/2020
<b>Formalize MoA with FSPs</b>	NPCO FSO	04/2020
<b>Launch preparation of second batch of RSIPs</b>	NPCO/RPCUs	05/2020
<b>Submit shortlist of FMIs to RTWG for approval</b>	NPCO/RPCU	05/2020
<b>Finalize operational modalities for the Innovation Fund and submit to IFAD for NO</b>	SBC/NPCO	05/2020
<b>Conduct study on methodologies and/or alternative insurance products</b>	IFAD/INSURED	09/2020

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

**Effectiveness** **Rating: 4**

#### Justification of rating

It is still very early stage in implementation for a meaningful assessment of the project effectiveness in achieving outcomes and outputs. From the current status of implemented activities, though, everything indicates that the project is on track for meeting its main outcomes and objectives, although some slight delays have been accumulated at project inception and efforts will be needed to catch up with such delays.

#### Log-Frame Analysis & Main Issues of Effectiveness

The logical framework contained in the PDR and originally submitted to the National Economic Development Authority (NEDA) has been reviewed to align with the components' structure as approved by the NEDA Board and reflects IFAD core indicators and DTI's Measure Profile Indicators.

The only meaningful outputs achieved relate to the elaboration of the RSIPs (11 out of 12 planned, with an achievement rate of 92%) and to the setting up of the National Steering Committee and Regional Technical Working Groups (100% achievement). A total of 4 partnership agreements have been signed between private companies and farmers cooperatives and associations. No other outputs and outcomes were reasonably expected to be achieved at the current stage of implementation.

#### Development Focus

**Targeting and Outreach** **Rating: 4**

#### Justification of rating

Outreach. The project is expected to directly benefit 78,000 households. The completed 11 RSIPs (out of 24) estimate to reach over 85,000 beneficiaries and generate more than 17,000 jobs (estimated in only 4 RSIPs). While some issues in the definition of beneficiaries need to be corrected (see below) the overall outreach target for the project looks overall more than feasible.

Targeting. The project uses both geographic and direct targeting. Geographic targeting has been embedded in the process of selection of investment areas and has so far been fully applied. As to direct targeting, key target groups include smallholder farmers and micro entrepreneurs within the selected commodity value chains, as well as unemployed and underemployed rural women and men to be potentially employed by participating enterprises, with special focus on: (i)

women, either farmers or women entrepreneurs; (ii) youth (men and women); and (iii) indigenous people. Overall, targeting has been duly taken into account at planning stage, although a few issues need attention (see below).

### **Main issues**

In the estimation of outreach, the following should be addressed: ensure proper distinction between smallholder farmers and micro entrepreneurs; ensure that counting of beneficiaries reflects the members of FOs/POs actually receiving services from the project rather than the overall membership;

For targeting, while micro-enterprises have been defined following DTI classification (i.e. those with assets valued PHP 3 million and below), the project does not yet have a clear definition for smallholder farmers. During the mission, it was agreed to adopt the definition by the Department of Agrarian Reform of smallholder farmers as having access (as owners or tenants) to landholdings of five hectares and below.

The RSIPs have paid limited attention to the identification of specific groups (women, youth and IPs) from among the overall estimated outreach. This will be corrected during the elaboration of the DIPs.

<b>Gender equality &amp; women's participation</b>	<b>Rating: 4</b>
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### **Justification of rating**

While the project has included in the PIM the ToRs for a Gender and Social Inclusion (GESI) specialist, the hiring process has not yet started. One of the first tasks of a GESI specialist would be to develop a GESI strategy and action plan. While a GESI strategy has not yet been developed, the project is aware of the need to register gender, age and ethnicity of project beneficiaries as part of its monitoring system. The current project staffing includes 61% women in the hired staff, 58% women in the DTI regular staff assigned to RAPID, and 64% women among the business counsellors. This number is beyond the GoP Magna Carta for Women requiring a participation rate of women of at least 40%.

<b>Agricultural Productivity</b>	<b>Rating: N/A</b>
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<b>Nutrition</b>	<b>Rating: N/A</b>
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<b>Adaptation to Climate Change</b>	<b>Rating: 4</b>
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### **Justification of rating**

The RSIPs did not envisage any assessment of climate change adaptation measures as the level of analysis was still too macro. Preliminary assessments in this respect will be undertaken at the DIP formulation stage, once the production areas will be clearly identified. Climate change adaptation measures will be built, as needed, in the contracts of service providers for agricultural advisory and extension services.

## **b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: 4</b>
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### **Justification of rating**

While it is too early to assess the impact on institutions and policy, the project has already started to work on value chain governance (under component 2) by supporting the Regional and Provincial Industry Councils to promote value chain-wide coordination and public-private dialogue on strategic policy issues. The project is already working with existing industry organizations/councils at national and regional/provincial levels, in particular for cacao and coffee, which are members of the National Steering Committee and the Regional Technical Working Groups. In the case of the other commodities (e.g. coconut, calamansi, mango, etc.) industry governance frameworks are much less structured and organized and the project will play a pivotal role in the formation and support of the respective councils.

### **Main issues**

While existing, industry stakeholder platforms in coffee are more fragmented and polarized around the three major market players. The project will play a convening role for the different existing national organizations to identify areas of common interest and convergence to support the development of the industry and specific activities to facilitate the governance arrangements.

<b>Partnership-building</b>	<b>Rating: 5</b>
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### **Justification of rating**

Partnership building is at the core of the project objectives. Facilitating commercial partnerships between private sector value chain players and farmers through their organizations and cooperatives is a key strategic element of project interventions. The project team has been extremely proactive in identifying and mobilizing potential partners both from private sector, with a number of enterprises, from large to micro, already engaged, and from the major national Farmers Organizations. Four partnership agreements between private sector enterprises and local level farmers organizations have already been signed and more are being finalized.

## Main issues

In order to further consolidate these strategic partnerships, the project aims to:

- Engage in partnership arrangements with national farmers organizations and national/regional cooperatives for institutional development of lower tier farmers' organizations, in particular capacity building on organizational development, institutional strengthening and governance. National and regional level farmers organizations are ideal partners for the project in this respect, given their experience and expertise, as well as the opportunity they would offer to grassroots organizations to sustainably access relevant services in the future as members.
- Enter into cost-sharing partnership agreements to mobilize the expertise and technical resources of reputable private sector companies to provide quality services to smallholder farmer. Large anchor firms are often best positioned to provide technical advisory services to smallholder farmers to improve/expand production in line with market requirements and quality standards. Indeed, some of the companies have already established capacity in this respect.

While the above is fully in line with the project approach and broadly envisaged in the Financing Agreement, the challenge is to develop appropriate procedures that allow for this partnership while not violating national procurement rules. These may contemplate call for proposals for eligible organizations (national FOs or private companies) to access project funds for the provision of specific services. Bidders will be requested to contribute a certain percentage of the overall cost of the proposal, with RAPID covering the remaining. **Agreed action:** the NPCO will elaborate the procedures for partnership agreements with FOs and private companies and submit them for IFAD No Objection by end of April 2020.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Partnership agreements with FOs and private companies</b>  Elaborate procedures for partnership agreements for service provision with FOs and private companies consistently with the national procurement law	NPCO	05/2020

## Human and Social Capital and Empowerment

**Rating:**

## Quality of Beneficiary Participation

**Rating: 4**

## Justification of rating

Beneficiary participation is rated with respect to planning, given the current project stage. Consultations during RSIPs elaboration have been adequate to the scope of the exercise. More thorough consultations are planned during the elaboration of the SIPs. Farmers organizations at local level are fully informed about the process and will be mobilized appropriately.

## Responsiveness of Service Providers

**Rating: 5**

## Justification of rating

Rosters of prequalified business development service (BDS) providers to support enterprise and farmer organizations/cooperatives are being developed at the provincial level, following the existing DTI system through the Negosyo Centres. A total of 82 individual and 11 companies, with 97 individual experts have been accredited for meeting programme quality standards and the process continues. A number of national Farmers' Organizations and private companies have also manifested interest to enter into partnerships with the project for the provision of services (see section on partnerships)

## Environment and Natural Resource Management

**Rating:**

## Exit Strategy

**Rating:**

## Potential for Scaling-up

**Rating:**

## c. Project Management

### Quality of Project Management

Rating: 4

#### Justification of rating

The Project Steering Committee (PSC) as the oversight body of RAPID has been functional since its establishment in 2019. The PSC is active and with good representation from GoP oversight and line agencies, government owned and controlled financial institutions, civil society and farmers organizations and representatives from the industry clusters (cacao, coffee, coconut). Regional Technical Working Groups (RTWG) have been established in all regions and have expanded their memberships to other relevant government agencies and provincial local government units (LGUs). All key positions at National Project Coordination Office Level are filled and 56% of all other contracted staff at regional and provincial level (excluding drivers) is recruited. The hiring of the remaining 46 staff is at an advanced stage.

#### Main issues

**Project area and institutional arrangements.** RAPID activities in Maguindanao are still on hold pending the completion of BARMM institutional re-structuring. As way forward, the MTIT and DTI should enter into a MOA for RAPID implementation. Once the MoA is signed, a mission by DTI/RAPID will be conducted in BARMM to assess the management capacity of MTIT and to agree on the next steps for the implementation of RAPID in Maguindanao. **Agreed actions:** MTIT and DTI will sign a MoA for RAPID implementation in Maguindanao by end of May 2020

**RTWG membership.** The current membership of the RTWGs is somehow skewed towards public institutions. With the completion of the RSIPs and a better understanding of the key players in the four commodities, DTI should consider expanding the RTWG membership to include representatives of FOs and relevant private sector as permanent members. For the continuity of RTWG member participation, issuance of special orders for permanent and alternate RTWG members has to be pursued in Regions 8, 9, 10 and 12.

**Staffing.** There are some key positions not yet filled, e.g. RCU staffing in Region XII and provincial project coordinators and VCFs in some provinces. The contracted staff have been provided with SSS and Philhealth premiums as alternate means for accident insurance. To further create a conducive working environment, it is important to fully implement the PIM provisions regarding Project Administration and Safeguards, in particular those regarding flexi time, compensatory measures for overtime and travel advance allowances. Besides the contracted staff, there are 118 regular DTI officers and staff at national, regional and provincial level assigned to RAPID. Furthermore, there are 195 business counsellors from 195 NCs initially identified to assist in project implementation. With such a wide range of staff involved, though, it is important that responsibilities and accountabilities for all project implementers (regular and contracted) be clarified and harmonized at all levels. **Agreed actions:** (i) complete the hiring process and fill all remaining project staff vacancies by end of April 2020; (ii) fully implement administrative provisions as per PIM for project contracted staff.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Staffing</b> Fully apply PIM administrative provisions for contracted staff	NPCO / DTI Regions	03/2020
<b>Institutional implementation arrangements in BARMM</b> Sign a MoA for RAPID implementation in Maguindanao	DTI/MTIT	05/2020

### Knowledge Management

Rating: 4

#### Justification of rating

The project has produced good quality promotional materials and brochures and raised visibility through participation to national and regional trade exhibits. The newly hired KM specialist has prepared a KM strategy and activity plan. Moving forward, this needs to be improved, though, to depart from what is primarily now a communication plan, towards a more comprehensive knowledge management strategy, encompassing documentation and packaging of key lessons, knowledge capture and publication, sharing and learning.

### Value for Money

Rating: 4

#### Justification of rating

Overall it is too early stage in implementation for any assessment of value for money. So far, costs have not deviated from those envisaged at design and DTI has made good and efficient use of own human resources to support the initial stages



of implementation.

#### **Coherence between AWPB and Implementation**

**Rating: 3**

#### **Justification of rating**

The project is operating on the basis of a mini-AWPB for September to December 2019 with a total cost of PHP 236 million (IFAD loan of PHP 193 million; IFAD grant of PHP 7 million; GoP counterpart of PHP 36 million). As of February 2020, physical achievement is at 8% and financial execution is PHP 8.6 million or 4%. Low execution is the effect of overly optimistic assumptions and limited experience by DTI in the elaboration of the first AWPB.

#### **AWPB Inputs and Outputs Review and Implementation Progress**

##### **AWPB Review**

The 2020 AWPB has not yet been submitted. The regional 2020 AWPBs were prepared and consolidated by the NPCO in the last quarter of 2019, but the submission of the 2020 AWPB was put on hold due to some financial appropriation issues from the GoP side. Based on the experience with the execution of AWPB 2019, the 2020 AWPB will be revised to reflect the agreed actions in this mission and the agreement between DTI and DBM as to 2020 project funds appropriations.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>AWPB 2020</b>  Submit AWPB 2020 for IFAD No Objection	NPCO	04/2020

#### **Performance of M&E System**

**Rating: 4**

#### **Justification of rating**

The project has prepared an initial M&E plan, outlining the different elements of the M&E system, including the data/information and capture forms, the process to analyse the data/information collected and the reporting to all relevant agencies, the frequency of data gathering/reporting and the responsible units. There are now three hired M&E officers, one at the NPCO and two at regional level and all remaining ones will be recruited by end of April 2020.

##### **M&E System Review**

**M&E System.** With the full M&E staffing in place, the M&E system will be finally put in place and operationalized in time for the beginning of the investment phase. All M&E officers will be oriented and the M&E assignment and functions will be streamlined. All of the above will be captured in the final M&E manual by end of June 2020

**MIS and Database.** Some data have been collected by the project, but they are stored in separate databases. With more data and information to be gathered and analysed in the coming months, it is now time for the project to establish its database and create a management information system (MIS) that links with the relevant NC data/information system and with the DTI national MIS. **Agreed action:** prepare by end of June 2020 the ToRs for a database and MIS consultant, with the aim to have it established by the end of December 2020

**Impact Baseline Survey.** The impact baseline survey is part of a broader package of evaluation and analytical activities, including an end-line survey, annual outcome surveys (AOS), studies and knowledge products supporting the project's policy engagement. The project consulted some research centres (UP Mindanao, UPLB) that could take over the responsibility for the implementation of the entire evaluation package. In preparation for this, the project has drafted a Theory of Change as a framework for the evaluation strategy. **Agreed action:** prepare ToRs for the impact evaluation activities by end of September 2020, with the aim to undertake the procurement process during the last quarter of 2020 and launch the impact baseline survey by early 2021.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>M&amp;E system</b> Finalize the M&E Manual	NPCO	06/2020
<b>MIS and Database</b> Prepare ToRs for MIS consultant and submit to IFAD for NO	NPCO	06/2020
<b>Impact evaluation</b> Prepare ToRs for impact evaluation activities and submit to IFAD for NO	NPCO	09/2020

#### **Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)**

**Rating: 4**

#### **Justification of rating**

As per the PIM, safeguard measures to apply in the formulation of the detailed investment plans (DIP) are clearly elaborated and will be used by the DIP teams. Preparation of safeguards documents, including for climate change mitigation and adaptation are envisaged. The safeguard processes and required documentation are in place. The GESI specialist at NPCO level will be in charge of safeguards compliance as GoP procedures and IFAD's SECAP.

#### **SECAP Review**

Potential issues related to land degradation, which may result in accelerated soil erosion and soil loss in agricultural production area, and unsustainable agricultural practices especially in sloping and upland areas will be mitigated by the use of SALT techniques and agroforestry, specially in the expansion areas for coffee and cacao. To mitigate the effects of climate change resulting in crop losses, the Project is also partnering with the Philippine Crop Insurance Corporation (PCIC).

In the 11 RSIPS, there are identified existing and potential production areas which are under certificate of ancestral domain claims (CADC) or certificate of ancestral domain titles (CADTs). During the field visits, it was noted that many of the FOs have IP members. As per national legislation, for all projects where IPs are involved, the NCIP has to be involved in monitoring of project implementation in relation to indigenous peoples' engagement. Likewise, free and prior informed consent (FPIC) process applies and the project will be responsible to secure the required certificates before project investment. Currently, the NCIP is a member of the PSC as well as most of the RTWGs where IPs are involved (Regions X, XI, XII and Caraga) with the exception of Region IX.

### **d. Financial Management & Execution**

#### **Acceptable Disbursement Rate**

**Rating: 3**

#### **Justification of rating**

Automated rating based on IFAD disbursement data

#### **Main issues**

The Project is in its 1st year of implementation and disbursement rates are 7.95% for the loan no. 2000002109 and 20.00% for the grant no. 2000002299. 5 months have passed since the loan's effective date of 11/10/2019, and so far, IFAD has only disbursed the authorized allocations of both the loan and grant amounting USD 5.00 million and USD 500 thousand, respectively. As for the SGA (Grant no. 2000001946), only the third and final installment of USD 20 thousand remains with IFAD.

Actual loan utilization as at the mission totaled to only Php 2.65 million (equivalent to USD 52,000) pertaining mainly to recurrent costs. The loan initial advance has been transferred to Project account at DTI CO and a total of Php18.919 million had been released to the NPCO and to the 6 RCU's. However, the use of loan proceeds (i.e., obligating for project expenditures) is currently on hold due to the expiration of the FY 2019 allotment. The SARO amounting Php208.998 million issued in 2019 had expired as per DBM official communication to DTI dated Feb 28, 2020. Also, the grant initial advance remains deposited in the Treasurer account at the BSP pending DBM issuance of corresponding NCA and SARO. The Project can't obligate or incur any expenditure and disburse funds without the corresponding SARO. DTI would need to secure immediate DBM reissuance of the loan allotment including budget and disbursement authorizations



for the grant funds.

The Project is nonetheless confident that funds can be made available pending receipt of allotment. DTI was advised that alternatively, the Project can use GoP counterpart funds in the meantime and subsequently apply for reimbursement of paid expenditures that are eligible to loan proceeds. The IFAD reimbursement procedure, as allowed under the Letter to the Borrower, would enable uninterrupted implementation of project activities.

The loan proceeds were not again allotted for under DTI budget in the current year GAA, but are covered by an appropriation item under the Unprogrammed Funds, the release of which is likewise subject to issuance of SARO. The NPCO has still to finalize the AWPB for FY 2020, and has to be submitted to IFAD for NO and furnished DTI CO FS for the required SARO request. DTI will ensure that proper request is submitted to DBM by end of March 2020 for timely issuance of FY 2020 SARO.

Presently, the Project has anticipated to use only 80% of the total SGA funds. DTI is encouraged to fully utilize remaining available funds for the completion of activities related to SGA outputs before the grant completion date of June 30, 2020. DTI was also reminded that any unused funds at the end of the Grant Closing Date of December 31, 2020 shall be returned to IFAD.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Secure DBM reissuance of the loan allotment for FY2019.</b>  DTI CO FS to secure immediate reissuance of allotment by the DBM (or concurrence of the continuity of the appropriations previously released in 2019 SARO). Follow up also SARO and NCA for the grant, and other requests made for DBM approval (i.e., allotment modifications, clearance for vehicle purchase).	DTI	04/2020
<b>Submit request for issuance of FY 2020 SARO.</b>  Prepare proper request and submit to DBM for timely issuance of FY2020 SARO.	DTI	04/2020

#### **Fiduciary aspects**

##### **Quality of Financial Management**

**Rating: 4**

##### **Justification of rating**

Moderate shortcomings in financial management arrangements as the Project needs enhancement in terms of FM staffing, budget authorization (AWPB and SARO), funds flow or disbursement procedures and financial reporting. It is important for the Project to standardize disbursement procedures and FM arrangements among all operating units and be able to promote good practice by disseminating timely guidance. Fiduciary processes and controls are generally acceptable as there are no perceived material internal control weaknesses. Financial reporting conforms to IPSAS/PPSAS but the use of eNGAS for recording financial transactions has still to be implemented project wide.

##### **Main issues**

The Project has to maintain full complement of qualified project-hired staff dedicated to finance functions. The NPCO Finance and Administrative Specialist has also been performing procurement functions pending recruitment of Procurement Officer. Presently, there is no Finance and Administrative Assistant in RCU 12, and RCU 9 suggested need for project-hired Finance Assistants at PCU's. The Project could evaluate need for hiring PCU Finance Assistants and corresponding budget source.

The R/PCU's will have to operate their respective bank accounts and maintain separate books of accounts in order to manage and report project fund expenditures appropriately. RCU's have yet to establish separate project books of accounts, and that Project Management has determined recently that grant funds will also be transferred to RCU's.

It was noted during the field visits that PCU transactions are being processed at the RCU level, which entails additional time and effort in transmitting documents and obtaining payments for project expenditures such as reimbursement for travel expenses, salaries, and other recurrent costs. As designed, the PCU's have to open and maintain separate sub-project accounts for loan proceeds in order to efficiently disburse funds for their respective project expenditures and monitor use of funds effectively. Project funds were intended to be transferred to RCU's by the DTI CO and that the RCU's will advance funds to their respective PCU's. The PCU's will then submit SOEs to RCU's which are accountable for all funds received from the DTI CO. Currently, the DTI CO FS is still evaluating together with the concerned operating units the suitable arrangements in maintaining project funds at the PCU level.

Moreover, project-hired staff also raised their particular concern regarding travel expenses. Generally and being DTI's practice, the DTI does not allow cash advances to non-regular employees citing government accounting and audit policies. Project-hired staff have been working under constrained budget, using their own personal funds to pay for travel-related expenses in the conduct of site visits and monitoring activities that would be reimbursed subsequently. However, turnaround time for reimbursement requests vary. The DTI is being convinced by NPCO to allow cash advances to project-hired staff of RAPID as the latter claims that such procedure per se is not being disallowed by government rules. The mission also had advised DTI to reconsider the said matter in consultation with the auditors from COA. Alternatively, pending official DTI decision, Project was advised to assign Special Disbursing Officers (SDO) at every R/PCU in order to facilitate advances for implementing project activities in accordance with applicable government guidelines.

Concerning BARMM implementation, the project allocation and arrangements remain to be finalized. BARMM allocations will be specified in the Memorandum of Agreement with MTIT and transfers will be made by DTI CO through cash advances subject to liquidation and will be released in tranches based on agreed milestones or deliverables. An FM assessment is required to be conducted for BARMM prior to any transfer of IFAD loan proceeds and grant.

The DTI CO will also have to ensure that loan proceeds requirement will be incorporated in DTI's budget proposal for FY 2021 in order to do away with SARO request next year. The NPCO should be able to specify fund requirements and coordinate with DTI CO for proper consideration in the ongoing FY2021 budget preparation.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Assign Special Disbursing Officers (SDO) at every R/PCU.</b>  Delegate Special Disbursing Officers (SDO's) at the operating units in order to facilitate cash advances for implementing project routine activities such as monitoring and site visits by project-hired staff particularly travel-related expenses.	DTI	04/2020

#### **Quality and Timeliness of Audit**

**Rating:**

#### **Counterparts Funds**

**Rating: 5**

#### **Justification of rating**

GOP counterpart funds has been adequate as Php58.250 million and Php67.209 million were accordingly appropriated for the Project under the agency budget in 2019 and 2020 GAA's, respectively.

#### **Main issues**

Actual GOP counterpart utilized amounted Php5.979 million for project management expenditures mostly. The Project has assured that GOP funds are readily available whenever the use of loan proceeds is being restricted. The mission also recommended for DTI to consider applying for IFAD reimbursement the GOP payments for expenditures that are originally chargeable to the IFAD loan. Project is also seeking DBM approval for modification in released GOP allotment corresponding adjustments in budget allocations.

#### **Compliance with Loan Covenants**

**Rating: 5**

#### **Justification of rating**

The project is on-track for complying with key loan covenants. The recruitment of project personnel is ongoing, but key personnel at NPCO level is already on board. The latest draft of the PIM has been recently submitted during the mission for IFAD's comments and eventual No Objection. The PIM will provide for the terms of the matching grant financing as mandated in the FA. The required project accounts have been opened and signatories communicated to IFAD. Counterpart funds are regularly availed.

#### **Procurement**

#### **Procurement**

**Rating: 4**

#### **Justification of rating**

Processes, procedures and systems applied exhibit minor shortcomings that have no impact on project implementation and performance. Nevertheless, only a limited number of the procurement activities foreseen in the mini-Procurement Plan (PP) for 2019 were completed and most of them were carried over in 2020. The project still has to submit the 2020 PP for IFAD NO. With the recruitment of the Procurement Officer at NPCO, for which IFAD No Objection was provided during the mission, it is expected that procurement activities will be expedited.

## Procurement Review

The 2019 mini PP was aligned with the AWPB, follows earlier version of the IFAD PP template issued in mid 2019 and has a summary page with an AWPB reference column, methods and thresholds that are entered correctly. IFAD latest template was followed by the full 2019 PP. However, the 2019 PP is not yet easily and publicly accessible.

No procurements were made yet via competitive bidding. All procurements were Small Value Procurements based on PP. Processes applied were compliant with national procurement law, rules and regulations; IFAD Project Procurement Guidelines and Handbook; the Financing Agreement and Letter to the Borrower. However, the project needs to implement the Self-Certification Forms for bidders and awarded contractors/suppliers. Purchase Order contracts are consistent with legal templates but do not have provisions regarding prohibited practises and IFAD's right to audit. Deliveries of goods and works were in accordance with timelines. The contract register is not correctly updated. Procurement records are in file records in filing cabinet but not yet in lever arch folders with side label and a file index. The new Procurement Officer needs training on the Government Procurement Reform Act and IFAD Project Procurement Guidelines and other related procurement requirements and processes.

Procurement of project vehicles with approved budget of Php 42 million programmed under the 2019 mini PP and carried over to the full 2019 PP has not yet commenced despite the Government Procurement Policy Board clearly exempted vehicles to be used for the transport of personnel, equipment, supplies, products, materials and for the exercise of executive functions from the equipment to be centrally procured by the DBM Procurement Service.

Regional Coordination Units will be implementing both 2019 PP and 2020 PP. They are encouraged to undertake procurement short of award authorized under the national procurement law, rules and regulations. National Sub Allotment Release Orders (SARO) and actual Notices of Cash Allocations (NCA) issued by the Department of Budget and Management in the course of budget implementation are not necessary to undertake procurement short of award. SAROs are only necessary when the procuring entity is ready to issue a Notice of Award, upon prior IFAD NO whenever applicable. NCAs are necessary when goods/works/consulting services contracts are expected to be delivered and paid for.

**Review of prior review threshold for works.** Due to amendments to DPWH design standards (see above under component 1), the unit cost of FMR will substantially increase from an average of PHP 7 million to about PHP 15 million per kilometre. Accordingly, the IFAD prior review threshold will be increased to US\$ 400,000 (equivalent to about PHP20 million). **Agreed action:** IFAD to communicate amendment of the Letter to the Borrower by end of March 2020.

**Procurement for Business Development Services (BDS) with accreditation.** DTI has an accreditation list of BDS providers who are invited by Negosyo Centers to act as lecturers/resource persons and are paid honorarium under DBM Budget Circular 2007-1. The circular does not refer to a procurement method. The engagement of these lecturers/resource persons from the accredited pool constitute procurement of consulting services. In a number of GPPB Non Policy Matter Opinions (NPM Nos. 033-2011, 035-2016, 054-2017,) accreditation that limits procurement among those accredited violates the principle of competition in public procurement. Instead, in GPPB NPM No. 063-2017 dated 21 December 2017, the GPPB authorizes the maintenance of a registration system of potential bidders as market supply sources. Those listed in the existing accreditation scheme may be included in the registry as envisioned by the GPPB. For RAPID, the services of individual BDS providers will be procured as consulting services either via small value procurement or highly technical services procurement mode from sources not limited to those in the registry. Services of consulting firms, if necessary, will be procured by national competitive bidding under the national procurement law.

**Procurement under Matching Grants.** During the mission, the project has submitted to IFAD the latest draft of the PIM, including a description of the selection, awarding, disbursement and monitoring of the Matching Grants. Given that project funds will contribute to the costs of equipment and planting materials procured by the beneficiaries themselves (MSMEs and farmers associations and cooperatives), the PIM needs to include detailed provisions for the conduct of procurement to be followed by the approved proponent. Some guidance in this respect will be provided in the mission technical report. These detailed provisions will be incorporated in the Matching Grant Agreement template that will be developed for this purpose and submitted to IFAD for No Objection. IFAD will conduct ex-post checks during supervision missions on the goods procured under the matching agreements.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Prior –review threshold for civil works</b>  Amend LtB to increase threshold to US\$ 400,000	IFAD	03/2020

## e. Key SIS Indicators

Likelihood of Achieving the  
Development Objective

Rating: 4

### Justification of rating

The project is fully on-track in implementation and there is no reason at this stage to expect any delays or issues in the achievement of its objectives and outcomes. Key to maintain the momentum in implementation is the finalization of the Detailed Investment Plans, as a pre-requisite for the actual investment phase. Given the very early stage, the overall likelihood of achieving the development objective is conservatively rated as moderately satisfactory

### Assessment of the Overall Implementation Performance

**Rating: 4**

### Justification of rating

Implementation is on target and the project has almost completed the necessary preparations and planning. There is no reason to expect any major shortcomings in the achievement of most outputs. Some improvements are needed in timely securing the required budget allotments within the National Budget as well as in completing the full staffing at regional and provincial level. Given the very early stage, overall implementation performance is conservatively rated as moderately satisfactory

## F. Project Modifications

Responsibility	Modification type	Description
IFAD; DOF	Other	The original structure of investment components as per project design and Financing Agreement has been subsequently reconfigured in the documents approved by NEDA. The reconfigured structure, as acknowledged in the minutes of the pre-technical discussions between IFAD and the Government (12 April 2018), will be used for future reporting on project implementation. The correspondence between the component structure as per project design and the reconfigured one has been spelled out in the Aide Memoire of the IFAD Implementation Support Mission of September 2019.

## G. Agreed Actions

Agreed Action	Responsibility	Agreed Date
<b>Overview and Project Progress</b>		
Finalize MOA between DTI and DILG and submit for approval	NPCO/DILG	03/2020
Appoint the teams for first batch of DIPs	NPCO	04/2020
Formalize MoA with FSPs	NPCO FSO	04/2020
Launch preparation of second batch of RSIPs	NPCO/RPCUs	05/2020
Submit shortlist of FMIs to RTWG for approval	NPCO/RPCU	05/2020
Finalize operational modalities for the Innovation Fund and submit to IFAD for NO	SBC/NPCO	05/2020
Conduct study on methodologies and/or alternative insurance products	IFAD/INSURED	09/2020
<b>Sustainability and Scaling up</b>		

<b>Partnership agreements with FOs and private companies</b>  Elaborate procedures for partnership agreements for service provision with FOs and private companies consistently with the national procurement law	NPCO	05/2020
<b>Project Management</b>		
<b>Staffing</b>  Fully apply PIM administrative provisions for contracted staff	NPCO / DTI Regions	03/2020
<b>AWPB 2020</b>  Submit AWPB 2020 for IFAD No Objection	NPCO	04/2020
<b>Institutional implementation arrangements in BARMM</b>  Sign a MoA for RAPID implementation in Maguindanao	DTI/MTIT	05/2020
<b>M&amp;E system</b>  Finalize the M&E Manual	NPCO	06/2020
<b>MIS and Database</b>  Prepare ToRs for MIS consultant and submit to IFAD for NO	NPCO	06/2020
<b>Impact evaluation</b>  Prepare ToRs for impact evaluation activities and submit to IFAD for NO	NPCO	09/2020
<b>Financial Management &amp; Execution</b>		
<b>Prior –review threshold for civil works</b>  Amend LtB to increase threshold to US\$ 400,000	IFAD	03/2020
<b>Secure DBM reissuance of the loan allotment for FY2019.</b>  DTI CO FS to secure immediate reissuance of allotment by the DBM (or concurrence of the continuity of the appropriations previously released in 2019 SARO). Follow up also SARO and NCA for the grant, and other requests made for DBM approval (i.e., allotment modifications, clearance for vehicle purchase).	DTI	04/2020
<b>Submit request for issuance of FY 2020 SARO.</b>  Prepare proper request and submit to DBM for timely issuance of FY2020 SARO.	DTI	04/2020
<b>Assign Special Disbursing Officers (SDO) at every R/PCU.</b>  Delegate Special Disbursing Officers (SDO's) at the operating units in order to facilitate cash advances for implementing project routine activities such as monitoring and site visits by project-hired staff particularly travel-related expenses.	DTI	04/2020

## **Philippines**

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### **Rural Agro-enterprise Partnerships for Inclusive Development and Growth Supervision Report**

#### **Logical Framework**

Mission Dates: 02-13 March 2020  
Document Date: 14/04/2020  
Project No. 2000001200  
Report No. 5379-PH

Asia and the Pacific Division  
Programme Management Department



## Rural Agro-enterprise Partnerships for Inclusive Development and Growth

### Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
Outreach	1.a Corresponding number of households reached							Project M&E system	annual	PCO	
	Women-headed households	2 000	25 000	78 000							
	Non-women-headed households										
	Households										
	1 Persons receiving services promoted or supported by the project							Project M&E system	annual	PCO	
	Females										
	Males										
	Young										
	Indigenous people										
	1.b Estimated corresponding total number of households members							Project M&E system	Annual	PCO	
	Household members			390 000							
Project Goal Increased income of small farmers and unemployed rural women and men across selected agri-based value chains	Number of municipalities with poverty rates above 40% in target areas							PSA small area est. & PIDS	interim & project end reviews	PCO	
	municipalities	349	320	260							
Development Objective Establish enabling conditions for the sustained growth of MSEs in strategic commodity value chains.	Number of project-supported farming HH increase farm incomes by at least 60%							Project surveys MSME fin. reports	interim & project end reviews		
	Households	2 000	25 000	78 000							



Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
	Number of incremental jobs generated on farm and in project supported MSMEs, of which 40% are women										
	New jobs										
<b>Outcome</b> 1. Producers and value chain actors execute collaborative action plans and build commercial partnerships in selected commodity chains	Percentage increase in value of sales of more than 1000 participating MSMEs							Project surveys	interim & project end reviews	PCUO	SMEs interested in partnering with farmers
	percentage increase		30	100							
<b>Output</b> 1.1 Networks of Negosyo Centres in target provinces facilitating MSE access to markets and services	20 networks of Negosyo Centres set up servicing MSMEs in 20 provinces							Progress reports	Biannual	PCC	
	Networks		10	20							
	Number of Farmers served, disaggregated as men, women, IP, Youth							Progress reports	Biannual	PCC	
	Females										
	Males										
	Young										
	Indigenous people										
	Number of FAs/ Coops served										
	FAs/Cooprs										
	Number of MSMEs served										
	MSMEs										
	<b>Output</b> 1.2 Industry-based MIS providing information to stakeholders in the target value chains	At least three industry-based MIS, accessible to value chain stakeholders, running and regularly updated							Progress reports	Biannual	
MIS			3	3							
<b>Output</b> 1.3 Qualified business providers able to provide business services to MSEs	20 pools of qualified service providers set up							Progress Reports	Biannual	PCC	
	Pool of service providers										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
	2.1.1 Rural enterprises accessing business development services										
	Rural enterprises										
	Size of enterprises										
	Males										
	Females										
	Indigenous people										
	Non-Indigenous people										
	Young										
	Women in leadership position										
<b>Output</b> 1.4 DIPS connecting farmers to SMEs and facilitating access to markets and services	78 000 farming households participate in Detailed Investment Plans (DIPs)							Progress reports	Biannual	PCC	
	Households										
	Number of DTI/NCs Staff and LGUs Staff trained, disaggregated as men, women, IP, Youth							Progress Reports	Biannual	PCC	
	Staff										
<b>Outcome</b> SMEs secure the necessary access to producers, markets and suitable investment finance.	1.2.5 Households reporting using rural financial services										Financial institutions interested in extending affordable services in rural areas
	Households										
	Total number of household members										
	Males										
	Females										
	Young										
	Indigenous people										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
	1000 MEs and 50 SMEs participating in SIPs have access to financial services and crop insurance							Progress reviews	Interim & Project end reviews	PCU	
	SMEs HHs										
	MEs HHs										
<b>Output</b> 2.1 Financial institutions (FIs) with improved capacities to serve target value chains players.	1.1.5 Persons in rural areas accessing financial services							FIs reports	Biannual	PCU	
	Men in rural areas accessing financial services - credit										
	Women in rural areas accessing financial services - credit										
	Young people in rural areas accessing financial services - credit										
	Indigenous people in rural areas accessing financial services- credit										
	Total persons accessing financial services - credit		20 000	40 000							
	Total persons accessing financial services - insurance										
	Men in rural areas accessing financial services - insurance										
	Women in rural areas accessing financial services - insurance										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	Source	Frequency	Responsibility	
	Young people in rural areas accessing financial services - insurance										
	Indigenous people in rural areas accessing financial services - insurance										
	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas							FIs reports	Biannual	PCU	
	Service providers		3	10							
	At least 40 enterprises benefit from equity financing							Negosyo Centres reports	Biannual	PCU	
	Enterprises										
Output 2.2 Farm-to-market access roads	2.1.5 Roads constructed, rehabilitated or upgraded							Progress reports	Biannual	PCU	
	Length of roads		80	140							

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#### **Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category**

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**Appendix 2: Financial: Actual financial performance by financier; by component and disbursements by category**

(As of 11 March 2020)

**Table 2A: Financial performance by financier (in US\$ '000)**

<b>Financier</b>	<b>Appraisal (USD '000)</b>	<b>Disbursements (USD '000)</b>	<b>Per cent disbursed</b>
IFAD loan	62,900.00	5,000.00	7.95%
IFAD grant	2,500.00	500.00	20.00%
Government counterpart	9,131.00	2,509.18	27.48%
LGU counterpart	1,712.00	-	0.00%
Private sector contributions	15,275.00	-	0.00%
Farmers contribution	2,066.00	-	0.00%
Financing gap	1,534.00	-	0.00%
<b>Total</b>	<b>95,118.00</b>	<b>8,009.18</b>	<b>8.42%</b>

**Table 2B: Financial performance by financier by component (in US\$ '000)**

	IFAD loan			IFAD grant			Financing gap			Government			Local Government Units (LGU's)		
Component	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
A. Value Chain Development	18,954	1.54	0.01%	1,588	-	0.00%	-	-	-	2,557	0.44	0.02%	-	-	-
B. Productive Investments															
(i) Strategic Finance	23,324	6.61	0.03%	820	-	0.00%	1,595	-	0.00%	51	16.10	31.57%	-	-	-
(ii) Farm-to-Market Infrastructure	14,560	-	0.00%	-	-	-	-	-	-	3,766	-	0.00%	1,712	-	0.00%
C. Project Management	6,005	43.93	0.73%	90	-	0.00%	-	-	-	2,757	103.04	3.74%	-	-	-
<b>Total</b>	<b>62,843</b>	<b>52.08</b>	<b>0.08%</b>	<b>2,498</b>	<b>-</b>	<b>0.00%</b>	<b>1,595</b>	<b>-</b>	<b>0.00%</b>	<b>9,131</b>	<b>119.58</b>	<b>1.31%</b>	<b>1,712</b>	<b>-</b>	<b>0.00%</b>

	Financing Service Providers (FSPs)			Beneficiaries - Farmers			Beneficiaries - Small and Medium Enterprise			Total		
Component	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
A. Value Chain Development	-	-	-	-	-	-	2,838	-	0.00%	25,937	1.98	0.01%
B. Productive Investments												
(i) Strategic Finance	12,437	-	0.00%	2,066	-	0.00%	-	-	-	40,293	22.71	0.06%
(ii) Farm-to-Market Infrastructure	-	-	-	-	-	-	-	-	-	20,038	-	-
C. Project Management	-	-	-	-	-	-	-	-	-	8,852	146.97	1.66%
<b>Total</b>	<b>12,437</b>	<b>-</b>	<b>0.00%</b>	<b>2,066</b>	<b>-</b>	<b>0.00%</b>	<b>2,838</b>	<b>-</b>	<b>0.00%</b>	<b>95,120</b>	<b>171.66</b>	<b>0.18%</b>



**Table 2C-1: IFAD loan disbursements (in US\$ '000)**

Category	Category description	Original Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Consultancies	8,890.00	-	-	8,890.00	0.00%
II	Training	6,860.00	-	8.77	6,851.23	0.13%
III	Goods	4,900.00	-	1.10	4,898.90	0.02%
IV	Works	14,340.00	-	-	14,340.00	0.00%
V	Grants	13,230.00	-	-	13,230.00	0.00%
VI	Investment Capital	9,070.00	-	-	9,070.00	0.00%
VII	Recurrent Costs	5,610.00	-	42.21	5,567.79	0.75%
	Initial deposit	-	5,000.00	-	-	-
<b>Total</b>		<b>62,900.00</b>	<b>5,000.00</b>	<b>52.08</b>	<b>62,847.92</b>	<b>8.03%</b>

**Table 2C-2: IFAD grant disbursements (in US\$ '000)**

Category	Category description	Original Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Grant (Consultancy)	2,020.00	-	-	2,020.00	0.00%
II	Grant (Trainings)	480.00	-	-	480.00	0.00%
	Initial deposit	-	500.00		(500.00)	-
<b>Total</b>		<b>2,500.00</b>	<b>500.00</b>	<b>-</b>	<b>2,500.00</b>	<b>20.00%</b>



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#### **Appendix 2: Physical progress measured against AWP&B**

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## Appendix 2: Physical progress measured against AWP&B, September-December 2020 as of February 2020R

Objectives/Expected Results	Indicators				
	Project Indicator	RIMS indicator	Planned (annual)	Achieved (cumulative)*	%
<b>Project Purpose:</b>					
<b>Outcome 1 Smallholder farmers and SMEs, and rural FSPs secure the necessary access to services in equitable finance, technology, and improved rural infrastructure.</b>		<p>(Number) Percentage of persons/households reporting adoption of new/improved inputs, technologies or practices</p> <p>· (Number) Percentage of persons/households reporting an increase in production</p> <p>Number of new jobs created</p> <p>(Number) Percentage of supported rural enterprises reporting an increase in profit</p> <p>(Number) Percentage of persons/households reporting improved physical access to markets, processing and storage facilities</p>			
<b>Output 1.1. Provision of Business Development Services</b>	<b># of Smallholder Farmers Assisted by the BDSPs</b>		2520	271	11%
Output 1.1a Engagement of Business Services Providers	# of Business development services provided by BDSPs			8	
Output 1.1b Enhanced Productivity and Techno Transfer	# of industry expert pool created		1		
	# of Farmers/SMEs trained	<p>Number of rural producers accessing production inputs and/or technological packages (modified current RIMS indicators 1.2.6/1.2.7)</p> <p>Number of persons trained in production practices and/or technologies (modified current RIMS 1.2.2/1.2.3/1.2.4)</p>	2520	271	11%
Output 1.1c Market Development and Promotion	# of Products Promoted		83	26	31%
	# of SMEs participated		111	26	23%
Output 1.1d Product Quality Standard Compliance	# of firms certified-ready		32		
Output 1.1e Product Development	# of new products developed/improved		80		

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Output 1.1f Enterprise Development	# of Facilitators for Enterprised Development trained	Number of rural enterprises accessing business development services (modified current RIMS 1.5.4)  Number of persons trained in income-generating activities or business management (merged current RIMS 1.5.1 1.5.3 and 1.4.1)	25		
<b>Output 1.2 Enterprise Strengthening</b>					
Output 1.2a Value Chain Stakeholders Database	# of sectoral database established/updated	Number of supported rural producers that are members of a rural producers' organization (modified current RIMS 1.4.5)	12	11	92%
Ouput 1.2b Preparation of participatory Regional Strategic Investment Plans	# of RSIPs prepared/ approved		12	11	92%
	# of farmers cooperatives engaged by SIP	Number of functioning multi-stakeholder platforms supported	436	314	72%
Ouput 1.2c Preparation of participatory Detailed Investment Plans	# of DIPs prepared/ approved		120		
	# of farming households participate in Detailed Investment Plans (DIPs)				
Ouput 1.2d Promotion of the 4 Industries/ Value Chain	# of Industries Promoted				
	# of Business Inquiries Generated				
	# of SMEs participated				
Output 1.2e Provision of matching grants on productivity, value adding and technology	# of Smallholder farmers with access to matching grants	Number of market, processing or storage facilities constructed or rehabilitated (modified current RIMS 1.4.3, 1.4.7, 1.4.8)  (Number) Percentage of persons/households reporting a significant reduction in the time spent for collecting water or fuel			
	# of MSMEs with access to matching grants				
<b>Total Budget for Ouput 1.2</b>					
Ouput 1.3 Access from Farm to Market	# of smallholder farmers benefitted				
	# of MSMEs benefitted				
Ouput 1.3a Rehabilitation of strategic Farm of Market Roads	Length of FMRs rehabilitated (inKM)	Number of kilometres of roads constructed, rehabilitated or upgraded (current RIMS 1.4.2)	NT		
<b>A+B35:F37chieved Annual+H8+J8:J9</b>					
<b>Total Budget for Ouput 1.3</b>					
<b>Total Budget for Ouput 1</b>					

<b>Output 2 Institutional Strengthening Multi-stakeholder collaboration and business partnerships between MSMEs and smallholder farmers in the four value chains</b>					
Output 2.1. Value Chain Governance	# Industry Councils strengthened/ engaged	Number of functioning multi-stakeholder platforms supported	12	12	100%
Ouput 2.1a Value Chain Management	# of Supply Chain Manager Hired/engaged				
Ouput 2.1b Inter-agency Coordination	Project Steering Committee created/sustained	Number of functioning multi-stakeholder platforms supported	1	1	100%
	# of RTWGs created/sustained			6	
Ouput 2.1c Establish Networks of Negosyo Centers	# of NC Network Established		20	14	70%
	# of NC Counselors Capacitated		164	112	68%
Ouput 2.1d Institutional Development	# of Farmer Cooperatives organized	Number of rural producers' organizations supported (modified current RIMS 1.4.4 and 1.4.6)	0		
	# of FAs capacitated		180	18	10%
Output 2.1e Strengthening LGUs capacity for RAPID Growth Project	# of LGU Staff Trained/ capacitated		0		
Ouput 2.2 Building Commercial Partnership	# of market linkages established	(Number) Percentage of rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities	12		
	# of Anchor Firms engaged		16	4	25%
	# of commercial agreements signed		14	4	29%
	# of FAs, Coops, MSMEs benefited		24	16	67%
<b>Outcome 2 Financial institutions (FIs) with improved capacities to serve target value chains players</b>		<b>Number) Percentage of partner financial service providers with portfolio-at-risk ≥30 days below 5%</b>  <b>(number) Percentage of partner financial services providers with operational selfsufficiency above 100%</b>			
Output 3 Technical Assistance to FSPs		Number of financial service providers supported in delivering outreach strategies, financial products and services to rural			
Ouput 3.1 Accreditation of FSPs	# of FSPs accredited		12		
Ouput 3.2 Facilitation of financing access to the approved projects	# of project approved for financing		0		
Output 3.3 Strengthening capacities of FSPs	# of CCs strengthened				

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	# of Wholesale lending facilitated				
	# of Farmers Benefited				
	# of MSMEs benefited		120		
	# support intervention to FSP provided		6		
Output 3.4 Provision of technical assistance to farmers/ farmers associations on financial risks and mitigations	# RAPID financing packages developed		0		
<b>Outcome 2 Ease of access to equitable financing and venture capital firms to co-finance SME capital requirements</b>	<b>Enterprises benefit from equity financing</b>	<b>Number) Percentage of persons/households reporting using rural financial services</b>			
<b>Output 4 Innovation Fund</b>					
Output 4.1 Improved access to equity financing	Amount of Loan Released (Lump Sum)		1		
Output 4.2 Development of IRR on Innovation Fund	# of acceptable IRR on Innovation Fund submitted		1		
Output 4.3 Strengthening capacities of SBC, GFIs, and FSPs on Innovation Fund and promotion of innovation fund	# of SBC personnel trained		1		
	# of promo materials prepared		3		
	# of SBC personnel trained		3		



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### **Rural Agro-enterprise Partnerships for Inclusive Development and Growth Supervision Report**

#### **Appendix 3: Compliance with legal covenants: status of implementation**

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### Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>B (7)</b>	The Borrower will provide counterpart financing for the Project in the approximate amount of USD 9.1 million for consultancies, goods, training, works, salaries, operating costs, and taxes and duties on expenditure		Not yet due	Compliant with respect to counterpart financing due as of today
<b>Schedule 1(7)</b>	The Borrower shall establish a Project Coordination Office (PCO) under its Regional Operations Group		Complied	
<b>Schedule 1(8)</b>	The Borrower shall establish a Regional Coordination Unit(RCU) every target region, which will be headed by DTI Regional Director		Complied	
<b>Schedule 1, para 10</b>	(a) The Project Director will be assisted by the Project Coordinator and a team of technical experts including a Value Chain Specialist, a Business Services Specialist, a Financial Services Specialist, a Finance and Administration Officer, a Procurement Officer, a Planning and M&E Officer and Knowledge Management and Communication Specialist. (b) Project expenditures at all levels shall be reported through the Government system e-NGAS and consolidated by the PCO.	(a) April 30, 2020 (b) Continuing	For compliance	(a) Recruitment of project-hired positions is still ongoing. (b) RCU's will start to maintain separate books of accounts.
<b>Schedule 1, para 12</b>	<i>Designation of Project Parties.</i> Project components shall be implemented through national institutions, including DTI, LGUs, the Philippine Crop Insurance Corporation, the Small Business Corporation, the Department of Interior and Local Government, the Philippines Institute for Development Studies, the Landbank of the Philippines, the Agricultural Guarantee Fund Pool, and the Development Bank of the Philippines, and (each, an "Implementing Agency" and collectively the "Implementing Agencies") appropriately staffed to carry out the relevant component activities.	April 30, 2020	For compliance	The Memorandum of Agreement (MOA) between DTI and DILG still to be finalized. Also, the NPCO will still have to formalize the collaboration with the FSPs through the signing of MOA's.

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Schedule 1, Para 14</b>	Project to submit updated PIM within six (6) months from entry Into force of the Agreement	November 6, 2019	Draft updated PIM submitted during mission for IFAD for comments and approval	Under review
<b>Sec. 7.01(a)(ii) IFAD General Conditions</b>	Borrower to carry out the project in accordance with procurement and work schedules	Continuing	Ongoing	Bids and Awards Committees of all Project regions to prioritise RAPID procurement activities because Project will be implementing both 2019 and 2020 AWPB and Procurement Plans
<b>Sec. 7.01(b)(ii) IFAD General Conditions</b>	When so reviewed, the Lead Project Agency shall submit the draft Project AWPB to the Fund for comments no later than sixty (60) days before the beginning of the relevant Project Year.		For compliance in relation to FY2020; to be submitted by April 15, 2020.	FY2020 Regional AWPBs being finalized and consolidated.
<b>Sec. 7.13 IFAD General Conditions</b>	Borrower to provide health and accident insurance to key personnel	Continuing	For compliance	Part of monthly salary rate intended for payment of premium with Philhealth. Accident insurance under discussion

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#### **Appendix 4: Technical background analysis**

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## **Appendix 4: Technical Notes**

**Appendix 4a: Value Chain Planning**

**Appendix 4b: Technical Assistance and Partnership with FSPs (project component 3) and Strategic Finance - Innovation Fund (project component 4)**

**Appendix 4c: RAPID Growth Project Implementation Manual (PIM)**

**Appendix 4d: Project Management, Monitoring and Evaluation**

**Appendix 4e: Fiduciary risk assessment – data sheet**

## Appendix 4a: Value Chain Planning

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## 1.0 Introduction to the Technical Paper

1. This technical paper reviews the Regional Strategic Investment Plans (RSIPs) and provides a structure for the development of Development Investment Plans (DIPs). The paper has two objectives:
  1. Review RSIPs and revise structure for more concise and rapid completion of the outstanding reports; and
  2. Provide a structured approach for the development of DIPs based on RSIPs.
2. The paper has three sections:
  1. Introduction to the Technical Paper;
  2. Strategic investment Plan – Review; and
  3. Development Investment Plan Development – which has three substantive subsections:
    - a. DIP content overview;
    - b. DIP Concept Note Template; and
    - c. Full DIP Plan.

## 2.0 Strategic Investment Plan – TOR Review

3. Twenty-four Regional Strategic Investment Plans (RSIPs) will be prepared for RAPID, one per target value chain in each region (cocoa, coconut, coffee and processed fruits and nuts). Twelve RSIPs have been contracted, with 11 completed and validated by respective Regional Technical Working Groups (RTWGs).
4. Completed RSIPs have served their primary purpose of providing data/ information inputs for the development of Detailed Investment Plans (DIPs). They identify opportunities and constraints for developing value chain markets and define potential business partnerships with enterprise and smallholder producer organizations. The RSIPs can, however, be improved to enhance/ simplify DIP guidance and to speed the completion of the outstanding 13 reports.
5. This section presents observations and findings from a review of 10 completed RSIPs, which are used as input for a proposed new RSIP structure. (See Annex 1 for Proposed new RSIP structure) General observations are first, followed by observations for each major section of the RSIPs.

### 2.1 General Observations

6. RAPID RSIPs share a basic structure but vary in scope and detail by region and are found to generally include sufficient data/ information upon which to base provincial DIPs. All RSIPs suffer from *too much* or *unnneeded* detail. Some themes are treated in more detail than required for strategic planning purposes (e.g., specific technical aspects of a processing procedure or fertilization needs for plants). Others clutter analysis with detail that is *needed* for supporting strategic recommendations but would be better annexed to facilitate precision of understanding of the proposed strategies.
7. **More summary analysis of data is required** and *only data required for evidence-based strategy should be included* in the main text. (See below for suggested improvements) Avoiding unnecessary detail not only enhances clarity of argument but saves time for researchers to focus on vital issues or issues that are harder to research (e.g., municipal level production data).

8. **Market and value chains data and information** at the international and national levels for coffee, cacao, coconuts, and mango have been prepared in the completed RSIPs. The next round of RSIPs should not re-research these themes and should simply take data/ information from existing reports (unless there is some reason for new inputs specific to the region). This will leave consultants free to focus on regional and provincial level details critical to implementation success.
9. **Summary Note:** RSIPs should focus on summary highlights in the main text to ensure clear, evidentiary support of strategic intervention proposals. Long lists of stakeholders, statistics, technical analysis, if required to support strategic proposals and DIPs can be put in annexes.

## 2.2 Value Chain Descriptions

10. A good deal of work was included in RSIP assessments of commodity markets and value chains. The next round of RSIPs should use existing information as applicable. This will reduce production time and allow resources to focus on market and chain characteristics related to specific provinces where data can be harder to get/ organize.
11. The RSIPs have taken several approaches to define value chains on a geographic basis (e.g., provincial level, municipal level, and non-jurisdictional clusters). The more precise geographic market, value chain, and stakeholder analysis the better (assuming interventions can be managed across or between specified geographic areas). As with other data, *simple summary geographic data* is preferable to long lists which can be presented in annexes (e.g., names of farmer organizations and contact details etc.).
12. **Value chain mapping by product/ sub chains:** Some RSIPs provide general value chain maps, and do not provide specific details by the various sub chains or different commodity products (e.g., coconut fiber, coconut milk, etc.). If data is available and relevant, sub chain differences should be noted in summary form as it likely required to substantiate project intervention for a given sub chain (e.g., specific training, processing equipment, etc.). **Note:** that specific highly technical issues are required for understanding/ supporting proposed intervention their details should be annexed.
13. **Value chain participants/stakeholders:** A standard list of value chain participants should be used across chains and regions to ensure programmatic consistency. (See proposed list below) If a category of participants is found in the standard list, it can be noted and added. Subcategories of each type of stakeholder can be included (e.g., input suppliers: nurseries, fertilizer suppliers, etc.)
14. RSIPs should identify, name, and enumerate all major value chain stakeholders in summary form. (See Table 7 below, for example)<sup>1</sup> Long lists of contact details other information can be annexed. Large and important stakeholders can be included by name (e.g., potential anchor firms large and small, as well as any important support/ related organization such as universities, government agencies, etc.). Summary tables of farmer organizations, MSMS, etc. need not be specifically named but must be named in annexes.

### Figure 1 - Proposed VC Stakeholder List

- Input suppliers
- Producers/Farmers
- Trader/agents.
- Trader/consolidators
- Trader/processors
- Cooperatives
- Local Processors/manufacturers
- Retailers such as supermarkets
- Exporters
- Foreign Processors.
- Financial suppliers
- Official Development Assistance (ODA)
- University, technical schools etc.
- Government agencies

<sup>1</sup> Table number is from the original document.

**Table 1. Estimated Number of Actors in the Cacao Value Chain of the Davao Region**

Province	(Fertilizer) Input providers	Nurseries	Processors/ Exporters	Traders/ Consolidators
Davao del Sur	-	12	3	-
Davao Oriental	11	6	7	6
Davao del Norte	10	7	6	14
Compostela Valley		16	1	
Davao Occidental		10	4	25
Davao City*		11 <sup>1</sup>	73	

Source: (Department of Agriculture, 2015), (Department of Agriculture RXI, 2014); (Bentain, 2018), DavOcc PCIP, 2015

15. **Value chain data:** Once a value chain stakeholder is described, short summaries of their input to the chain *may* be required. (See Annex 2) Unless there is a specific concern, there is no need for specific details about what any stakeholder provides technically (e.g., comparative analysis of pruning sheer, grams of fertilizer per plant etc.). These types of detail can be left to DIPs or annexes if necessary.
16. The more production data available to the analysis the more specific the intervention programme can be. Ideally, production figures should include hectares under cultivation, number of plants (if applicable), average number of plants per hectare, and yield per plant. Time series data should be provided if available. (See Table 1-A from Region 8 Coconut RSIP)<sup>2</sup> Data should be summarized at the provincial and/ or designated intervention level (e.g., municipal or cluster). There is likely no need to disaggregate the data further (e.g., by farmer organization or farmers, although if available it can be annexed).

**Table 1-A: Zamboanga del Norte; Summary of Performance Indicators, 2013 to 2017**

ZAMBOANGA DEL NORTE	2013	2014	2015	2016	2017	Average AGR
Area Planted (in hectares)	172,900.00	208,870.00	208,870.00	208,875.00	239,079.00	8.82%
No. of Coconut-bearing Trees	13,958,225	17,950,872	17,990,200	17,990,200	20,782,773	11.09%
Volume of Production (MT)	766,339.75	736,199.49	784,076.35	665,775.27	780,648.41	1.18%
Ave. No. of Bearing Trees/Ha.	81	86	86	86	87	1.90%
Ave. Yield/Ha. (MT)	4.43	3.52	3.75	3.19	3.27	-6.66%
Ave. Yield/Tree (in MT)	.05	.04	.04	.04	.04	-8.15%

17. **Inclusive and environmental analysis:** RSIPs should identify and specific key inclusive and environmental challenges at points along the chain. For example, see treatment of environment in the Zamboanga Peninsula RSIP for Coconut.<sup>3</sup> The RSIP links input/ evidence for *specific* strategic climate/ environmental and or inclusive intervention observations supporting evidence-based programming. Such issues, however, need to be included more prominently on value chain maps, and a short summary of main considerations can be included in the main text. Any detail technical assessment required to justify proposed intervention should be annex as required.

<sup>2</sup> Table number is from the original document.

<sup>3</sup> Rural Agro-Enterprise Partnership and Inclusive Development (RAPID) Growth Project REGIONAL STRATEGIC INVESTMENT PLAN (Output 5) COCONUT INDUSTRY Zamboanga Peninsula (Zamboanga del Norte, Zamboanga del Sur, & Zamboanga Sibugay Province)

## 2.3 Market Analysis

18. In RSIPs are generally sufficient. As with the value chain analysis, the next round of RSIPs can simply borrow international and national data to avoid extra work. This leave resources to focus on the regional and provincial levels. The regional M&E officer should be responsible for sharing this information as required.
19. It should be noted to future RSIP writers that the purpose of market analysis is to identify key market opportunities and constraints in each value chains. This means that analysis should reflect and refer market findings *against specific value chain analysis*. As with value chain analysis, RSIPs provide much useful market analysis but there is often too much detail in main text. Summary findings by product, province or stakeholder type, noting specific opportunities and challenges for value chain development is more useful. Analysis need only include economic data related to the value chains. *General economic and demographic information* need not be included unless directly relevant to a value chain assessment.
20. Ideally, economic data includes market prices, sales volume, and other details related to specific geographic markets (e.g., local, provincial, regional, national, and international). Data should be disaggregated by buyer, wholesale, retailers and shown summary form if available. If data is available for sub chain markets, it should be included, again in summary form.

## 2.4 Economic Infrastructure

21. RSIP interpretation of what constituted Economic Infrastructure (EI) varied by RSIPs. EI should focus primarily on public and quasi-public infrastructure such as roads, water control/ irrigation, storage, extension services, laboratories, certification schemes, communications services etc. Identification and summary comments for specific road extensions (or other infrastructure needs) vital for proposed interventions is appropriate.

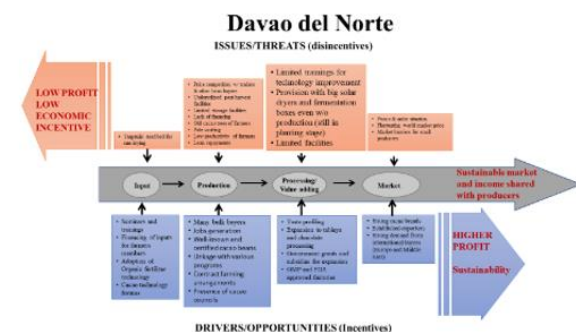
## 2.5 Analysis of Opportunities and Constraints

22. Analysis of Opportunities and Constraints was generally well done in the RSIPs, though again, suffered from too much detailed description and not enough summary analysis.
23. RSIPs mostly employed a traditional Strength, Weaknesses Opportunities, and Threat analysis. These were well-applied and resulted in assessments with notable detail. In an attempt to ensure comprehensive coverage of issues, analysis did not, however, tend to summarize findings from the mapping as relate directly key market opportunities and related value chain strengths and weaknesses. Put another way, understanding that the programme cannot address all market and value chain issues, SWOT summaries needed *exclude* issues as much as *include* them do guide a strategic and priority-based approach to chain development.
24. Two example summary SWOT diagrams found in Figure 2 (next page) could be used by the next wave of RSIPs. (Note: click on Figure or Table to expand for better viewing)
25. Detailed observations leading to these summary tables can be annexed as necessary. (e.g., Caracas Cacao Industry RSIP Final Report, pages 49- 56 provided valuable observations but was too detailed to provide insights). Summary tables like those above, should be followed by *short* reviews of key opportunities and constraints, *with observation linked directly or indirectly to value chain and markets*. In the case of the Figures below, summary analysis concisely linked quality planting materials supply to smallholder farmers, improved production of dried cacao beans at the smallholder level, and how

best to link small holder farmers to markets opportunities. If there are any geographic or sub value chain product issues, they should be made in summary form with any supporting details annexed.

**Figure 2 – Example SWOT Analysis**

**Figure 14. A SWOT analysis of the Davao del Norte cacao industry**



Source: Author(s) based on data from participants

**Table 29. SWOT Analysis of Sultan Kudarat Cacao Value Chain**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Existing land area suitable for cacao production</li> <li>Existing cacao trees planted</li> <li>Existing cacao producers' cooperatives/ associations; members' unity and cooperation</li> <li>Existing technology</li> <li>Existing BPI-accredited nurseries (Tacurong, Lelak, Kalamansig, Bagumbayan)</li> <li>Good cacao quality</li> <li>Assistance of government and funding agencies</li> <li>Cacao can be grown organically</li> </ul>	<ul style="list-style-type: none"> <li>Limited technology and soil analysis</li> <li>Low yield, poor production</li> <li>Lack of quality standards</li> <li>Lack of information/ knowledge on farm management practices, production and marketing</li> <li>Lack of marketing information and access to market</li> <li>Lack of finance</li> <li>Lack of irrigation facilities, farm-to-market roads, processing equipment</li> <li>Farmers' attitude; Many farmers are highly dependent on government</li> <li>No active organization</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>High income crop if productive</li> <li>High demand</li> <li>Available areas for cacao production and expansion</li> <li>Available support programs from national government and LGUs</li> <li>Access to training and market</li> <li>New processed cacao products (e.g., vinegar)</li> <li>Construction of building for processing</li> </ul>	<ul style="list-style-type: none"> <li>Pests and diseases</li> <li>Non-compliance of cacao processing facility</li> <li>Limited local market and very low price</li> <li>No financing</li> </ul>

Source: Sultan Kudarat validation workshop, July 9, 2019.

## 2.6 Strategies

- The RSIP Strategies section propose strategic approaches to value chain development. The proposed approach should be built directly on evidence found the value chain analysis, market analysis and opportunities and constraints sections. No new evidence or data should be introduced (it should all be incorporated in preceding sections as appropriate).
- The strategy should have as specific and measurable objectives as possible. Two example strategy objectives with *measurable* and or *defined qualitative* objectives are provided below. These examples would have benefited from naming types of and/ or number of MSME receiving value adding support.

### Example 1 - Caraga Cacao Industry Regional Strategic Investment Plan Report, page 61

- Improved production and productivity of farmers from 0.5kg to 2kg per tree per year;
- Improved product quality of MSMEs through value adding;
- Increased by 100% from 2019 level of the value of sales and volume of products processed and marketed by the MSMEs; and
- Engage exporters to have market sink for volume of fermented and dried cacao beans in excess of demand of local processors/MSMEs engaged in product value adding processes.

### Example 2 - Caraga - Regional Strategic Investment Plan for Coffee Final Report, page 36

- Improved production and productivity of farmers from 0.47kg to one 2kg per tree per year;
- Improved product quality of MSMEs through value adding; and
- Increased value of sales and volumes of marketed products of MSMEs

- Any proposed RSIP strategy interventions should be directly linked to market and smallholder welfare enhancement objectives. This can be shown through how interventions will reasonably address specific opportunities and constraints shown in the value chain and market analysis. That is: *how does a selected intervention led to desired market outcomes given available human, financial, and land capital, and given project support capacities*. The RSIP for Region 12 Coffee provides an

illustrative example of how analysis supports/ justifies proposed strategic approach.<sup>4</sup> Finally, as a part of the strategic plan, it is critical to identify important timing/sequencing of activities and investments. This can be laid out in a simple overview diagram or written clearly in main text.

**Table 11 – Computation of Net income and Value addition per VC function (Robusta)**

VC Functions	Farming	Farming	Processing	Processing	Marketing
VC Operators	Farmers	Farmers	Processors without Grinder/Roaster	Processors with Grinder/Roaster	Traders
End product/VC Function	Green Coffee Beans	Green Coffee Beans	Roasted & Ground Coffee	Roasted & Ground Coffee	Roasted & Ground Coffee
Unit	(1 kg)	(1.3 kgs)*	(1 kg.)	(1 kg)	(1 kg)
<b>Ave. Selling Price/kg.</b>	<b>100.00</b>	<b>130.00</b>	<b>350.00</b>	<b>350.00</b>	<b>714.29</b>
Cost of intermediate input	9.24	12.01	130.00	130.00	350.00
Cost of other inputs		-			
Weeding	7.59	9.87			
Fertilization	9.49	12.34			
Harvesting	13.29	17.28			
Depulping/dehulling	5.00	6.50			
Grinding/roasting		-	40.00		
Packaging		-	10.00	10.00	
Labeling		-	10.00	10.00	
Electricity		-		3.00	
Labor/Transport	6.33	8.23	30.00	10.00	30.00
Maintenance	9.11	11.85		10.00	
Supplies	1.27	1.65			
Depreciation				6.00	
Others	2.53	3.29			
Selling & Admin		-			50.00
<b>Total Cost</b>	<b>63.86</b>	<b>83.02</b>	<b>220.00</b>	<b>179.00</b>	<b>430.00</b>
<b>Value-added/Profit</b>	<b>36.14</b>	<b>46.98</b>	<b>130.00</b>	<b>171.00</b>	<b>284.29</b>
<b>Net Profit Margin</b>	<b>36%</b>	<b>36%</b>	<b>37%</b>	<b>49%</b>	<b>40%</b>
<b>% share Value Added</b>		<b>0.10</b>	<b>0.28</b>		<b>0.62</b>
<b>% share Value Added</b>		<b>0.09</b>		<b>0.34</b>	<b>0.57</b>

Assumptions:

- 1.3 kg GCB = 1 kg ground/powdered coffee
- Selling price based on the average of Class A and B robusta
- Selling price for traders is ex-VAT
- Depreciation cost of grinder and roaster based on 10-yr life, assuming 500 kg processed per month

## 2.7 Investment Tables

29. Every line item found in proposed RSIP investment section must be linked to proposed strategic objectives. Table 11 from the Region 12 coffee RSIP provides an illustrative example of how propose investments link to strategic objectives.

## 3.0 Development Investment Plan (DIP) Development

30. This section overviews the DIP planning process and presents a DIP Concept Note template and Full DIP Template. It has three main sections:

1. DIP Content Overview;
2. DIP – Concept Note; and
3. Full DIP.

31. The DIP Concept Note provides the basis for developing the more detailed DIP, which is the main project management tool. The DIP provides the basis for DIP management and reporting at the provincial level (and can be could be used for progress reporting across provinces/ regions M&E).

### 3.1 DIP Content overview

32. DIPs make the case for a structured approach to value chain development. Interventions must be driven/ directed by market needs, identifying bottlenecks and opportunities through the value chain which, if addressed, will enhance smallholder market participation and income. Interventions seek to

<sup>4</sup> Table number is from the original document.

establish long-term, market-driven mutual interests to ensure both equitable and sustainable public and private value chain outcomes.

33. DIPs are developed based on RSIPs and will vary in approach given provincial priorities and the nature of commodity value chains and markets. They share the common objective of maximizing market opportunities for smallholder benefit. A number of potential value chain DIP approaches have been identified to date, with two generalisable market-driven models emerging from across the provinces: i) via large anchor firm; and, (ii) through multiple MSME firms. As per RAPID design, intervention inputs would include a mix of extension services, business development services, technical assistance (TA) packages, farmer organization institutional strengthening, enterprise/ farmer training and or financing. It is important to note that RAPID interventions assume enhanced production in all DIPs but not necessarily expanded production (e.g., seedling distribution). In many cases, production enhancement will focus on improving yield or quality of existing production. Any volume enhancement will necessarily require proof of market demand before integrated into DIPs.
34. This section reviews *specific parts* of the DIPs to ensure clarity of objectives and terms used in DIPs.
35. **MSME Business Plans** - Most micro, small, and medium sized enterprises (MSMEs) involved in a DIP will require a *business plan* (BPs). BPs are *distinct from and a part of* DIPs. DIPs identify needed programme inputs across value chains. They identify which stakeholders require support, and the nature/ scope of that support. *BPs are specific to MSMEs* participating in the DIP. They have two roles in DIP design: i) ensure MSMEs have the capacity to fulfil their roles within proposed DIP interventions; and, ii) determine MSMEs needs to achieve proposed roles (e.g., nature and scope of needed technical assistance). BPs can also be used by project participants to secure loans from to finance their counterpart share in the project cost.
36. **Business Development Suppliers** - Rosters of prequalified business development service (BDS) providers will be developed at the provincial level to support MSMEs and farmer organizations/ cooperatives. BDS suppliers will be critical to the development of these organizations and their roles in value chain interventions.
37. BDS suppliers will most typically be consultants sourced from Negosyos Centers (NCs - found in most communities), or in some cases, be sourced directly from the NC (e.g., enterprise development training or customized business training modules/ materials). In limited cases, highly specialized experts may be sourced directly by the programme. To ensure timely engagement of qualified BDS, NCs will receive project support for such things as capacity building and staff training, office equipment, and training facilities.
38. To date, a total of 82 individual and 11 companies (with 97 individual experts) have been accredited for having met programme quality standards. These suppliers will be added to the existing national NC BDS supplier roster. BDS supplier contracts will be facilitated primarily by NCs. The NCs will use *resource-speaker* contracts or *small value* contracts. Their procurement system is approved by the national government and can rapidly source contracts of less than a PHP 1 million (requiring 7 days for resource persons and 15 days for small value respectively for contracting). Larger contracts over PHP 1 million, are not anticipated, but if needed will require an open bidding process (2 to 4-months). Most farmer organizations/ co-op institutional support will be procured under matching grants, as will some private enterprise TA support.
39. **Partnerships with private sector companies** - RAPID will engage both large and small private sector enterprises in Private Public Project Partnerships (PPPPs) when such relationships are vital to

value chain development serving smallholder interests. The nature of partnerships will vary by DIP. Most such partnerships will focus on production enhancements (quality and quantity).

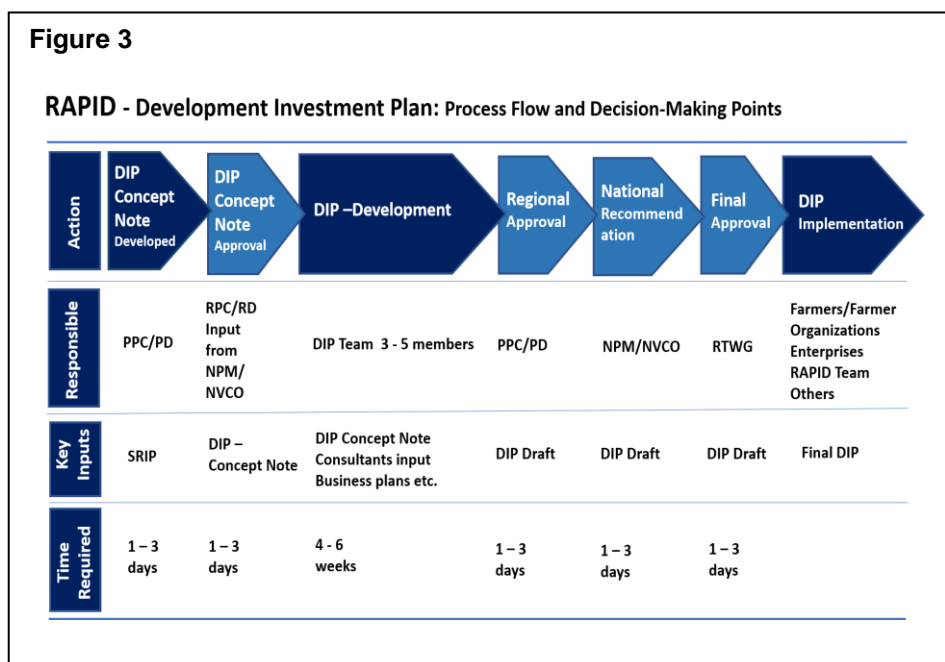
40. *Large* anchor firms, for example, are often well suited to providing TA to smallholder farmers production improvement/ expansion especially when a company's has specific commodity input requirements. RAPID anticipates use of anchor firm TA will ensure smallholder supply is rapidly expanded in a manner synchronized with company demand. *MSME* anchor firm must similarly lead to improved smallholder value chain participation through increasing local demand, lower transaction costs, stable pricing agreements for smallholders etc.
41. RAPID has already signed 4 commercial partnership agreements between 2 large, 1 medium, and 1 small enterprise and respective farmer organizations supporting these types of gains.<sup>5</sup> Commercial agreements provide the basis for more formalized short- and long-term agreements under finalized DIPs (e.g., annual purchase orders, commitments to enhance new products and production etc.). While safeguards for smallholder producers are an important feature in commercial and will be included in future formal agreements, *mutual, long-term, market-driven interests are the very strongest ways to ensure equitable and sustainable public and private value chain outcomes*. This is a paramount goal of RAPID when partnering with the private sector.
42. **Extension Services** - Extension services provided to smallholder producers will be critical to improving existing smallholder production, and, where required, supporting expansion. As RAPID production enhancements will serve specific market objectives via anchor firms and/ or other market access points (e.g., wholesalers or direct sales to retailers), extension service engagement quality and timeliness is of paramount importance. While the programme's lead agency, Department of Trade and Industry (DTI) has substantial capacity to provide enterprise development support, it has limited experience/ capacity offering extension services. For this reason, and the need for timely and market-linked extension services, RAPID will contract large NGOs (e.g., ACDI-VOCA, or organizations within the Agriterro system etc.), and other organizations (e.g., academic institutions or private firms) with capacity and experience providing large-scale extension services targeted specific market access objectives. In some cases, larger anchor firms with sufficient capacity/ experience may also provide such services. (See above paragraph 40)

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<sup>5</sup> **Large enterprise:** Kennemer Food Intl (large) with Kapalong Cooperative - Davao del Norte; VPO Rosario Industrial Corp (large) with Bayugan Free Farmers Association. **Medium sized:** Janicahh Food Products with Abante Sta Maria Usad Farmers Association. **Small enterprise:** Chokolade de San Isidro with 6 farmer cooperatives - Davao del Norte; Tri-Well Spring Agri-Trading (supplying cacao to Auro Chocolate) with Samal Island Agri-Growers and Producers Association - Davao del Norte.



43. **Development Investment Plan – Workflow and approval process** - The DIP development flow chart detailed in the RAPID PIM has been revised to enhance the DIP process and approval



mechanisms.<sup>6</sup> (See Figure 3) The new process includes development of a short DIP Concept Note (DIP-CN), a one page outline of proposed value chain intervention that is *clearly aligned with findings from its corresponding commodity RSIP*. The DIP-CN will explain market linkages and value chain interventions required to serve enhanced smallholder production quality and or volume demands.

44. All DIP-CN's will require approval by the Regional Programme Coordinator (RPC) and Regional Director (RM) before moving to full DIP development. The first 12 DIP-CN's will require review by the National Programme Manager (NPM) or his delegate(s) (e.g., the National Value Chain Officer). Once approved, a provincial level DIP team will be formed to develop the full DIP. (See DIP Staffing below) Enterprises and farmer organizations proposed for taking a role in DIP-CP's will be apprised of their inclusion in the DIP planning process. Any procurement for required DIP input services will begin immediately upon approval (e.g., BPs support, special technical consultants etc.).
45. To ensure 'ownership', fully developed DIPs will be approved by the RD/ RPC, who will also oversee their implementation. Once approved at the regional level, DIPs will be passed to the NPM who will provide inputs and recommendation for submission to the Regional Technical Working Group (RTWG) for final approval. The RTWG will consider DIPs at their regular quarterly meeting. Because private sector linked interventions and or production schedules may be time sensitive as it relates to proposed intervention(s), the NPM may require RTWGs to convene special DIP approval meetings (*including the possibility of virtual meetings and/ or review/ input/ approval recommendations made by comments to the DIP via email*). Once approved, RPC and PPCs will initiate DIP implementation.
46. **DIP Staffing - plan development and implementation** - *DIP teams* will be formed at the provincial level and will vary in size and composition given the nature and scope of intervention for each DIP. Teams will typically consist of 3 to 5 members selected for technical/ management capacity related to DIP commodity and could include regional Market Coordinators (MC), Provincial Program

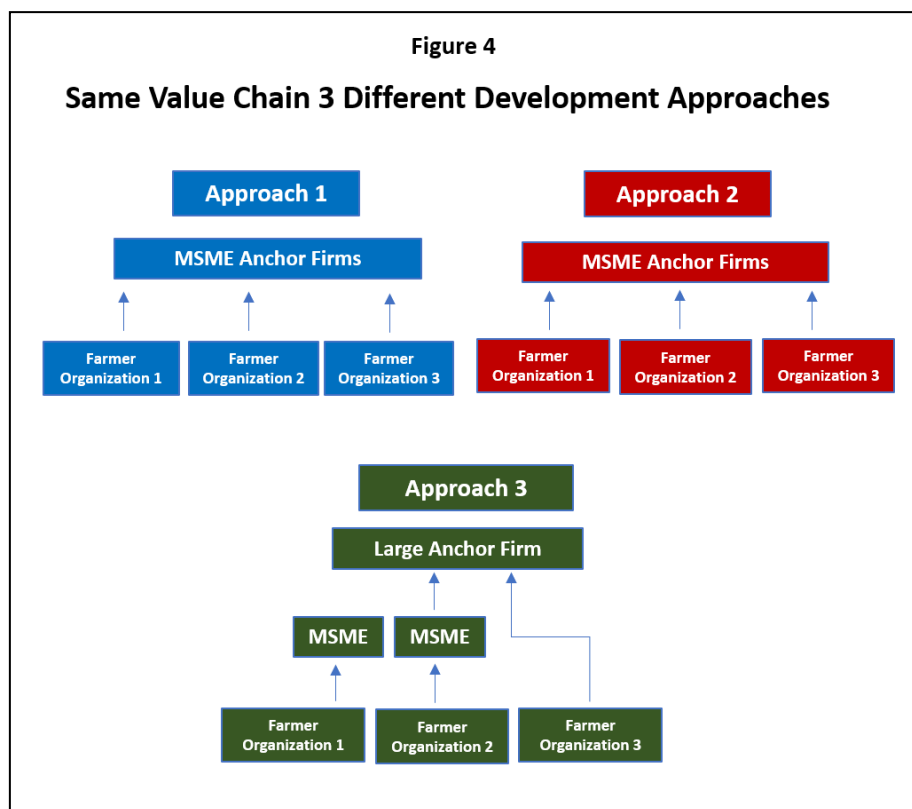
<sup>6</sup> RAPID Growth Project Implementation Manual, page 39.

Coordinator (PPC), and other regional staff or even staff/ resource persons from other provinces or regions as required. A Provincial Value Chain Facilitator (PVCF) and a NCs representative will be included in all DIP teams. Teams will have a designated leader who will provide substantive input and manage the team. Once a programme has sufficient DIP development experience, PVCFs can likely assume team DIP leadership (with appropriate oversight).

47. Programme design had outsourced DIP development to consultants. Given the importance of DIPs and the mixed results of consultant-lead RSIPs, DIP team leaders be responsible developing and writing DIP-CN's and final DIPs. For the first two DIPs per province, it is highly recommended that the Provincial Programme Coordinator (PPC) write the full DIP as Team Leader. Consultants will still be available to DIP team leaders, but they will be used for specific DIP plan inputs (e.g., technical information, data collection and analysis, market development support/ insights etc.). The NC team member will facilitate procurement of any required business plan development services. The National Value Chain Officer (NVCO) will help form, and closely support/ guide teams for the first 12 DIPs (i.e., those from the first round of RSIPs). Finally, DIP implementation and oversight staffing will be determined as part of the DIP itself.

### **3.2 DIP - Concept Note Template**

48. Not all target commodities will be necessarily be included in the programme of each province. And, as noted, not all intervention approaches will be the same by province and/ or commodity. Because of this, a short (1 to 2 page) justification for an intervention approach is required prior to allocating resources for a full DIP.
49. The DIP-CN is *the first step to developing a full DIP*. It provides a rational for programme investment in a full DIP for a given commodity and proposed approach. For many value chains, there several different approaches can be conceived. Figure 4 illustrates three example approaches that could apply in a given province for a given commodity (derived from calamansi value chain work in Caragas). The DIP-CN would provide sufficient data and information to compare and contrast possible approaches and input for selecting a best approach.



50. The DIP-CN is guided by and based (primarily) on information found in a commodity's RSIPs. The DIP-CN primary function is to explain *how targeted market linkages and related value chain interventions will support smallholder production quality and or volume improvements*. It overviews main stakeholders, constraints, interventions, and related project milestones and risks.
51. A DIP-CN Data Sheet can be found in Annex 3. The Data Sheet can be used for completing the DIP-CN and has the sections outlined below. The Data Sheet can be used as the basis for a text version of the full DIP which would include required greater explanatory detail for the same sections.
52. **DIP Objective** - The DIP must define in simple and measurable terms market development objectives. It must also similarly define in simple measurable terms, smallholder benefits. (See above paragraph 27 for example)
53. **DIP Scope** - The scope of the project is defined by the number of smallholder farmers involved, land use anticipated (rehabilitation/upgrading and or new hectares), related anchor and/ or other enterprise(s) and/ or other stakeholders to be involved. It also defines the geographic jurisdiction/ area of proposed intervention.
54. **Main Market constraint by stakeholder** - This section defines the main market constraints to be overcome by stakeholder type: smallholder farmer; anchor firm(s) (large and or MSME), farmer organization(s), and others (e.g., government agency, NGO, etc.)

55. **Major Activities and Milestones** - This section overviews the main interventions for each stakeholder and how intervention will overcome identified constraints. Additionally, critical activity completion dates must be noted. This section should be described briefly in the text of the plan and summarized in an attached table if desired.
56. **Major Risks by Major Activity** - Each main intervention could have specific risks associated with its implementation. These risks should be identified with possible means to address them. Only major implementation risks are noted, including dependency risk (e.g., extension services for product quality improvements is not deployed in time to meet Anchor firm input schedules). This can be summarized in text and presented in the attached table (see above point 4).
57. **Reporting and Communications** - As not all DIP approaches will be the same, there will be variation in reporting functions for the Team. This section provides details on how and to whom the DIP team will report to.
58. **Investment Budget** - The DIP-CN *does not* provide a detailed budget by activity for investments, assuming provinces will adjust spending as necessary based on the general guidance provided in RSIPs. A global or general budget expectation should be provided, however.
59. **Proposed DIP Development and Implementation Team** - This section lists DIP Team members, Team Leader, and their roles and general responsibilities. (See Annex 4 - DIP Team TOR) The detailed DIP plan will delegate specific team activities/ responsibilities.

### 3.3 Full Development Investment Plan

60. The DIP full is based on the DIP-CN and provides detailed intervention implementation planning information with a focus on detailed specific activity timing, delegation of responsibilities. It is not simply a plan: it can also as function as a project interventions management and reporting tool. The DIP template can be found Annex 4 (and associated Excel file). The DIP has the following sections:

**DIP Objective** - Same as DIP-CN.

**DIP Scope** - Same as DIP-CN.

61. **Main Market constraint by stakeholder** - Same as DIP-CN.

62. **Major Activities Workplan** - This section provides details for Major Activities identified in the DIP-CN for each stakeholder group. It will include specific implementation task completion dates critical to advancing programme intervention activities in a synchronized manner. It is not necessary to provide every action required by staff to implement an activity and only major activities are needed. Regular reporting meetings will provide a venue for more detailed implementation. (See Annex 4 for template with examples)
63. Major Activities must be provided in monthly detail for twelve months and on a quarterly basis past twelve months. It is critical *activities are detailed on a one year rolling basis*. That is, detailed planning must foresee activities for the upcoming twelve months at all times. If the project is in Year 1, Month 5 (Y1, M 5), detailed planning must extend to Y2 M 5. At the beginning of each month, details for the new month entering the planning calendar must be added (in the example above, Y1 M6 should be entered at the end of Y1 M5 ends). In this fashion, managers always have a detailed 12-month plan in place.

- 64. DIP worksheet completion tip:** DIP teams should *finalize and numerate all* Major Activities prior to entering any information into the worksheet. Do not transfer information to the *Investment Budget* worksheet until the Major Activities list is complete and finalized. (See below for Investment Budget details) Once you are sure the list is final, add line item numeration to Major Activities. These numbers will be used as reference points or links to the *Investment Budget* worksheet.
- 65. Major Risks by Major Activity** - Risk and dependency risk for each detailed activity and possible remediation will be noted. As per above, only major implementation risks are noted, including dependency risk (e.g., product quality improvement extension services farmer is not deployed in time for to meet Anchor firm input schedule).
- 66. Investment Budget** - This section details required investment budget allocations by Major Activity. They are based on budgeting guides and formats found in RSIP but costs may need to be adjusted to specific project needs at the provincial level. The Investment Budget has a separate worksheet in the DIP. (See Annex 5)
- 67.** For accounting purposes, budget categories found in the DIP should *match programme approved budget categories*.<sup>7</sup> Once line items have been determined and match those of programme accounting, it is critical a timeline for payment and procurement is established to match the DIP Major Activities Workplan. *Remember to note service and goods delivery deadlines in the plan as a reminder of the critical need start procurement and payment on time to meet implementation deadlines.* Dates in the Investment Budget worksheet will correspond directly with dates for each activity found in related DIP worksheet. VC Teams must ensure approved budgeted items are inputted into provincial/ regional procurement implementation schedules in a timely manner, working closely and proactively with relevant Procurement and Financial Officers.
- 68.** The DIP *Major Activities* worksheet may need reworking once programme procurement processes/ limitations are understood. VC Teams need to remember that RAPID will have between 30 to 50 DIPs to manage and fund simultaneously and this will place stress and time limitations on procurement systems and financial officers. Also, VC Teams must be constantly alert for funding delays at the national and or regional levels that may cause procurement delays. *Remember: the need to have sufficient time for procurement can be critical to implementation success, so plan accordingly.* Constant and proactive communications is the responsibility of the VC Team Leader to ensure their programs run smoothly in so far as possible within the context of RAPID overall programme activities. Likewise, proactive expectation management/ communications with stakeholders is vital, particularly if delays are anticipated.
- 69. Reporting and Communications** - It is recommended each Value Chain Team meet formally on a weekly basis and use a formal agenda and minutes. It is advisable that the RC/ PPC, with the support of the M&E officers, develop a standard agenda to facilitate the collection of experiences in an organized fashion. This will allow for sharing of information and even data collection across provinces and regions.
- 70.** Meetings and related minutes must be fully transparent about challenges and not just successes. Challenges can be shared intra-provincially and, in synthesized form, inter-regionally and at the national level. An online file sharing service should be used to allow full access to agendas and minutes.

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<sup>7</sup> The examples in this technical paper and related spreadsheets do not correspond to programme accounting categories and are examples only.

71. Teams should make use of video conferencing if possible when members of a VC Team not all in the same location (e.g., inexpensive or free on-line services such as Zoom or Skype).
72. As noted, the team needs to maintain constant and proactive communications with stakeholders. This will be a combination of informal contacts and communications, and formal planned communications. A short newsletter or programme update memo will provide project value chain stakeholders current information and create programme solidarity. Social media platforms can be considered.
73. **Proposed DIP Development and Implementation Team** - Same as DIP-CN.

## **Annex 1 - Proposed new RISP structure**

### **1. List of acronyms**

### **2. Executive Summary**

### **3. Introduction**

### **4. Value Chain Mapping**

- a. National value chain of commodity [name commodity]
- b. Regional value chain defined
- c. Provincial value chains defined
- d. Value chain summaries challenges and opportunities

### **5. Market Analysis**

- a. National markets
- b. Regional market
- c. Provincial markets
- d. Market summary - challenges and opportunities

### **6. Analysis of Opportunities and Constraints**

- a. Introduction to analysis
- b. SWOT by region and provinces
- c. SWOT by product type (if necessary)
- d. Strategic Intervention
- e. Summary of constraints and opportunities from value chain and market

### **7. Strategic intervention objectives, disaggregated by province if appropriate**

- a. Intervention activities summarized by value chain stakeholder and value chain product if required
- b. Intervention investments summarized by proposed geographic region (province/ municipalities/ clusters) and by contributor

### **8. Financial analysis/cost-benefit analysis summarized**

### **9. Annexes (minimum recommended)**

Annex 1. Methodology

Annex 2. Detailed list of value chain stakeholders

Annex 3. SWOT analysis detail

Annex 4. Proposed RAPID Investments by province detailed (no. units, cost per unit, total cost, disaggregated by provider (RAPID and other stakeholders)

Annex 5. Net present value of investments

Annex 6. Sensitivity analysis

Annex 7. List of references and stakeholders

## Annex 2 – Example Stakeholder Descriptions

The following example stakeholder descriptions is taken from the Davao Region Cacao Industry Cluster Strategic Investment Plan, page 25.

*Input suppliers* include nursery operators, fertilizer retailers, plastic materials to cover cacao pods, etc. These also include cooperatives that maintain nurseries that supply to members.

*Producers/Farmers.* Farmers can be classified into smallholders and commercial farmers. Majority are small-scale with less than 2 hectares. three hectares of farmland with low investment in inputs, planting materials, labor, etc. Commercial farms, however, continue to use an intercropping system but they invest more in farm maintenance, labor, and other value-adding activities. Cacao were planted as intercrop to other types of crop such as coconut. They either sell dry or wet. Decision to sell wet or dry vary depending on the volume harvested, selling price available, logistics, and weather condition. Farmers sell wet beans to local processors, consolidators, agents of local processors, and to cooperatives. Most dried unfermented beans are sold directly to traders/consolidators. While wet beans are sold to cooperatives, agents of traders and of local processors, and to processors.

*Trader/agents.* These are small scale traders that are located in the barangays buying both wet and dried beans. Some are considered agents. They are individuals that consolidate cacao beans for the local processors and trader/consolidators. In return, they are given incentives by as much as PhP5.00/kg depending on the prevailing selling price. Some have established a mini buying station (beside their houses) while some are buying from the farm using their vehicles. Known agents are those that supply to KFI. Dried beans bought by barangay traders are sold to big trader/processors.

*Trader/consolidators.* These are big traders that perform primary processing such as fermentation, drying, sorting, grading, and bagging. They have storage for consolidation and directly ship to foreign users. Known trader/consolidators are KFI and Seedcore, among others. Others are mostly Chinese traders that buy dried beans for consolidation. They prefer to buy unfermented beans since they are more particular with the appearance of the beans. They sell to trader/processors and exporters.

*Trader/processors.* These are big traders that are located in Davao City such as JM Agro Industrial Trading. They buy dried beans “all-in”. They process cacao beans to cocoa liquor and to other products. They export beans and processed cacao, and also supply to local manufacturers for food and beauty products. One example of trader/processor in Davao del Norte is the CSI.

*Cooperatives.* Some cooperatives buy wet beans from farmers members, while some buy dried unfermented beans. There are cooperatives that process cacao into tablea and sell to food manufacturers. While some cooperatives buy wet beans to ferment, dry, and sell to exporters, and to local processors. An example of these cooperatives is Subasta Integrated Farmers MPC, BARBCO both in Davao City, LAMPCO in Compostela Valley, and Agrigrow Live in Davao Oriental. But some cooperatives simply consolidate and sell.

*Local Processors/manufacturers.* They process cacao beans to cocoa liquor, tablea, nibs, chocolates, and etc. They supply cocoa products, mostly chocolates, to local food supermarkets, hotels, grocery stores, among others. They also export chocolate products. Example of this type of actors include Malagos and MS3 with processing plant in Davao City, FODC (Auro) in Cavite, and Mama Sita’s in NCR that use cocoa as ingredient to their products such as champorado mix, and etc. Another example is Comval Tropical in Compostela Valley that manufactures chocolates for domestic market.

*Retailers such as supermarkets, hotels, grocery stores, etc.* are those that buy/display chocolate products for the consumers. These may also include pasalubong centers, and other specialty stores.



*Exporters* include those that buy and sell fermented or unfermented beans, cocoa butter, and other processed products to other countries. Mostly, dried beans are exported to Malaysia and Indonesia.

*Foreign Processors.* They process cacao beans into different products. It can be for food, beauty products, etc.

## Annex 3 – DIP Concept Note Data Sheet

DIP Concept Note Data Sheet	
<b>Value Chain Basic Information</b>	
Value Chain	
Proposed Locations	
Region(s)	
Province(s)	
District (s)	
<b>Objective</b>	
Define in simple measurable market development objectives	
Define in simple measurable terms, smallholder benefits	
<b>Scope</b>	
Number of smallholder farmers to be involved	
Number hectares	
Rehabilitation/upgrading	
New	
Number of Anchor Firms (annex names, contacts)	
Number of Farmer Organizations (annex names, contacts)	
Other Key Stakeholders	
<b>Main market opportunity/ constraints (from SRIPs)</b>	<b>Describe opportunity/ constraint</b>
Smallholder Farmer	
1	
2	
3	
etc.	
Anchor (large or MSMEs)	
Large	
1	
2	
3	
etc.	
MSME (non-anchor)	
1	
2	
3	
etc.	
Farmer Organizations	
1	
2	
3	
etc.	
Other Stakeholders	
1	
2	
3	

etc.	
<b>Major Activities</b>	
<b>Main interventions for smallholder farmers</b>	<b>Describe how intervention overcomes market constraint/ takes advantage of opportunity</b>
<b>1. Farmer Quality Training</b>	
1.1 Contract training organization	
1.2 Training dates set	
1.3 Approve training materials	
1.4 Approve venue	
1.5 M&E client survey assessed	
1.6 etc.	
<b>2. Provision of tools</b>	
1.1 Contract supplier	
1.2 Communicate with Farmers	
1.3 Delivery date	
1.4 Distribution	
1.5 etc.	
<b>3. Add more interventions as needed</b>	
<b>Main interventions for Anchor firms</b>	
<b>1. Farmer Quality Training</b>	
1.1 Contract training organization	
1.2 Training dates set	
1.3 Approve training materials	
1.4 Approve venue	
1.5 M&E client survey assessed	
1.6 etc.	
<b>2. Provision of tools</b>	
1.1 Contract supplier	
1.2 Communicate with Farmers	
1.3 Delivery date	
1.4 Distribution	
1.5 etc.	
<b>3. Add more interventions as needed</b>	
<b>Main intervention for Farmer Organizations</b>	
1. Fill in as per above	
2	
3	
etc.	
<b>Main Interventions for other Stakeholders</b>	
1	
2	
3	
etc.	

## Annex 4 – DIP Team TOR

### DIP Team Terms of Reference

**Region and province:** [name of region and province]

**Commodity:** [name of commodity]

**Objective:** To manage the development and implementation of the [name of region and province and commodity] Development Investment Plan.

**Team Formation Date:** [date of team formation]

**Manager responsible:** Regional Director DTI [name] for [region] and/ or Regional Project Coordinator [name] for [region]

#### DIP Team Composition

**Team Leader:** [name], [position].

**Members:** [name], PVCF; [name] PPC [location of office]; NC representative [name, position, office]; Others [name, position, location].

#### Team outputs:

- 1) Team formation with input from Regional Director (RD) and Regional Programme Coordinator (RPC), with review and recommendation from National Value Chain Officer (NVCO);
- 2) Develop a [region, commodity] DIP Concept Note;
- 3) Develop full [region, commodity] DIP and receive approval from Regional Technical Working Group via process described in IFAD Implementation Support and Supervision Mission Component 1 - Technical Paper; and
- 4) Implement full [region, commodity] DIP as per the approved full DIP.

#### Individual Team Member Responsibility

##### Team Leader (TL)

The TL will be responsible for the overall management of a DIP from inception of the team until programme completion.<sup>8</sup>

*Overall team management:* The TL will assume all management responsibilities including organization and delegation of tasks, time management, meeting management, reporting and communications, and liaising with other programme managers, particularly in procurement and finance. The TL will be

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<sup>8</sup> It is highly recommended that for the first two commodity DIPs per province, the PPC is Team Leader at least until project is well under way (e.g., 1 year). Subsequent to these two DIPs and having gained experience the PPC can delegate TL responsibilities. No matter who fills the TL role, they will not be required to work outside the terms of reference for the position they were hired for without mutually agreed upon adjustments with their supervisor.

responsible for writing specific terms of reference for each team member and evaluate or contribute to their and team performance from time to time.

*Document production:* The TL will also lead in the development of all team documents, particularly, the DIP Concept Note and the Full DIP. The TL can delegate parts of these documents to other Team Members and or consultants but is responsible for overall production quality and for achieving final DIP approval.

*DIP management:* The TL will be responsible for all aspects of DIP project management. They will delegate tasks to team members, ensure overall coordination and coordination with RADPID programme staff, and report/ communicate with both internal and external programme stakeholders. Other responsibilities include proactive management of funding flows and procurement, and ensuring consistent and timely flow of monitoring and evaluation data/ information/ activities.

### **Team members (TM)**

Provincial based TMs (e.g., PVCFs) will be assigned specific team management, programme management, and substantive project tasks according to an agreed upon terms of reference written by the TL.

Some TMs will not have team and or project management responsibilities, focusing instead on substantive and or technical tasks.

**PVCF** will initially support the PPC in team and programme management. The PPC will apportion an adequate workload to the PVCF ensuring smooth functioning of projects. PVCFs are not secretaries or assistants to the PPC, however, some support work is anticipated. The bulk of the PVCF work will be to coordinate and facilitate programme activities in the field. As PVCFs become more experienced, they can, at the PPC's discretion, take over team leadership responsibilities. The TL, with input from the PCF, will detail specific tasks and agreed upon quality and timing expectations (within the terms of reference for the position).

**NC representatives** will primarily limit their role to sourcing and, in some cases, managing BDS suppliers on behalf of the programme.

**Other team members** – The TL will work with other team members to define their TOR as it relates to anticipated activities. Specific tasks will be assigned with defined quality and timing expectations.

### **Timelines**

In the minutes of the first DIP VC team meeting, completion dates for the DIP Concept Note and the full DIP will be set and approved by the RD and or RPC. Specific project deadlines will be agreed to and set in the full DIP.

## Annex 5 - DIP Template

DIP Template
<b>Value Chain Basic Information</b>
From DIP Concept Note Data Sheet
<b>Objective</b>
From DIP Concept Note Data Sheet
<b>Scope</b>
From DIP Concept Note Data Sheet
<b>Main market constraints</b>
From DIP Concept Note Data Sheet

Major Activities Workplan <i>EXAMPLE INFORMATION ONLY</i>																
Main interventions for smallholder farmers	Responsible	Risk	Risk Mitigation	Milestone/ Completion Date												
				Year												
				M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M 11	M12	
1. Farmer Quality Training																
1.1 Contract training organization	PVCF															
1.2 Training dates set	PPC															
1.3 Approve training materials	RPC															
1.4 Approve venue	PVCF															
1.5 Workshop 1	Contractor	Quality not up to standards, Farmers do not learn what they need	Proper selection and vetting of workshop by third party, test on focus group													
1.6 M&E client survey assessed	PVCF															
1.7 etc.																
2. Provision of tools																
2.1 Contract supplier (e.g., pruning shears)	Prov Proc Officer															
2.2 Communicate with Farmers	PVCF															
2.3 Delivery of tools	Prov Proc Officer	Need tools for Farmer Workshop 1, delivery critical	Work with procurement team to ensure delivery, order soon as possible, have back up source of tools													
2.4 Distribution of tools	PVCF															
2.5 etc.	PVCF															
Add more interventions as needed																
Main interventions for Anchor firms																
3. Processing standards training to farmers																
3.1 Procure Anchor firm services for training																
3.2 Work with Anchor to develop training materials	PVCF															

3.3 Training dates set	PPC																		
3.4 Procuring processing equipment for TA focus group																			
3.5 Approve training materials	RPC																		
3.6 Trials with equipment and TA focus group farmers	PPC/PVCF																		
3.7 Approve venue	PVCF																		
3.8 Distribution of Processing Equipment to Farmers prior to workshop	PVCF																		
3.9 Workshop 1	Anchor Technicians																		
3.10 M&E client survey assessed/ debriefing	Team/Anchor																		
3.11 Workshop 2	Anchor Technicians																		
3.12 M&E client survey assessed/ debriefing	Team/Anchor																		
3.13 Technical assistance during harvest	Anchor Technicians																		
3.14 Debriefing	Team/Anchor																		
<b>4. Provision of processing equipment</b>																			
4.1 Contract supplier for processing equipment	Prov Proc Officer	Price changes from budget	Ensure quotes are solid for time required to process procurement																
4.2 Communicate with Farmers	PVCF	Farmers expectations do not match service delivery	Communication to all stakeholder possible delays, plan sufficient time																
4.3 Delivery date of processing equipment	PPC/ Prov Proc Officer	Delivery delayed	Communication to all stakeholder possible delays, plan sufficient time, negotiate penalty for late delivery, allow for sufficient time for delivery.																
4.4 Distribution of processing equipment	PVCF																		
4.5 Technical follow up	PVCF	Not enough technicians available	Ensure technical support is available and trained																
4.6 etc.																			
Add more interventions as needed																			
<b>Main interventions Others</b>																			
<b>5 Formatted as per above</b>																			



Major Activities <i>(Matches main activities from DIP CN and DIP)</i>																			
Main interventions for smallholder farmers	Unit of Measurement	No. Units	Cost/Unit	Total Cost	DTI-RAPID	Stakeholder (e.g., Anchor Firm)	Farmer	Procurement Initiated											
								Year											
								M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>1. Farmer Quality Training</b>																			
1.1 Contract training organization	Training Session	5	200	1,000	800	100	100												
1.5 Workshop 1																			
<b>2. Provision of tools</b>																			
2.1 Contract supplier (e.g., pruning shears)	Pruning shears	100	15	1,500	1,200	300	0												
2.3 Delivery of tools																			
2.4 Distribution of tools																			
<b>Main interventions for Anchor firms</b>																			
<b>3. Processing standards training to farmers</b>																			
3.1 Procure Anchor firm services for training	Training Services	2	200	400	200	200	0												
3.4 Procuring processing equipment for TA focus group	Fermentation system	5	500	2,500	2,500	0	0												
3.6 Trials with equipment and TA focus group farmers		/a	n/a	n/a	n/a	n/a	n/a												
3.8 Distribution of Processing Equipment to Farmers prior to workshop		/a	n/a	n/a	n/a	n/a	n/a												
3.9 Workshop 1		/a	n/a	n/a	n/a	n/a	n/a												

3.11 Workshop 2		/	n	n/a	n/a	n/a	n/a											
	a	a																
<b>4. Provision of processing equipment</b>																		
4.1 Contract supplier for processing equipment	Fermentation system	500	500	0.250 M	21,0 M	37,500	0											
4.3 Delivery date of processing equipment												same as 4.1						
4.4 Distribution of processing equipment												same as 4.1						
<b>Main Interventions Others</b>																		
<b>5. Formated as per above</b>																		

## **Appendix 4b: Technical Assistance and Partnership with FSPs (project component 3) and Strategic Finance - Innovation Fund (project component 4)**

### **SMEs secure the necessary access to producers, markets and suitable investment finance**

1. In order to achieve this project outcome, RAPID overall follows a market driven approach. In doing so, its interventions address (i) financial service providers' (FSPs) capacities to serve target value chain players; (ii) Department of Trade and Industry's (DTI) intention to establish and capitalise an Innovation Fund, which will provide incentives for private equity and venture capital firms and alternative investment finance models to engage with agri-SMEs and (iii) market imperfection and institutional deficiencies for the development of specific value chain finance schemes.

#### **1. Technical Assistance and Partnership with Financial Service Providers (FSPs)**

##### **1.1 Policy Framework**

2. The project interventions are in support to the implementation of the National Strategy for Financial Inclusion of the Bangko Sentral ng Pilipinas (BSP). Recognizing the inadequacy of bank financing for the agriculture sector, the BSP issued Circular 908, the Agriculture Value Chain Financing Framework of 2016, to encourage all central bank supervised financial institutions (BSFIs), i.e. banks and non-bank financial institutions, to lend to the agriculture sector. With this Circular, BSP "supports the promotion of agricultural value chain financing as an effective and organized approach to channel financing to the agriculture and fisheries sectors and promote financial inclusion. By encouraging the linking of various actors/players in an agricultural value chain, credit risk of participating smallholder farmers/fisherfolks can be reduced." It is intended "to further improve productivity in the agriculture and fisheries sectors and at the same time uplift the lives of these marginalized farmers/fisherfolks."

3. BSP is a member of the Project Steering Committee of the RAPID Growth project. Synergies and convergence with other government institutions involved in agricultural value chains are expected that will address the challenges and risks for i) the BSFIs as an engine for various viable financing schemes, ii) the smallholder producers as a vital link to sustainability of production and iii) the agri SMEs as outlets of products for domestic and global markets.

4. BSP recognizes agricultural value chain financing programmes that have the following features in compliance and adherence to the regulations pertaining to Directors, Officers, Stockholders, and their Related Interests (*DOSRI*) loans and related party transactions:

- i. the BSFI has adequate policies and procedures in place, which cover the identification of value chains, comprehensive value chain analysis, and the design of appropriate financial products and services;
- ii. BSFIs offer appropriate financial products either to a specific actor or to various players of the value chain model simultaneously. In addition to the traditional loans and discounts that BSFIs currently offer, the new products and services may also be made available: *trade- receivables finance* (working capital advances), *factoring* (accounts receivables or contracts of sales of goods sold by the agri-business to the BSFI), *warehouse receipts* (certified warehouse receipt used as loan collateral by the producers and value chain enterprises);
- iii. loan disbursements take one of the following forms, depending on the role that the borrower takes in the value chain and the risks to be addressed by the BSFI: *cash disbursements* in one transaction

- or in installments, *loan proceeds transfer to suppliers* upon full acceptance of the buyer (borrower) and similarly favourable term and conditions of the sub-sidiary loan to the supplier, *anchor firm (agri-business buyer) endorsed loan release* to the borrower to ensure the adoption of the technology protocol required by the anchor firm;
- iv. disaster contingency mechanism that anticipates the risk of significant credit losses to the BSFI in light of the vulnerability of the agriculture and fisheries sector; to mitigate the impact of such inherent risks, the disaster contingency mechanism can provide timely relief to a borrower to facilitate recovery without adverse loan classification and past due loan recognition;
  - v. BSFI engaged in agricultural value chain financing owns or controls a private entity that acts as aggregator to facilitate the formation of value chains or the BSFI has an economically linked entity as an actor in the value chain in the ordinary course of business and not undertaken on more favourable economic terms to such related parties.
5. BSP provides a couple of incentives to encourage BSFIs to engage in agricultural value chain financing: a) loans granted to agricultural value chain actors are considered as either direct or allowable alternative compliance to the mandatory agriculture and agrarian reform credit allocation; b) increase in single borrower's limit for an additional 25% of loans, other credit accommodations and guarantees granted to entities, which act as value chain aggregators of the BSFI's clients.
6. The project implementation aims to
- i. demonstrate viability and promote BSFIs' adoption of agricultural value chain financing through building capacities, enabling banks to leverage on the synergies between and among government engaged in the provision of support along the value chain;
  - ii. provide technical assistance for BSFIs aligned with the agricultural value chain financing;
  - iii. enhance policy / regulatory framework – lessons learned from the pilot phase required for BSP to undertake policy initiatives that will encourage BSFIs to extend to the agricultural sector via agricultural value chain financing.
7. Currently, there are five participating banks involved in the pilot implementation that will be terminated by the end of 2020: Rizal Microbank (RMB, see below), Producers Bank – a Luzon-based thrift bank, but with a good number of branches located in Mindanao via mergers / consolidation, First Valley Bank – a Cagayan de Oro based thrift bank known for granting microfinance / agricultural / salary loans and recently has been very active in the development of their SME loans, Rural Bank of San Leonardo – a Luzon-based rural bank that initially started as a microfinance group lending institution and later went into agricultural and SME loans, and Sta. Catalina Rural Bank – a Luzon-based rural bank mostly serving the agricultural sector.
8. The RAPID Growth project could play a major role bringing the pilot implementation to scale and to make the agricultural value chain financing framework a big success story. The five participating banks are looking at linking the value chain actors to other capacity building programmes of RAPID i.e. enterprise development, cooperative strengthening, and possible inclusion as project beneficiaries for the matching grant. Technical assistance in the development of an enhanced crop insurance and guarantee programmes should be pursued. For crop insurance (see below), PCIC must be able to enhance weather tracker and swift disbursement of claims. Aside from PCIC, the pilot implementation will need technical assistance for private insurance companies willing to develop crop insurance under a public private partnership. Currently, exploratory discussions were initiated by BSP with Pioneer Insurance, Crop Insurance Society of the Philippines, and Malayan Insurance.
9. Consistent with RAPID's concern, technical assistance will also be needed to encourage Philguarantee to enhance / develop new guarantee programs tailored fit for farmers/farmers organizations and SMEs as collateral substitute for financing institutions to grant for collateral short loans.

## 1.2 IFAD Country Strategy

10. IFAD's strategy for collaboration with the Philippines, the Results-based Country Strategic Opportunity Programme (RB-COSOP for 2017-2022) closely adheres the national financial inclusion strategy. The strategic objective of the RB-COSOP reflects IFAD's emphasis on playing the role of an innovation promoter. Similarly, the second strategic objective is to develop an enabling environment and delivery systems in support of competitive, inclusive and resilient agrifood value chains. It has also been emphasized that investments will promote environmentally sustainable and climate resilient technologies and practices and new/improved inputs, while the key target groups for IFAD interventions include the poorest groups of rural people, especially women and indigenous people living highly fragile and vulnerable ecosystems, as well as the people who have benefited from the recent agrarian reforms. The project has to demonstrate how these parameters will be reflected in the operations with FSPs to enable them that their offerings are grounded in enhanced diagnostic analysis of the potential target customers and their detailed investment plans in agricultural value chains. Improving the capacity and outreach of FSPs will take project participating FSPs to the next level of service delivery in terms of financial inclusion and agricultural value chain and development financing rather than pursuing business as usual. RAPID will make an effort to leverage systemic change in financial service delivery by promoting innovative financial products as stipulated in the BSP Circular 908 and other offerings for the various target group segments of the project.

## 1.3 Financial Market Partnership and Capacity Development

11. On the demand side, the key principle of partnership with FSPs is to enable targeted smallholder producers, and other actors in agricultural value chains, the processors and manufacturers as well as Overseas Filipino Workers (OFWs) as potential investors back home to make informed choices in terms of financial products, services and their preferred business partner FSP. This will be achieved through the provision of financial and digital literacy training and mobilization of government financial institutions (GFI), BSFIs, and other FSPs, including insurance companies. On the supply side, the revised target at project start-up in September 2019 is to incentivize at least ten project participating FSPs to pro-actively expand their outreach to the agricultural and rural finance, agricultural value chain finance market segment and to diversify the range of financial products and services for new clienteles. A major project incentive is the equity support to smallholder producers, their associations, agri businesses and anchor firms by the matching grant scheme from the project – functionally addressed by RAPID under project component 1 – direct assistance to enterprises.

12. Generally, matching grants aim to finance a broad array of assets and productivity-enhancing technologies for groups, companies and individuals, and benefiting the private sector directly with clear private goods characteristics. Matching grants are used as a short-term financing instrument to promote diffusion of technologies and enable target groups to carry out productivity-enhancing investments, compensating for the limited availability and high costs of term finance. At times, matching grants incorporate a “crowding in” mechanism to attract FSPs by sharing the risks and increasing the effective collateral value of the asset being financed. They are also used to support innovations that, by their nature, are more risky and less likely to attract loan finance.

13. Particularly, in RAPID matching grants are part of the instruments that the project has to support improved agricultural production, productivity and quality in an environmental sustainable and climate change resilient manner, as well as to promote private sector investments for inclusive value chains. The start-up and implementation support mission in September 2019 concluded with the agreed ratios for matching grants at the different levels of value chain stakeholders. The PIM provides comprehensive guidance on the management and implementation process of the matching grant scheme under RAPID component 1. However, as matching grants are a key enabler together with other financial services, a synthesis of how the project is handling the matching grant scheme is included here in the financial market partnership section. The table below includes the matching grant ratios for equipment and planting materials and the ceilings of investments considered for the calculation of the grant element of finance and investment (matching grant investment cap) at the different levels of agricultural value chain actors. The matching grant approach of RAPID includes a minimum of 10% invested by any grant beneficiary from his/her own capital (equity).

Actors level in commodity value chains	Investment purpose	Grant : investor contribution	Matching grant investment cap
Smallholder producers in agroforestry systems, slope location	High yielding planting material and basal fertilizer	100 : 0 %	1 ha / household
Smallholder producers in mixed farming systems	High yielding planting material and basal fertilizer	60 : 40%	1 ha / household
Farmer producer organizations, associations and cooperatives	Post-harvest processing and storage facilities /a	60 : 40%	PHP 1.5 m
Micro (ME) and small enterprises (SE), privately or collectively owned, expanding services to value chain stakeholders - ME ≤ PHP 3m assets - SE ≤ PHP 15m assets	Post-harvest processing and storage facilities; processing and manufacturing equipment	40 : 60% 30 : 70%	PHP 1.0 m PHP 2.0 m
Medium enterprises ≤ PHP 50m assets, privately or collectively owned, expanding services to value chain stakeholders	Priority to firms specifically addressing environment and climate change, OFWs, IPs, women, CSR and public good investment	20 : 80%	PHP 3 m

**Notes:** /a For the purpose of investment in processing and manufacturing equipment, farmers organizations and cooperatives will be considered as any other enterprise

/b the investor contribution includes a minimum of 10% equity, except for the first level (agroforestry, slope locations)

14. RAPID aims to enable at least ten diligently selected FSPs that their operations are grounded in enhanced diagnostic analysis of the potential target customers and their detailed investment plans in the four prioritized agricultural value chains. Improving the capacity and outreach of FSPs will take project participating FSPs to the next level of service delivery in terms of financial inclusion and agricultural development finance rather than pursuing business as usual. RAPID will make an effort to leverage systemic change in financial service delivery by changing the way financial services are delivered through new distribution models in compliance with the BSP Circular 908 (see above). Another key strategic development area will be connectivity and (“big”) data to promote innovative financial products and offerings for the various target group segments of the project. This entails offering tailored technical assistance and institutional development support under RAPID as well as the matching grant scheme to producers and value chain processors. The Finance Service Officer (FSO) at the NPCO plans to initiate a needs assessment of FSPs for TA and to lay-out a plan of actionable points for a tailored services package and more generic programme offers by the Small Business Corporation. Negosyo Centers will need to manage a database for better market transparency and facilitation of FSP-customer relationship.

15. Other service providers for FSP capacity development will be selected on a competitive basis among recognised institutions specialising in support services to FSPs. Tailor-made capacity development programmes, whose costs will be shared with FSPs, will be delivered over three years. Key issues to be covered include savings; insurance; finance of agriculture activities; project and risk assessment; remittance payment; management, monitoring and control. The FSO at the NPCO will annually measure

FSP progress against milestones defined in an MoU and adjust the capacity development programme accordingly. Qualifying FSPs interested in expanding their rural outreach in the target areas could be supported in specific fields such as: (i) developing micro-banking offices or satellite offices with a lesser range of services than branch offices; or (ii) setting-up networks of agents or points of services; or (iii) promoting the use of mobile money applications for transfers and payments, loan application and interconnectivity with agents and points of services.

16. The partnership agreements with project participating FSPs (MoA) in year one of project implementation will be focusing on four FSPs only, namely the GFIs Landbank (LBP), Development Bank of the Philippines (DBP), Small Business Corporation (SBC) and Rizal MicroBank (RMB) as one of the active private commercial lenders in the sector and agricultural value chain financing.

17. **Landbank of the Philippines (LBP).** The project can build on LBP's vast experience in agricultural and rural finance and by far the largest outreach to rural entrepreneurs and farmers' organizations. Since 2017, LBP is implementing the Agricultural Competitiveness Enhancement Fund (ACEF) that aims to provide credit at 6% p.a. to farmers (up to PHP 1 million) and their cooperatives (up to PHP 5 million) and associations and micro and small enterprises to increase their productivity. Eligible projects for ACEF funding - purchase of farm input and equipment or farm improvement, acquisition/establishment of agri-based production and post-production and processing machineries, equipment and facilities – match perfectly with the type of investments supported by RAPID. This also applies regarding the collateral requirements for the targeted beneficiaries: combination of insurance (see below) and/or Agricultural Guarantee Fund Pool (AGFP) coverage and assignment of expected produce, chattel mortgage and object of financing in terms of acquisition of fixed assets. LBP's Sulong Saka Programme (High-Value Crops Financing) covers theoretically all actors in the agricultural value chain, i.e. individual smallholder farms grouped into clusters composed of 5-20 members at an average of 25 ha/cluster, MSMEs, cooperatives, farmers' associations/organizations, large agribusiness enterprises/corporations, Local Government Units (LGUs), NGOs and so called countryside financial institution. The mission recommends formalizing collaboration with LBP via MoA at the earliest possible and to reviewing the best practice learning cases in agricultural and rural finance identified by the IFAD grant funded programme of APRACA and their potential replicability by farmers' cooperatives in the RAPID project area. One of the options is the model of the Bukidnon Cooperative Bank, which the national working group on agricultural value chain finance and financing adoption of agricultural technology, chaired by the Agricultural Credit Policy Council (ACPC) identified.

18. **Development Bank of the Philippines (DBP).** DBP offers different financing models, including production loans through farmers' cooperatives to farmers, working capital and equipment loans to farmers' cooperatives, loans for the establishment of cooperative facilities, contract farming, and digitalized financial service as a means to inclusive rural finance. The bank is the first FSP that has proactively submitted a draft MoA to DTI under the RAFIP project. The draft MoA however does not refer to the most promising linkage banking model with the network of rural banks as retail FSPs under the Department of Agriculture Agri-Gosyo facility. The NPCO should negotiate with DBP to extend the draft MoA including the wholesale financing to selected rural banks in demand of low cost loanable funds. Preferably, the Rural Banks Association should sanction such linkage banking approach.

19. **Small Business Corporation (SBC).** SBC is currently testing an agent-banking scheme through business linkages with rural banks. Furthermore, SBC provides loans to rural cooperatives at 2% p.a. as part of the government P3 (Pondo Sa Pagbabago at Pag-asenso) programme. Efforts are underway for SBC to design a credit facility for smallholders for production purposes. Even more important is SBC's role as technical service provider for FSPs that provides 57 days of intensive coaching and mentoring on risk based lending.

20. **Rizal MicroBank (RMB)** is a subsidiary of Rizal Commercial Banking Corporation. The bank conducted its own coffee value chain risk assessment study. Based on the profitability analysis RMB has started dishing-out the new production loan and working capital loan products for agricultural value chain finance in close collaboration with ACDI-VOCA. While rolling out its value chain financing product prototype and using its own funds (PHP 100 million in a first phase), BSP is providing a regulatory sandbox in terms of new loan loss provisions, agency banking strategy, etc. RMB is the banking partner of the RAFIP potential anchor in Davao del Sur Province (Region 11), the Balutakay Coffee Farmers' Association and its offspring the Balutakay Coffee Farmers' Cooperative (BACOFA). The bank is open to the initiative of supporting the huge OFW sector for their financial needs with technical support from the project. Upon signing of the MoA and submission of a letter of intend, RMB should be granted membership in the RAPID Steering Committee.

### **Agricultural Insurance**

21. **The Philippine Crop Insurance Corporation (PCIC)**, the implementing agency of the government's crop insurance programme under the Department of Agriculture currently offers several lines of agricultural insurance, such as for rice, corn, high-value, long gestational crops. Besides agricultural asset insurance, it provides credit and life term insurance packages. The RAPID design foresees potential support to the improvement of insurance for high value, long gestational crops, and the possible bundling of these insurance products with other products and services offered by FSPs and value chain actors. A noted concern from the PCIC in the operation of their products for these value chains is the speed of loss assessment and claims processing since all current product offerings are indemnity-based and currently require in-field damage assessments to determine insurance pay-outs. To contribute to implementation-readiness of RAPID, a study will be financed by the INSURED (Insurance for Rural Resilience and Economic Development) technical assistance programme and implemented by IFAD through the Platform for Agricultural Risk Management (PARM). The study would investigate methodologies and/or alternative insurance products for improving the speed and efficiency of loss assessment and claims settlement for high-value, long gestational crop insurance. Its outputs would inform (a) the future PCIC strategy, and that of interested private-sector insurers, and (b) the investment and implementation strategy of RAPID in crop insurance. With a focus on these value chains, the study would include: (i) research into the risk characteristics, including of FSPs and value chain actors, the data available if relevant; (ii) assessment of the feasibility of index-based insurance products or other innovative loss assessment measures allowing quick and easy damage assessment and faster payment of claims; and (iii) analysis of the business and delivery models for such products. It is envisaged that the study would be prepared by mid-September 2020 in order for findings to help support the planning and implementation of RAPID's insurance components. RAPID in close collaboration with PARM-INSURED should alternatively explore the opportunity of partnerships with the private sector such as the Center for Agriculture and Rural Development Mutually Reinforcing Institutions (CARD MRI) and **CARD Pioneer Insurance Group, Inc.** At least until the end of 2021, PARM-INSURED can provide these additional services to PCIC and interested private insurance companies through: (i) technical assistance to develop crop insurance for long-gestating/high-value crops; (ii) feasibility studies to explore weather index insurance or other innovative crop insurance schemes; (iii) training of farmer associations and building FSP capacities so that they can include effective crop insurance training and coaching in the capacity building programmes; (iv) training of Negosyo Centers, BDS providers, federations of cooperatives and industry associations on how to introduce smallholder farmers groups to crop insurance and remove current negative bias

### **Guarantee and Risk Mitigation**

22. RAPID will address the collateral requirements by FSPs, which often is a bottleneck for smallholder producers and rural small-scale businesses. Depending on the dimension of the collateral gap, the project may assist Philguarantee, the government-controlled corporation established to consolidate all government guarantee programmes to expand its current guarantee facilities from short-term crops to long-gestating crops and capital expenditures, including those prioritized by the project. The intention is to develop a Management Information System that allows for real-time reporting by FSPs to AGFP. However, the annual



plan of activities and budget needs to make provision for this intervention and the PIM would need to be expanded to sufficiently cover these operations.

23. Other *risk mitigation measures* to support project participating FSPs lending to smallholder producers and agri-businesses may include besides agricultural insurance and guarantees: (i) risk-based lending training, such risk assessment and profiling, and the use of SBC's "Borrower Risk Rating" tool; (ii) assistance to FSPs to join the **Credit Information Corporation (CIC)** to submit complete credit information to the CIC and effectively use its services to decrease loan default risks.

24. A package of *financial and business education* will be systematically delivered to farmers' groups and associations collaborating with agri-businesses or operating their own post-harvest enterprises, which will also include budget planning, cash flow analysis, financial literacy training and operation of cooperative savings and credit.

25. *Capacity building of cooperatives.* Given the importance of primary cooperatives in facilitating their members' access to loans and other financial products, the project will support the enhancement of cooperatives' business development and financial management capacities. It is envisaged that some 1,600 cooperatives will be assessed by local audit firms. Those rated as eligible will be trained and coached in areas of their demand by local service providers, including secondary cooperatives and regional federations.

## 2. Strategic Finance and Innovation Fund

26. **Innovation Fund.** The original design of the RAPID Growth project was to support DTI to establish and capitalise an Innovation Fund, which should provide incentives for private equity and venture capital firms to engage with SMEs. The Fund would be managed by DTI's financial arm, the SBC. It would have co-financed the equity required by an agri-SME with an interested equity/venture capital firm. The basis for equity placement will be a rigorous evaluation by the equity/venture capital firm of the agri-SME's financial position, management, product lines, market, and audited bankable detailed investment plan. The equity/venture capital firm will be responsible for selecting the agri-SME, placing and managing the equity, and monitoring its performance. The profit threshold of the Innovation Fund will be capped, thus increasing the relative share of surplus accruing to the equity/venture capital firm as an incentive. The equity/venture capital firm may be invited to participate in early buy-out options of the agri-SME investment by redeeming the Innovative Fund's shares, providing an additional incentive for the firm.

27. As of to date, year one of project implementation, there are no such activities that indicate that the original plan is still feasible, and SBC is still elaborating the implementation procedures for the Fund for its Board to approve. Hence, RAPIP may put more emphasis on alternatives of strategic investment financing and to provide incentives for private equity and venture capital firms to engage with SMEs, particularly those that require capital for technology and biotechnology innovations, including research and development (R&D). Other innovative financing may qualify for assistance and partnership under RAPID. SBC as the Innovation Fund manager is expected to develop a pipeline, i.e. to explore blending required capital by an agri-SME with an interested equity/venture capital firm or local impact investors. SBC would also eventually assist interested equity/venture capital firms to sell equity shares back to the SMEs themselves, to farmers' organizations, or to other investors. It would advertise ordinary shares for sale, either on its website and/or to financial institutions interested to offer the shares to their clients RAPID would cover the costs of technical assistance to develop the co-investment conditions and share models, investment pipeline, disbursement and monitoring, divestiture plans etc. of private equity/venture capital firms or local impact investors.

28. Besides SBC, RAPID should pay attention to alternative/innovative funds that will maximize both social and financial returns through valuable entrepreneurship, at the same time ensuring continuing growth for the agri-SME, equitable development and environmental sustainability in all its initiatives. Encouraging experience in this respect has been developed by local FSPs with expertise on equity financing and impact

investment, such as the **Foundation for a Sustainable Society, Inc. (FSSI)**; the Dutch **ICCO Cooperation**; and **Peace and Equity Foundation**.

29. In the rural financial sector, among numerous emerging opportunities for agricultural value chain financing, *crowd funding* stands out to be one very promising game-changer. Crowd funding combines the best of crowdsourcing and microfinancing, bringing together various individuals who commit money to projects and (social) enterprises they want to support. It is a young and quickly growing market and it is transforming how people behave with their money. It is also transforming the ways businesses raise capital. There are several kinds of crowd funding viz. (i) reward-based, (ii) peer-to-peer (iv) donation-based, (iv) equity-based, (v) real asset assets and (vi) mosaic crowd funds. These new generation funding sources have potential of supplementing incumbent bank and non-bank financial institutions finance and partner with RAPID. Their funding mechanism, possible ways of partnership and risk management avenues need further study and deliberations in the year two of project implementation.

30. *OFW investment in agri-SMEs*. On its portal directed at OFWs (<http://www.balinkbayan.gov.ph>), DTI will manage a specific site dedicated to RAPID in support of agri-business investment in targeted value chains. The information provided will include types of business opportunities, and the financial and non-financial services available. This will encourage investment flows to rural areas by overseas and domestic migrants, and create a flow of incomes for returnees and their families. DTI will explore the option of crowd funding (see above) to source remittances, as well as other forms of alternative equity finance in agri-SMEs across the targeted value chains. RAPID should undertake a study to assess feasible options for OFW investment into agri-SMEs, in line with government priorities to support OFWs engagement in their country and localities of origin, and with OFWs interest to reap both financial and developmental returns. In assessing options to channel diaspora investment into agri-SMEs, the feasibility study will assess the policy and regulatory environment for migrant investments in SMEs (including cooperatives), and will include an analysis of OFW demand and of existing investment vehicles. The complete study will be undertaken by end of year two of project implementation, so that its conclusions and recommendations can be considered during annual planning and policy-making and also reviewed and integrated at project mid-term.

## Appendix 4c: RAPID Growth Project Implementation Manual (PIM)

### Recommended Final Version of **Farm to Market Infrastructure (FMI) Implementation Guidelines and Procedures** (SIS Mission March 2020)

#### **I. Farm to Market Infrastructure (FMI)**

##### **A. Introduction**

This Implementation Guidelines and Procedures will serve as source book for information in the identification, selection and prioritization of proposed Farm to Market Infrastructure sub-projects, preparation of Feasibility Studies (FS), Detailed Engineering Design (DED) and Plans, Programs of Work (POW) and Technical Specifications, sub-project implementation, monitoring and evaluation (M&E) and operation and maintenance (O&M) arrangement of completed Farm to Market Infrastructure facilities under RAPID Growth. This Implementation Guidelines and Procedures on Access Infrastructure will form an integral part of the RAPID Growth Project Implementation Manual (PIM).

##### **1. Objectives**

Specifically, the guideline aims to ensure the attainment of the overall objective of the Farm to Market Infrastructure (FMI) sub-component in support to the rest of Project components through:

- Provision of stakeholders with uniform and common understanding of the Project and its FMI sub-component;
- Delineation of the roles and responsibilities of implementors at various levels in different stages of sub-component implementation;
- Provision of clear guidelines in sub-project identification, selection, prioritization, documentary preparation, review, and approval;
- Provision of clear guidelines in the procurement of civil works;
- Smooth ground implementation of approved FMI sub-projects; and
- Provision of guidelines in ensuring the sustainability of completed facilities in terms of Operation and Maintenance (O&M).

##### **2. Scope of FMI Guideline and Procedure**

This Implementation Guidelines and Procedures for FMI shall only cover sub-projects that qualify and are implemented under RAPID Growth.

Specifically, it would cover the following aspects of the sub-component to wit:

- General Implementation Arrangement
- Farm to Market Infrastructure (FMI) Standards and Specifications
- Eligibility Procedures and Financing Arrangement
- Implementation Processes and Procedures involving the following:
  - Sub-project Identification, Selection and Prioritization
  - Sub-project Validation and Appraisal process
  - Sub-project Feasibility Study (F.S.) Preparation
  - Sub-project Detailed Engineering Preparation
  - Sub-project Review and Approval Process

- Procurement Procedures and IFAD Prior Review
- Sub-project Execution, Monitoring and Evaluation, Completion and Turn-over
- Sustainability Mechanism and Operation and Maintenance Arrangement
- Capacity Building Program

Standard forms, templates, instruments, technical specifications and details are also provided for easy reference and uniformity.

## **B. Organization and Management of Farm to Market Infrastructure**

### **1. General Implementation Arrangement**

The executing agency for the RAPID Growth Project is the Department of Trade and Industry (DTI) with overall responsibility for project implementation and coordination. The project management structure is not configured as a self-standing organization but is embedded into DTI and geared to work hand in hand with DTI divisions, building on DTI processes and experience.

A Project Steering Committee (PSC) chaired by DTI with the participation of relevant stakeholders involved (DILG, DA, OWWA, DAR, DOST, TESDA, NCIP) in Project implementation will provide overall guidance and oversight.

A National Project Coordination Office (NPCO) headed by a Project Director under the direction of DTI Regional Operations Group (ROG) will carry out project implementation responsibilities at the national level. The NPCO shall be assisted by a Senior Rural Infrastructure Engineer (SRIE) consultant to undertake final review of technical documents prior to approval.

Regional Coordination Units (RCUs) headed by the DTI Regional Director will support the NPCO in implementing the project in the target regions, under the authority of DTI SME Development Service Division/Industry Development Services at the regional level. A Regional Technical Working Group (RTWG) in each region will support the RCU with two (2) Sub-Working Groups (SWGs). One (1) SWG will be chaired by DTI for Value Chain Development and Productive Investments Component concerns while the other chaired by DILG for the Farm to Market Infrastructure sub-component concerns.

Provincial Coordination Units (PCUs) headed by DTI Provincial Director will provide assistance to DTI-led provincial networks of Negosyo Centers in implementing the project in the target provinces.

Considering that LGUs are under the supervision of DILG, DTI requires strong partnership with DILG in order that the RAPID Growth sub-component on Farm to Market Infrastructure would be effectively implemented and target project beneficiaries would be able to access, utilize and benefit from the financial products with due regard for their respective local development/investment plans. DILG has offices from national and regional to provincial and municipal levels, which provide capacity building to LGUs in the planning, designing, procuring and implementing rural infrastructure projects, including road rehabilitation and maintenance.

In this regard, the Department of Interior and Local Government (DILG) will support DTI in overseeing the implementation of Farm to Market Infrastructure and provide technical support for FMIs that will be identified, designed, procured, implemented, and maintained by MLGUs consistent with the provisions on devolution under the Local Government Code of 1991. Under this arrangement, the roles, responsibilities, accountability and reporting obligations of DTI and DILG are stipulated in a Memorandum of Agreement (MoA) attached as **Annex 56** to this manual.

For each sub-project, the DTI Regional Director and DILG Regional Director will enter into a tripartite Sub-Project Agreement (SPA) with the participating MLGU defining roles and responsibilities as well as technical assistance inputs (**Annex 57**). The MLGUs will be responsible for engineering design and for procurement

and contracting of private sector contractors who would execute the civil works. DTI Regional Coordinating Units (RCU) will be assisted by a Regional Technical Working Group (RTWG) chaired by DTI. The Farm to Market Infrastructure Sub-Working Group (FMISWG) chaired by DILG (preferably by the Project Development and Management Unit - PDMU head) in support to the RTWG will undertake quality control of design, review technical documents and recommend approval of proposed Farm to Market Infrastructure sub-projects. The FMISWG will be supported by a Rural Infrastructure Engineer (RIE) hired by DILG at the regional level charged to RAPID funds. Supervision of construction will be multi-tiered, involving DTI with technical support from DILG, and participating MLGUs. Procurement of contractors for civil works by MLGUs would be through a competitive and transparent process, in compliance with RA 9184 and consistent with the IFAD Procurement Guidelines.

The sequence for selecting, designing and implementing the Farm to Market Infrastructure sub-component is discussed in detail in the succeeding sections.

## 2. Farm to Market Infrastructure (FMI) Standards and Specifications

RAPID Growth will facilitate market access for farmers' produce by rehabilitating farm to market infrastructures in the form of standard farm to market roads (FMR), tire tracks or tire paths, motorcycle/tricycle roads, well-defined animal trails for horses, carabaos, and other working animals or foot paths wherever appropriate. In particular, it shall finance the rehabilitation or improvement of small-scale access infrastructure to facilitate the transport of basic commodities and services, farm inputs and produce to and from rural communities involved in Strategic Investment Plan (SIP) implementation.

Majority of the FMRs, sometimes known as feeder roads, are classified as barangay roads. In compliance with the national policy on making FMRs more resilient and sustainable and following the latest amendment on DPWH design standards for tourism and FMR by virtue of DPWH D.O. 15, s. 2020 dated 14 January 2020, the minimum concrete pavement (PCCP) width shall be 6.10m of Portland Cement with a minimum of 1.00m shoulders on both sides provided with appropriate drainage canals and appurtenant structures. Cross drainage structures of Reinforced Concrete Pipe Culverts (RCPC) or Reinforced Concrete Box Culverts (RCBC) will be provided as the need arises. Slope protection works along critical sections of the FMRs will ensure compliance to environmental safety and protection against the adverse effect of extreme weather condition. Environment friendly technology such as bio-engineering methods on protection works like using coco-nets will be used to the extent possible to directly support the coconut industry as one of the priority commodities of RAPID Growth. The general features and specifications for FMRs and its appurtenant structures to be adopted by the Project under DPWH D.O. No. 15, s. 2020 - Design Standards for Tourism and FMR is attached as **Annex 58**.

Geometrical features and technical specifications of alternative types of FMI under RAPID are as follows:

• Tire Tracks or Tire Paths	➤ 2 - 60cms wide x 20cms thick 3,000psi concrete tire tracks/paths on 10cms aggregate base course (Item 201) with grass "creeps" along center gap of 0.90m, shoulders of 1.00m wide and drainage ditches on both sides provided with passing bays of 6.00m road width at every 100.00m intervals
• Motorcycle or Tricycle Roads	➤ 3.00m wide x 15cms thick 3,000psi concrete carriageway on 10cms aggregate base course (Item 201) with 0.50m shoulder and triangular drainage ditch on both sides
• Well-defined animal or animal drawn sledge trails and Foot Paths	➤ 1.50m wide x 15cms thick concrete block carriageway on 10cms aggregate base course (Item 201) with 0.50m shoulder and triangular drainage ditch on both sides

## C. Scope, Eligibility Criteria and Financing Arrangement

### 1. Basic Requirements and Scope of Access Infrastructure

The project will facilitate market access for farmers' produce by rehabilitating or improving farm to market infrastructures. Subproject proposals will be identified in Strategic Investment Plans (SIP), aligned with the corresponding local development/investment plans of Municipal Local Government Units (MLGU) hence have to be incorporated in the Municipal Development Plan (MDP) and Annual Investment Plan (AIP) through a Municipal Development Council (MDC) resolution and endorsed by a Sangguniang Bayan (SB) resolution. In line with national standards, FMIs will be concreted, which will contribute to lower maintenance costs and enhanced sustainability even under difficult weather conditions.

FMI rehabilitation or improvement shall cover small-scale access roads as defined above. The overall target for farm to market infrastructure under the RAPID Growth is 140 kilometers. As there would possibly be a few requirements for connecting bridges along proposed identified FMRs, the limited budget for farm to market infrastructures may not possibly be enough to support this hence, this should be a pre-condition for the proponent MLGU to seek assistance from other sources prior to approval of the FMR component to make the facility useful. In the same manner, proposed rehabilitation of provincial roads if any, shall also be sourced out from other programs and projects of the national government such as PRDP of the DA and the DILG's Conditional Matching Grant for Provinces (CMGP) under the Local Government Support Fund (LGSF). RAPID shall also leverage DILG funds for municipal local roads under its Assistance to Municipalities-LGSF to complement the limited budget of the FMI sub-component.

Discussions on the initial RSIPs submitted indicated that there are other types of farm to market infrastructure that are actually needed in production areas of commodities prioritized by RAPID Growth. This would include motorcycle or tricycle roads, well-defined working animal trails or sledge trails, and even footpaths in mountainous areas like ancestral domains and protected areas usually planted to cacao and coffee. Considering that these were not identified in the Project design documents, these other farm to market infrastructure requirements have to be validated during the conduct of supervision missions and decided on its inclusion when necessary.

## **2. Eligibility Criteria and Financing Arrangement**

The identification of FMIs that could undergo rehabilitation or improvement with RAPID Growth funds shall be subject to eligibility criteria as provided for in this guideline. Criteria will include volume of production, number of farmers served, expected impact, and minimum cash contribution of 5% by MLGUs among others. The following eligibility criteria among others shall be followed:

1. FMIs shall be identified by value chain stakeholders participating in the RSIP and DIP preparation under Component 1 and ultimately enable the development of a model for supporting connectivity improvement to promote local development;
2. only rehabilitation and improvement of FMIs (usually FMRs or barangay roads and alternative types of access infrastructures and to some extent critical municipal roads) will be eligible for funding under RAPID Growth project; proposed provincial roads shall be sourced from other programs and projects of the national government;
3. proposed FMIs must not be currently covered nor must have no funding commitment under any local or foreign funding sources to avoid duplication;
4. proposed FMIs must be linked to an existing all-weather road network i.e. national, provincial, or municipal roads in good condition to establish connectivity;
5. proposed FMRs with connecting bridge/s shall only be considered for funding if the connecting bridge/s have committed funding from other source/s and will be implemented within the RAPID Growth implementation period; else, it will be deferred for further evaluation;
6. proposed FMIs shall serve substantial production areas of Project identified priority commodities (cacao, coffee, fruits and nuts, coconut) of not less than 100ha or total beneficiaries of not less than 100 farmers for every kilometer;
7. sub-project sites must be free from social and environmental problems and issues unless feasible mitigating measures can be provided and shall be subject to Social and Environmental Assessment

Guide Questions as provided under Part IV of the RAPID Growth PIM on Safeguards and Procedures;

8. LGU proponents must comply with Social Safeguard requirements which includes providing compensation to affected persons including RROW, structures and crop damages among others if necessary; and

9. Proposed FMIs in Indigenous People (IP) areas shall be subject to the Field Based Investigation (FBI) of the National Commission on Indigenous People (NCIP) and shall secure Free Prior Informed Consent (FPIC) from the IP community or Certificate of Pre-condition.

Integrating the above criteria in FMI selection considerably minimizes the potential impacts arising from rehabilitation/improvement and operations. Hence, all proposed FMIs have to be subjected to both the Social and Environmental Assessment Guide Questions in Part IV of the PIM. The first six (1 to 6) criteria are “MUST CRITERIA” and each has to be complied before it is considered for inclusion in the preparation of Feasibility Study (FS), otherwise, it will automatically be disqualified.

RAPID Growth will finance the operational cost of DILG technical assistance at all levels and for undertaking capacity building to MLGUs. The cost of rehabilitation/improvement works shall also be financed by the Project requiring a minimum contribution of 5% of the total sub-project cost from the proponent MLGU. The cost of SP feasibility study and detailed engineering preparation shall be charged to the account of the proponent MLGU. Payment for FMI rehabilitation/improvement works shall be through the MLGU (funds will be downloaded to MLGUs in tranches) based on the Statement of Work Accomplished (SWA) submitted by contractors and reviewed and validated by the MLGU PIT, DTI PCU, and DILG MLGOO. DILG shall receive directly from IFAD transfer of funds for monitoring and evaluation and technical assistance to participating LGUs.

## **D. Implementation Processes and Procedures**

### **1. Sub Project (SP) Identification, Selection, and Prioritization Guidelines**

Identification and selection of proposed FMIs for RAPID Growth financing shall be based on the completed and approved Regional Strategic Investment Plans (RSIPs) and Detailed Investment Plans (DIPs). These FMIs are presumed to have undergone selection based on the eligibility criteria as provided in section C2 above.

There is very high probability that identification and selection of FMIs will generate excess demand beyond the available limited funding allocation for this sub-component of RAPID Growth. In order to address this expected issue, identified and selected FMRs that passed the eligibility criteria shall be prioritized for funding and implementation. Prioritization shall be according to the following guidelines:

1. critical main road (access) links to production areas shall be given highest priority over internal road network within production areas;
2. priority shall be given to sub-projects supporting currently producing areas with existing producers' group as identified and prioritized under Component 1 and shall be ranked according to the size of production area with a minimum of at least 100ha or benefiting number of beneficiaries of not less than 100 farmers per kilometer;
3. sub-projects shall generate an economic internal rate of return (EIRR) of at least ten (10) percent and shall be ranked according to the calculated EIRR in the FS report;
4. financial capability and commitment of MLGU to provide the required equity contribution in cash based on IRA allocation or other legal sources and shall be ranked according to the amount provided with a minimum value of 5% of the total sub-project cost on civil works;
5. technical capability and commitment of MLGU to immediately conduct engineering surveys, prepare the detailed engineering plans, designs and program of work charged to their account and manage the implementation of the proposed sub-project; highest priority shall be given to SPs with

already available Detailed Engineering (DE) Plans, Program of Work (POW), Bill of Quantities (BOQ) supported with unit cost derivation and quantity estimates;

6. commitment of the MLGU to immediately work out the required clearances and permits from concerned government regulatory agencies; and

7. commitment of the MLGU to allocate budget for acquisition of RROW and compensation of affected properties and crops when necessary and incorporated in the budget during the implementation year once required.

DTI PCU shall take the lead in the FMI prioritization process in each province and shall prepare a list of prioritized FMIs and submitted to the RCU copy furnished NPCO for subsequent review and approval for field validation by the DILG PDMU through the Project-hired Rural Infrastructure Engineer (RIE) as part of DILG technical assistance. DILG Provincial Office assigned engineers, MLGOO, and MLGU shall assist in this activity.

## **2. SP Validation and Appraisal**

Prioritized FMIs shall be field validated by DILG PDMU hired RIE in coordination with the MLGU prior to the preparation of the individual Feasibility Study (FS) report. Duly filled-up validation reports the template of which is attached as **Annex 82** shall be prepared by PDMU hired RIE as basis for preparing the FS to be submitted for review by the RTWG FMISWG, recommendation by the RTWG Chair, and approval by the RCU head.

FMIs prioritized for assistance shall be reflected on a municipal and provincial road network plan to determine interconnectivity with the rest of the road networks in said municipality and province. The proponent MLGU shall also prepare a brief profile (**Annex 83**) of all prioritized SPs for Project assistance within their respective municipality. The Municipal Planning and Development Officer (MPDO) shall ensure that all FMIs identified, prioritized, and validated will be endorsed by the Barangay Development Council (BDC) to the Municipal Development Council (MDC) for integration to the Municipal Development Plan (MDP) and concurred by the Sangguniang Bayan (SB).

Validation and appraisal of prioritized sub-projects proposed by the MLGU for funding support under RAPID Growth shall be according to the following procedure:

1. MLGU prepares the municipal and provincial road network plan reflecting the location and alignment of the prioritized FMR within the municipality and province and submits same to the PCU;
2. MLGU also prepares a brief profile of the prioritized FMI using the template provided and submits same to the PCU;
3. PCU prepares a list of prioritized FMIs within the province and submits list to the RCU together with the municipal and provincial road network plan and FMI brief profiles;
4. RCU receives the documents and instructs RTWG FMISWG to review completeness and inform MLGU on the schedule of the conduct of field validation and appraisal;
5. DILG PDMU hired RIE upon instruction of RTWG FMISWG conducts field validation and appraisal of sub-projects together with representatives from PCU and MLGU;
6. DILG PDMU hired RIE prepares validation and appraisal report using the template as provided with recommendation on whether to proceed or not with the Feasibility Study (FS) preparation to the RCU through the RTWG FMISWG;
7. RCU reviews merits of proposed SPs and informs MLGU thru the PCU of pre-qualified sub-projects for assistance with the advice to proceed with the conduct of Feasibility Study (FS) preparation.

Upon receipt of notice to proceed with FS preparation, the MLGU activates its established Technical Working Group (TWG) to start the process.



### 3. SP Feasibility Study (FS) Preparation

As a matter of policy, proposed sub-projects must be technically feasible, financially and economically viable, socially acceptable and without any significant negative environmental impact. Given this, there is a need to determine and establish beforehand, indicators that would show the “desirability” of each sub-project proposed in the SIPs as basis for its evaluation and subsequent approval for fund release, hence every sub-project proposal for financing under RAPID Growth has to undergo a simple yet acceptable form of Feasibility Study (FS). Sub-projects shall only be considered for financing if found to be technically feasible and economically viable aside from being socially acceptable. It should demonstrate a Cost Benefit Ratio (CBR) of at least 1 or an Economic Internal Rate of Return (EIRR) of at least 10%.

The preparation of sub-project Feasibility Study (FS) shall be the main responsibility of the Municipal Planning and Development Office (MPDO) with support from the Municipal Engineer’s Office (MEO) for the preparation of technical documents.

Upon receipt of notice to proceed with FS preparation from the RCU through the PCU, the MPDO shall immediately proceed with sub-project data generation and preparation of Feasibility Study. Cost parameters to be adopted for the FS shall be the current average unit cost adopted from the latest FMI projects that were implemented by the MLGU from various funding sources.

DILG PDMU hired RIE at the regional office assisted by the DTI PCU and engineers at the DILG provincial office (PO) shall provide technical assistance and guidance to the MLGU in the preparation of the documents. The MLGU may also outsource the FS preparation if needed, charged to the MLGU’s account. The annotated format for individual FMI FS report for proper guidance of MLGUs showing major sections to be considered for discussions and analysis is attached as **Annex 61**.

It should be noted that a component on social safeguard and environmental considerations shall form an important part of the FS where:

1. *Social Safeguard* deals with the identification and quantification of the sub-project’s impact on its stakeholders including the well-being of particular groups in society like IPs and women; and
2. *Environmental Consideration* analyzes the impact to environment and mitigating measures to include climate change adaptation and cost implications.

These two (2) concerns should address the following questions among others:

- *What impact will the sub-project have to the community and the environment?*
- *What will be needed to reduce or eliminate the adverse impact of the sub-project and what would be their cost?*
- *What residual impact would remain and who will be affected by it?*

Environmental considerations in the Feasibility Study preparation shall be governed by the Environment Policy of IFAD (SECAP) and the Philippine Environmental Impact Statement System (PEISS). Social Safeguards on IPs shall be governed by RA 8371 on Indigenous Peoples Rights Act (IPRA) while Gender and Development (GAD) concerns by RA 9172 on Women in Development and Nation Building Act of 1992 on the part of the GOP. Likewise, IFAD’s policy on IPs and GAD shall also be incorporated in the study.

Most, if not all proposed SPs under RAPID Growth will probably be categorized as C under the Philippine EIS System hence, may only require a Certificate of Non-Coverage (CNC) from DENR which will require the submission of a simple sub-project description as provided in Part IV of the RAPID Growth PIM. However, potential minor impacts may still occur during the whole process of sub-project planning, implementation, and operation and maintenance that need to be mitigated. These impacts shall be anticipated and assessed on how to incorporate mitigating measures in the design and reflected in an Environmental and Social Management and Monitoring Plan (ESMMP) the template of which is also provided in Part IV of the RAPID Growth PIM.

### ***Gender Integration in FS Preparation and Design***

Gender analysis is required at different stages of the sub-project preparation stage. To ensure that these are incorporated in the project design and that policies are adhered and considered during the planning stage, the following have to be considered in the FS report.

- a write-up on the involvement of women during the sub-project identification, prioritization and implementation stage especially if the proposed sub-project is socially and culturally acceptable to women among others;
- discussion on whether and how will the implementation of the proposed sub-project affect the current activities and responsibilities of women within the project influence area;
- highlight discussions that women will be given equal opportunity to be hired or engaged during the sub-project implementation, what could be their role, and that women will be encouraged to become officers and members of the O&M team upon sub-project completion and be given equal chance to participate in decision making;
- discussion on how women can benefit from the completion of the sub-project; and
- other involvement of women as deemed appropriate

These discussions shall be incorporated in the sub-project FS report proposal in chapters and sections where appropriate or can be discussed in a sub-section on “Gender Analysis”.

### ***IP Integration in FS Preparation and Design***

The legal basis in working with Indigenous Peoples (IPs) especially those within an Ancestral Domain is R.A. 8371 on Indigenous Peoples Rights Act otherwise known as the IPRA law and the IFAD Policy on Indigenous Peoples. Processes and procedures in pursuing development efforts including FMIs in Ancestral Domains are spelled out in these legal documents hence the main source for reference.

In this respect, the following is a checklist and reminders in ensuring that IP concerns and perspectives are incorporated in the FS report as well as sub-project design to wit:

- ensuring that Free Prior Informed Consent (FPIC) is conducted prior to entering the IP areas in close coordination with the local NCIP;
- discussion on rituals to be conducted in observance of the IP’s traditional practices during Planning, Implementation and O&M;
- ensuring that IPs are equally represented in all consultations done in the field;
- encouraging IPs to become officers and members of O&M committees after sub-project completion to give them equal chance in decision making; and
- Other IP practices and traditions that need to be observed as deemed relevant.

All these pointers shall be reviewed during the sub-project proposal preparation and explicitly mentioned and included in the write-up with devoted section on “Indigenous Peoples’ Analysis” as well as including potential impacts and mitigating measures in the ESMMP.

### ***Climate Change Considerations for FMIs<sup>9</sup>***

In the Philippines, the occurrences of warm weather, heavy rainfalls, flooding, droughts and fires are a few of the observed phenomena for the last several years. These have substantially and adversely affected the infrastructures in the country especially those that are located in rural areas which are commonly made of

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<sup>9</sup> extracted from the materials of Dr. Rosa T. Perez; Sources: Netherlands National Research Program: “Climate Changes Spatial Planning” (2007) and ADB Guidelines for Climate Proofing Investment in the Transport Sector; Road Infrastructure Projects

low-type materials such as earth or gravel roads aside from being located in flood prone areas susceptible to inundation and erosion due to critical slopes. Examples of these effects are summarized as follows:

**Table 2. Common Effects of Climate Change on FMIs**

Climate Change	Effects on FMRs
<ul style="list-style-type: none"> <li>• Increased and more intense precipitation</li> <li>• Wetter wet seasons and drier dry seasons</li> <li>• Higher temperatures</li> </ul>	<ul style="list-style-type: none"> <li>➤ Flood risk to roads</li> <li>➤ Increased instability of embankments</li> <li>➤ Increased damage to road surface</li> <li>➤ Increased erosion</li> </ul>

In engineering point of view, climate proofing infrastructure means ensuring the capacity of a system to continue to function well as the climate changes or instituting a measure of the range within which the system, such as an ecosystem, a socio-economic system or a technological system, continues to function normally. Hence, it is about putting in place measures that enable the cost-effective management of climate impacts to reduce the risk that climate change presents to infrastructure. It includes integrating the impacts of climate change into decision making for new infrastructure and maintenance of existing infrastructure. Further, it is not about eliminating all risks from climate change or extreme weather but making the infrastructure climate resilient.

Climate Resilient Infrastructure is defined as the ability to withstand a certain level of damage brought about by extreme changes in climate such as flooding without necessarily resulting to total destruction and could still recover through a certain amount of rehabilitation works and resume its original shape.

The following are some pointers to ensure that Climate Change effects are addressed in sub-project proposals and sub-project design:

- taking into account the latest observations on occurrence of flooding and other natural phenomena in the locality rather than fully relying on historical records of occurrences;
- adopting the appropriate flood discharge and flood levels as observed lately by people residing near or along river courses and flood prone infrastructure sites in case these are higher than available historical data;
- discussions on policy issuances like barangay and municipal ordinances on prohibiting passage of heavy vehicles during rainy days to prevent damages to road surface due to soft foundation;
- providing appropriate erosion control measures (bioengineering through sodding of slopes and adopting scour checks) to roads that are prone to flooding from too much rainfall run-off;
- avoiding road alignment along erosion prone areas especially along steep slopes;
- providing appropriate sizes of drainage canals along roads and cross drainage facilities like box culverts, spillways;
- protecting downstream outlets of drainage structures by providing riprap protection works;
- other climate proofing measures to ensure resilience of FMIs when extreme rains and flooding occurs.

The result will be a more resilient and robust infrastructure network able to adapt with projected climate impacts e.g. increased flexibility to cope with uncertainty without massive failure and economic cost.

Finally, during sub-project FS preparation, clearances and certifications from government regulatory agencies provided in Part IV of the PIM shall be worked out by the MLGU and attached to the FS report which shall be reviewed by the RTWG FMISWG, recommended by the RTWG Chair and approved by the RCU head.

#### 4.SP Detailed Engineering Preparation

Detailed engineering preparation will cover activities necessary to conduct detailed survey, engineering design and preparation of detailed engineering plans, specifications and Programs of Work (POW). These activities shall be under the full responsibility of the proponent MLGU charged to their account. The Municipal Engineer's Office shall be the main responsible unit to prepare the necessary detailed engineering documents of proposed SPs. The RTWG through the DILG regional PDMU hired RIE, DILG PO engineers, and the DTI PCU shall also provide technical assistance and guidance to the MLGU in the preparation of the documents.

Detailed Engineering Documents (DED) shall follow the standard requirements as agreed with DILG, DTI, and IFAD. The basic geometric and design specifications to be adopted for the Project is in **Annex 58** and Section B.2 of this document.

Detailed Engineering plans and POW of proposed FMIs shall include the following details among others:

- a municipal and provincial road network plan highlighting the proposed SP;
- SP alignment (plan) and profile on half-roll cross section paper indicating the proposed SP gradient and its slope and location (i.e. exact stationing) and type of existing and proposed structures;
- cross-sections at 20.0 meter intervals on cross section paper superimposing design SP sections to determine the extent of excavation and embankment;
- typical SP sections on level ground, cut and fill, or combination of cut and fill alongside hills as illustrated in **Annex 58** of this document; and
- Individual and specific plans and details of proposed structures indicating exact stationing (e.g. SP crossings, box culverts, cross drainage, grouted riprap, etc.).

In addition to these details, the detailed engineering plans shall also be accompanied by general specifications based on the latest DPWH "Blue Book" on standard design and specifications for FMIs.

Programs of Work (POW) for proposed SPs shall include the following technical documents:

- materials specifications as provided in **Annex 58** and Section B.2 of this document;
- earthworks computation sheets and Bill of Quantities (BOQ);
- detailed derivation of work item unit costs, showing the manual and equipment capability used;
- PERT/CPM, S-curve, or Gantt chart whichever is appropriate;
- Summary POW with basic sub-project information identifying the source and amount of equity contribution.

As a reference, the revised guidelines on the preparation of Approved Budget for Contract (ABC) as provided in DPWH Department Order No. 197, series of 2016 dated Oct 7, 2016 amending DO # 22, series of 2015, the following Indirect Cost items may be followed:

**Table 3. Percentage for Indirect Cost as % of Estimated Direct Cost (EDC)**

Estimated Direct Cost (EDC)	Indirect Cost % of EDC for OCM and Profit		Total Indirect Cost % of EDC for OCM and Profit
	OCM	PROFIT	
Up to P5 Million	15	10	25
Above P5M up to P50M	12	8	20

Above P50M up to P150M	10	8	18
Above P150M	8	8	16
<b>VAT = 5% of the sum of the EDC, OCM and PROFIT</b>			

*OCM: Overhead, Contingencies, Miscellaneous*

While MLGUs are not covered by this DPWH Department Order, those that are adopting different indirect cost factors shall be agreed with DTI, DILG, and IFAD for subprojects funded by RAPID Growth. For uniformity, the detailed cost estimates supported with the unit cost derivation shall be summarized into a POW cover page attached as **Annex 62**.

## 5.SP Review and Approval

The completed DE documents and POW shall be submitted by the MLGU to DTI PCU for initial review in terms of completeness of documentary requirements. Any lacking documentary requirement shall be relayed to the MLGU for immediate compliance and avoid delays in processing. The complete documents shall be forwarded by the PCU to the RCU for technical review by the RTWG/FMISWG with technical assistance from PDMU hired RIE and approval by the DTI Regional Director as RCU head for SPs costing PhP5.00 million and below and concurred by the NPCO Project Director after final review by the NPCO SRIE. For those costing above PhP5.00 million, approval shall be by the DTI Undersecretary for ROG as recommended by the RCU head through the NPCO Project Director after final review by the SRIE. The specific process for SP review and approval shall be according to the following procedures:

1. MLGU submits DE documents and POW to the DTI PCU;
2. PCU undertakes initial review on completeness of documentary requirements and if found incomplete, advises MLGU to immediately submit the lacking document;
3. Complete documents shall be endorsed by the PCU to the RCU;
4. RCU through the RTWG/FMISWG with assistance from PDMU hired RIE reviews documents, evaluates the merits of the proposed sub-project, and makes recommendation to the RCU;
5. RCU head approves proposed sub-projects costing PhP5.00 million and below concurred by the NPCO Project Director after final review by the SRIE;
6. USEC ROG approves proposed sub-projects costing over PhP5.00 million as recommended by RCU head through the NPCO Project Director after final review by the SRIE;
7. RCU issues a "Notice to Proceed" with procurement to the MLGU.

## 6.Procurement Procedures and IFAD Prior Review

Procurement of "Civil Works" and "Goods" for approved SPs will be the main responsibility of the MLGU through its duly constituted Bids and Awards Committee (BAC) in accordance with the provisions of R.A. 9184 consistent with the IFAD procurement guidelines. The basis for procurement is the approved Annual Procurement Plan (APP) and signed DTI, DILG, and MLGU tripartite Sub-Project Agreement (SPA) in **Annex 57**. RAPID Growth may assign any technical staff from the NPCO and RCU to observe at any stage of the procurement process.

Majority if not all FMIs under the Project are expected to be relatively small involving small work contracts and are unlikely to attract international contractors hence contracts will be awarded through Local Competitive Bidding (LCB) and will be guided by R.A. 9184 otherwise known as the "Government Procurement Reform Act" as long as the provisions are consistent with the IFAD Procurement Guidelines for civil works.

All documents for IFAD prior review and issuance of “No Objection Letter” (NOL) shall be reviewed by the FMISWG/PDMU, submitted to NPCO by RCU for final review, and shall be according to those provided in Part III on Procurement Procedures under Project Management of the RAPID Growth PIM.

## **7. Specific Conditions for Fund Release**

Upon completion of procurement activities, the releases of Certificate of Availability of Funds (CAF) and corresponding funding support will be according to the following procedures and conditions:

- **Certificate of Availability of Funds (CAF)**

The release of CAF to the MLGU will be according to compliance of the following submissions:

1. Letter request for CAF from the MLGU to the DTI RCU cc NPCO through the PCU;
2. MLGU BAC resolution of award to winning bidder with supporting documents;
3. Draft Contract of work between the MLGU and winning bidder;
4. MLGU signed SPA;
5. Certification from the bank stipulating separate trust fund accounts opened for the Project;
6. Certification that the equity counterpart (minimum of 5%) has been appropriated or budgeted duly signed by the Local Budget Officer and noted by the Local Chief Executive.

Other documents to support the request for CAF which are presumed to have been complied prior to the conduct of procurement are as follows:

1. Approved FS, DE plans and POW;
2. Compliance to Social Safeguard requirements i.e. acquisition and proof of compensation of Road Right of Way (RROW) and crop damages if any;
3. Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage (CNC) from DENR EMB

Non-compliance to any condition or document above will be ground for non-issuance of CAF.

### **Initial Fund Release (30%)**

The issuance of CAF to the MLGU would trigger the signing of Contract between the Municipal Mayor and the winning Contractor hence documents needed to effect the initial fund release to the MLGU are as follows:

1. Letter request for initial fund release from the MLGU to the DTI RCU cc NPCO through the PCU;
2. Notice of Award from the MLGU to Contractor and Contractor's Conforme thereto;
3. Notarized Contract including all annexes between the Municipality and the Contractor;
4. Notice to Proceed (NTP) from MLGU to Contractor;
5. Certificate of MLGU equity counterpart deposit (minimum of 5%) indicating the amount and current account number and if combo account, the Automatic Fund Transfer Agreement (AFTA), machine validated and issued by the bank;
6. Signed and approved SPA.

### **Subsequent Fund Releases**

For contracts costing PhP5.0 million and below, a single subsequent release is recommended prior to final release while for contracts of more than PhP5.0 million, two (2) more subsequent releases will be appropriate. Documents needed to effect subsequent releases are as follows:

1. Letter request for release of funds by the MLGU to DTI RCU cc NPCO through the PCU;
2. Certificate of Status of Funds (CSF) signed by the municipal accountant;

3. Statement of Receipts and Disbursements (SORD) duly certified by the municipal treasurer and verified by the COA auditor;
4. A copy of the Contractor's Statements of Work Accomplished (SWA);
5. Duly authenticated photocopy of disbursement vouchers;
6. At least 75% of previous release is liquidated with corresponding 50% physical accomplishment of the released amount duly validated by a composite team composed of DTI PCU, MLGOO, and MLGU PMT
7. Physical progress report;
8. Pictorials of sub-project implementation progress; and
9. Summary report on Materials Quality Control (MQC) test results conducted.

#### **Final Release (10%)**

Final release will be subject to submission of the following documents;

1. Letter request for release of funds by the MLGU to DTI RCU cc NPCO through the PCU;
2. Certificate of Status of Funds (CSF) signed by the municipal accountant;
3. Statement of Receipts and Disbursements (SORD) duly certified by the municipal treasurer and verified by the COA auditor;
4. A copy of the Contractor's Statements of Work Accomplished (SWA);
5. Duly authenticated photocopy of disbursement vouchers;
6. 100% physical accomplishment;
7. Sub-Project Completion Report (SPCR) with pictorials duly validated by a composite inspectorate team composed of NPCO RI officer, RCU RTWG/AISWG/PDMU, PCU, MLGOO, and MLGU PMT
8. Certificate of Completion (COC) issued by the Municipal Mayor to the Contractor;
9. Certification that Operation and Maintenance (O&M) fund has been appropriated/budgeted indicating the amount and signed by the budget officer; and
10. An Operation and Maintenance (O&M) plan prepared by the MLGU O&M unit and approved by the Municipal Mayor

All fund releases shall be according to the allowable threshold of DTI approving authorities i.e. PhP5.00 million and below by the DTI Regional Director and above PhP5.00 million by the DTI Undersecretary for ROG.

### **8. SP Implementation Arrangement**

By virtue of the MoA between DTI and DILG and considering that LGUs are under the supervision of DILG, the responsibility of overseeing the implementation of RAPID Growth sub-component on Farm to Market Infrastructure through the participating MLGUs is delegated to DILG to effectively monitor compliance to Project policies and guidelines and target Project beneficiaries would be able to access, utilize and benefit from the financial products with due regard for their respective local development/investment plans. DILG in tandem with the DTI structure at all levels will be responsible in overseeing the overall sub-project implementation, monitoring and evaluation, including the provision of technical assistance and capacity development for municipalities in close coordination with DILG Regional and Provincial Offices (R/POs) and active involvement of the Municipal Local Government Operations Officers (MLGOOs) stationed at the municipal LGU offices. SP Implementation shall be according to the following systems and procedures:

#### **a. Implementation Mode**

Approved Farm to Market Infrastructure shall be implemented by participating MLGUs by contract through local competitive bidding according to R.A. 9184 also known as the Government Procurement Reform Act (GPRA) consistent with IFAD Procurement Guidelines. In support to the national government's employment

generation program and in consideration that majority of the sub-projects are small scale, Labor Based–Equipment Supported (LB/ES) methods of construction shall be adopted whenever possible. Adoption of LB/ES method for construction shall satisfy all of the following conditions:

- Labor Based-Equipment Supported (LB/ES) cost shall not be higher by more than ten (10) percent of the Equipment Based (EB) cost;
- LB/ES project duration shall not be longer by more than fifty (50) percent of the Equipment Based duration;
- Employment of local workers shall not unduly impair agricultural production; and
- Technical quality shall be maintained.

PURSUANT TO R.A. 6685 DATED DECEMBER 12, 1988, AT LEAST FIFTY (50) PERCENT OF THE UNSKILLED AND THIRTY (30) PERCENT OF THE SKILLED LABOR REQUIREMENT SHALL BE TAKEN FROM THE BENEFICIARY COMMUNITY. HENCE, BENEFICIARIES WITHIN THE COMMUNITY SHALL BE THE FIRST PRIORITY IN THE SELECTION OF LABOR FORCE. THE WOMEN SHALL BE GIVEN EQUAL OPPORTUNITY TO JOIN THE LABOR FORCE. THESE PROVISIONS SHALL BE INCORPORATED IN THE CONTRACT FOR WORKS OF THE WINNING BIDDER.

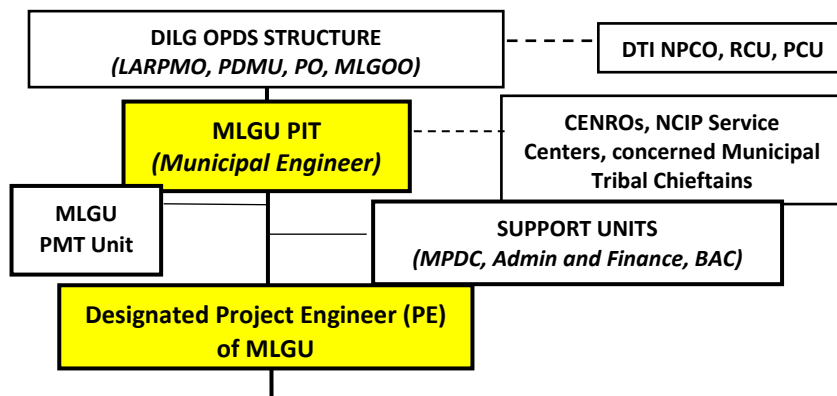
#### b. SP Execution, Supervision, Quality Control, and Periodic Reporting

##### • Implementing Structure

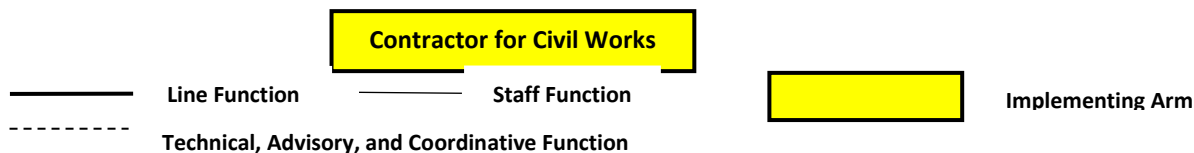
Implementation of Farm to Market Infrastructure sub-projects will require full attention from the MLGUs as the executing units. The MLGU shall establish a Project Implementation Team (PIT) under the leadership of the Municipal Engineer (ME) supported by designated technical staff from the existing units of the Municipality. The PIT shall be responsible in carrying out all works related to sub-projects implementation including coordination and linkages with other government agencies that can provide assistance to the project.

The DILG OPDS structure shall oversee the overall FMI implementation through its Local Access Roads PMO (LARPMO) providing policy guidelines, the Regional Office represented by the DILG Regional Director assisted by the Project Development and Management Unit (PDMU) and the hired RIE, the Provincial Office headed by the Provincial Director assisted by engineers assigned in his office, and the Municipal Local Government Operations Officer (MLGOO) usually holding office in the MLGU. The roles and responsibilities of the DILG structure at all levels shall follow those that are applicable to RAPID Growth as provided for in DILG Memorandum Circular 2018 - 104 dated July 05, 2018 on Policy Guidelines in Monitoring of FY 2017 Assistance to Disadvantaged Municipalities (ADM), FY 2018 Assistance to Municipalities (AM), and other projects (*to download DILG MC2018-104 go to [dilg.gov.ph/issuances-archive/mc/](http://dilg.gov.ph/issuances-archive/mc/); the circular is 102 in the archive*). The proposed implementing structure is in Figure 7 below.

**Figure 1. Proposed Implementing Structure for Farm to Market Infrastructure (FMI)**







Specifically, the **PIT** shall:

1. be responsible for accomplishing the requirements and preparing the documents necessary prior to sub-project mobilization as specified in the Sub-Project Agreement;
2. through the designated Project Engineer, conduct pre-construction conferences, mobilize contractors and ensure full involvement of the barangay officials and community as necessary in all aspects of FMI implementation;
3. be responsible for the over-all coordination, management and monitoring of sub-projects implementation;
4. ensure the efficient implementation, quality standards, and timely completion of sub-projects in accordance to the approved plans and specifications;
5. be responsible for ensuring the conduct of work and materials quality control tests as specified in sub-project documents;
6. recommend for approval of payment for all requests of progress billing by contractors;
7. recommend for review and approval by DILG and DTI, all requests for sub-project variation orders and price escalations;
8. be responsible for the consolidation and timely submission of periodic status reports of sub-project implementation to DILG and DTI;
9. ensure the establishment of O&M organizations prior to sub-project completion; and
10. consolidate all data information of all completed sub-projects in preparation for the completion report to be submitted to DILG and DTI.

Daily supervision of sub-projects implementation shall be under the responsibility of the designated Project Engineer (P.E.). He/she shall see to it that during the mobilization of the contractor to the project site, the contractor shall install a billboard at the starting point or any strategic place of the sub-project site indicating the Project name, the name of the executing agency/ies, sub-project title, physical target, sub-project duration, name of contractor and other contract details as shown in **Annex 63**. The P.E. shall also ensure that all works are according to approved plans and specifications and a construction logbook for each sub-project shall be maintained by the contractor at the jobsite at all times the entries of which are contained in **Annex 64**. In addition, prior to the start of any construction work in any and every part of the work item under contract, the contractor shall request for an inspection using the form provided for in **Annex 65**.

- **Advance Payment and Progress Billing Payment Procedures**

Fund releases to the MLGU shall be in tranches. An initial amount equivalent to 30% of the contract cost shall be released to the MLGU inclusive of the advance payment of 15% mobilization fee of the contractor. Subsequent fund releases to the MLGU shall be according to the schedule in Section 7 of this guideline while payments of MLGU to contractor shall be based on progress billing supported by a Statement of Work Accomplished (SWA) adopting the template in **Annex 66**. The SWA shall be validated and evaluated by a team composed of DTI PCU, MLGOO, and MLGU PMT, and approved by the Municipal Mayor. Pictorials of work sites before, during, and after work completion shall be taken as part of supporting documents for the SWA.

- **Quality Control and Periodic Reporting**

The contractor's Materials Quality Engineer (MQE) shall prepare a quality control program (**Annex 67**) for each SP to be reviewed by the MLGU PIT Project Engineer, approved by the Municipal Engineer as PIT head, and noted by the MLGOO. Quality control procedures shall be done according to the schedule of minimum test requirements as adopted by the DPWH provided in **Annex 68**. Continuous quality control inspection by the PE on all items of work shall be done as construction work progresses and inspection report shall be submitted as required. Relevant quality control test reports are attached as **Annexes 69 and 70**.

A monthly periodic reporting on implementation progress shall be done by both the contractor and the MLGU PIT through the PE. Periodic reports to be accomplished by both parties shall include but not limited to the following:

1. monthly and cumulative physical progress report (including problems, issues, and concerns) using the template in **Annex 71**;
2. summary report of field tests (**Annex 69**);
3. status of tests (**Annex 70**);
4. daily weather report (**Annex 72**);
5. pictorials of work sites before, during, and after work completion; and
6. copies of Statement of Work Accomplished (SWA – **Annex 66**)

- **Work Suspension, Resumption, Variation Orders, etc.**

The provisions on work suspension and resumption, variation orders and the rest of contract provisions shall be according to the policies and guidelines of R.A. 9184. The issuance of these orders shall be the main responsibility of the MLGU through the PIT copy furnished DTI and DILG at all levels. Payment for variations shall be charged to the account of the MLGU as additional equity counterpart hence the MLGU shall exercise due diligence in the preparation of detailed engineering plans and programs of work to avoid incurring variation orders.

**c. Monitoring and Evaluation (M&E)**

The Department of Interior and Local Government (DILG) has an established and existing monitoring and evaluation systems and procedures for their FY 2018 Assistance to Municipalities (AM) by virtue of the DILG Memorandum Circular (MC) No. 2018 - 104 hence there is no need to establish a separate M&E system and procedure for the RAPID Growth.

In this regard, monitoring and evaluation of sub-projects implementation under RAPID Growth shall follow the existing guidelines of DILG MC 2018-104. As such, all applicable provisions and monitoring and evaluation processes and procedures shall be according to the MC particularly on the Local Access Roads (LAR) sector.

The general function of DILG at different levels as synchronized with their existing M&E systems and procedures are as follows:

At DILG Central Office, the Office of Project Development Service (OPDS) shall be responsible in overseeing the overall Farm to Market Infrastructure (FMI) sub-component of RAPID Growth implementation, monitoring and evaluation, including the provision of technical assistance and capacity development for municipalities in close coordination with DILG Regional Offices (ROs). For this sub-component, the Local Access Road (LAR) Project Management Office (PMO) under the OPDS shall represent the DILG Central Office.

At the regional level, the monitoring and evaluation arm of DILG is the Project Development and Management Unit (PDMU) through the hired RIE under the Office of the Regional Director. The PDMU shall take the lead in progress monitoring and evaluation and responsible in overseeing the implementation of the FMI sub-component of RAPID Growth to ensure efficiency and effectiveness including provision of

technical assistance and capacity development for municipalities. The PDMU shall mobilize the hired RIE and DILG regional engineers if necessary in the discharge of their duties and responsibilities.

The DILG Provincial Office (PO) headed by the Provincial Director shall assist the Regional Office in monitoring overall SP implementation progress at provincial level to ensure efficient and effective project implementation and shall mobilize the engineers assigned in the agency's provincial office while the Municipal Local Government Operations Officer (MLGOO) shall monitor compliance of MLGUs to Project guidelines.

Under the MC, the MLGUs are also required to establish its own internal Project Monitoring Team (PMT) to ensure that sub-projects implemented by the PIT are within the rules and regulations of the implementation guidelines. This same structure may also be used for the RAPID Growth FMI sub-component.

IFAD at any time, will send Supervision and Implementation Support (SIS) mission to selected sites to monitor and evaluate the progress and status of the implementation and management of the Project. The findings of the mission will be embodied in an aide memoire and will be submitted to the DTI PSC and NPCO copies of which will be furnished all concerned stakeholders and Project implementers. DTI NPCO will be responsible for the overall coordination and will actively participate in the conduct of IFAD SIS missions. DILG and DTI regional and field offices will likewise participate in said missions.

#### **d. SP Completion and Turn-Over**

All completed FMIs will be turned over to the MLGU represented by the Municipal Mayor for appropriate operation and maintenance (O&M) for sustainability.

The DTI Regional Director and DILG Regional Director being the signatories to the tripartite SPA shall have the sole responsibility to turn over the completed facilities after the conduct of final inspection of a composite inspectorate team composed of NPCO SRIE, RCU RTWG/FMISWG/PDMU hired RIE, PCU, and MLGU PMT and after it has determined that the sub-project has been completed to the satisfaction of the RAPID Growth noted by the NPCO Project Director. DILG Provincial Office representative, MLGOO, and MLGU PIT shall join and assist in the conduct of the final inspection. Turn-over documents may include but not limited to: *i) Sub-Project Completion Report (SPCR); ii) Pictorials taken before, during and after construction of specific segments of civil works; iii) Final inspection reports; and iv) As built plans reflecting actual deviations from the approved documents if any.*

A Sub-Project Completion Report (SPCR) adopting the template in **Annex 73** shall be prepared by the MLGU PIT immediately upon receipt of notice from the contractor that the work has been substantially completed. The notice shall have the following attachments:

- a brief description of the components and specifications of the completed sub-project; and
- Pictorials taken before, during and after construction of specific segments of civil works.

Field inspections shall be done before a Certificate of Completion (COC) is issued by the Municipal Mayor to the contractor and turn-over of the completed facilities to the MLGU is authorized.

The general flow of sub-project completion and turn-over shall be as follows:

1. Contractor notifies the MLGU PIT of sub-project completion;
2. MLGU PIT conducts field inspection, evaluates completed sub-project, prepares an SPCR;
3. Municipal Mayor reviews the SPCR and issues a Certificate of Completion (COC) to the contractor using the template in **Annex 74** and submits documents to DTI RCU through PCU;
4. An Inspectorate Team composed of NPCO SRIE consultant, RCU RTWG/AISWG/PDMU hired RIE, PCU, and MLGU PMT reviews the SPCR and conducts joint field inspection of completed facilities together with the MLGOO, representatives from DILG PO, and MLGU PIT and prepares a final inspection report (**Annex**

**75)** for submission to DTI NPCO Project Director for notation and copy furnished RCU and DILG Regional Director with recommendation to proceed with turn-over;

5. DTI Regional Director and DILG Regional Director jointly authorize turn - over of completed facility to MLGU and issue Certificate of Turn-over the template of which is attached as **Annex 76**;
6. MLGU accepts, operates and maintains the completed facility according to the provisions stipulated in the SPA.

Any deviation shall be reflected on the original approved plans or an “as built” plan shall be prepared and attached to the final inspection report accordingly.

- **Contractor's liability period**

All completed Farm to Market Infrastructure under RAPID Growth shall be subject to contractors' liability period to ensure that completed facilities are within acceptable standards. The liability period of contractors shall be according to the provisions of R.A. 9184 which are reflected in the signed contract documents. Hence all repair works and remedial measures to be done on defective sections of the completed facilities within the liability period specified shall be under the responsibility and charged to the account of the contractor.

In the event that the contractor fails to undertake repair works within the period, the retention money as provided for in the contract shall be withheld and shall be used by the MLGU for the purpose.

## **E. Sustainability Mechanism**

### **1. General Concept of Operation and Maintenance (O&M)**

After completion and acceptance of FMIs under RAPID Growth, participating MLGUs shall immediately put the facility into regular operation and maintenance being under their mandate by virtue of the Local Government Code. Hence, to ensure sustainability of these facilities, systems and procedures on O&M for the MLGUs to adopt have to be in place.

Proper maintenance of FMIs is the main responsibility of the MLGUs in collaboration with barangay officials as well as active involvement of the local community members as end users. Timely maintenance is critical to ensuring the usefulness of a facility within its economic lifespan and who else can provide timely maintenance but the MLGUs in cooperation with barangay officials and community members. To further ensure that O&M is carried out by the responsible units and entities, inclusion of O&M Monitoring and Evaluation (M&E) procedures within the MLGU structure has to be established as well.

There are existing systems and procedures on O&M of farm to market infrastructures being adopted by different national line agencies, provincial and municipal LGUs as well as past projects financed under the Official Development Assistance (ODA). Applicable provisions found to be effective and currently practiced by these institutions may be adopted to the extent possible with slight modifications to fit the requirements of FMIs in RAPID Growth areas.

Given the financial constraints of the MLGUs who are mostly dependent on Internal Revenue Allotments (IRA), the concepts presented have the following specific purposes:

1. to institute a labor - based community maintenance scheme;
2. enhance the partnership between the municipal LGUs and the community in ensuring the sustainability of the completed facilities;
3. promote cooperative spirit among the community members and enhance the development of a sense of commitment and ownership;
4. institute revenue generating measures to supplement funding for O&M purposes;
5. integrate maintenance activities in community organizational development; and

6. strengthen the Monitoring and Evaluation (M&E) of operation and maintenance activities of farm to market infrastructure in a municipality.

In addition, the concepts would only serve as reference for MLGUs to ensuring maximum benefits derived from completed FMIs but should not in any way encroach on the operation and maintenance procedures prescribed by other institutions mandated to implement similar or related projects. However, applicable provisions on systems and procedures as developed by these institutions are highly recommended for adoption. Finally, details for Operation and Maintenance procedures of FMIs need to be developed as a separate manual on “Operation and Maintenance Guidelines” for Portland Cement Concrete Pavements (PCCP) and appurtenant structures.

## **2. Basic Types of Maintenance**

There are at least three (3) basic types of maintenance that are applicable to FMIs and these are as follows:

- **Routine Maintenance**

Routine maintenance is undertaken on a regular basis for a given year the main purpose of which is to ensure that any completed facility is kept in its original shape and condition. It is commonly labor intensive and does not usually require the use of heavy equipment, hence could be undertaken easily by the community themselves with proper guidance from the technical staff of the Municipal Local Government Units (MLGUs). The frequency on which routine maintenance is undertaken depends on the specific maintenance activity based on established standard operating procedures. These are likewise validated through the conduct of regular routine inspection to identify specific sections and the extent of maintenance works that need to be done.

- **Periodic Maintenance**

Periodic maintenance is the restoration of the original condition of a completed facility after a given number of years of normal use and as a result of wear and tear even with regular routine maintenance procedures. Unlike routine maintenance, periodic maintenance would require the use of heavy equipment and the replacement of specific materials, hence more expensive than the former and would need the involvement of both the MLGU and community. The frequency of periodic maintenance would depend on the type of specific facility and the extent of usage and exposure to weather condition. This would range from annual to about every five (5) years from the completion of the facility.

- **Special Maintenance Works**

These are unplanned works usually as a result of “force majeure” such as heavy rains and flash floods, landslides, embankment slips and the like. This would also involve the use of heavy equipment and substantial budget hence have to be undertaken by the MLGU with support labor requirement from the community.

## **3. Responsible Entities and Support Mechanism**

The general Operation and Maintenance (O&M) arrangement for completed farm to market infrastructures financed under RAPID Growth shall be carried out according to the following policies, strategy and support mechanisms.

The MLGUs may establish a community O&M Committee (OMC) to assist in the monitoring of the functionality of the completed facility to determine its condition and the need for immediate repair while observed defects and distresses are still at an early stage. Addressing these defects and distresses at an early stage will prevent the facility from deteriorating further which may eventually require bigger budget and resources. To achieve this, the following strategies are recommended:

- Municipal LGU through the PIT to organize, train and operationalize the community O&M Committee (OMC)

- Municipal LGU to provide regular annual routine maintenance fund
- Maintenance fund to be augmented thru the imposition of road users' fee (especially for FMRs) if feasible thru a Barangay and Municipal ordinance as legal basis
- OMC and Barangay Officials with assistance from the PIT to formulate an annual maintenance program
- Municipal and Barangay LGUs to involve community thru commissioning of "pakyaw" groups to undertake maintenance adopting the "length man" system
- Periodic maintenance to make use of the "Bayanihan System"

#### **4. Recommended Maintenance Implementation Schemes**

There are basically three (3) schemes of undertaking maintenance activities of completed FMIs. This would involve any of the following:

- **By Force Account or by Administration**

The common scheme adopted by LGUs in undertaking maintenance works is by "Force Account" or by administration. The maintenance unit of the municipality, usually the Municipal Engineer's Office (MEO) is charged with the maintenance of LGU-operated facilities. This could either be done by the municipal government or the barangay officials commonly funded under the 20% Development Fund (DF) of the Internal Revenue Allotment (IRA). Maintenance workers (unskilled labor force) are usually hired from the community at the barangay level and this practice is encouraged to provide livelihood and source of income to jobless community members. However, there is a need for the LGU technical staff to provide supervision to ensure that maintenance works are done properly and according to accepted standards. The unskilled workers from the community are paid on a weekly basis while the skilled workers (foremen, carpenter, mason, etc.) may be regular employees of the municipal LGU who are paid on a monthly basis. As an alternate strategy, the MLGU may make use of the "length-man system" where maintenance work is carried out by the people living along the roads to be maintained.

- **By Contract**

This type of arrangement may be executed by an individual adopting the "length-man System" or through a community group established for the purpose. The common practice is to engage a maintenance crew composed of interested community members through a "Pakyaw Agreement" adopting the template in **Annex 77** which may also adopt the "length-man system". Payments are made on the basis of pre-determined work volume which may be claimed through progress billings or regular weekly schedule or as agreed upon by parties concerned. The "Pakyaw" group is represented by their "Pakyaw" leader and the LGU technical staff would be responsible for ensuring that works are done properly and according to acceptable standards.

- **By Combination of Force Account and by Contract**

In some cases, a combination of both schemes may prove to be more advantageous depending on the actual field circumstances.

- **By "Bayanihan" or "Pintakasi"**

This is a common practice in rural areas where the community agrees to conduct maintenance works on a specific period involving all or representatives from households that benefit from the use of the facility. Labor is usually free while some barangays provide free lunch and snacks as incentives to participating community members. Periodic maintenance is usually done under this scheme as it involves bigger work load and needs more unskilled workers to accomplish. However, this could also be appropriate in undertaking routine maintenance especially if funds are not available and the need to perform the work is urgent.

In summary, to ensure proper maintenance of completed facilities, the MLGU shall adhere to the following guidelines:

1. Significant routine maintenance program (O&M Plan) shall be incorporated by the MLGU in the annual budget as stipulated in the SPA. Funds for this purpose may also be augmented through innovative measures such as imposing road users' fee on FMRs by the barangay units if feasible;
2. Prior to final turn-over of completed facilities to the MLGU, the PIT shall initiate the formation of community O&M Committee to assist in maintenance activities and monitoring of FMI defects and distresses;
3. In case the MLGU decides to make use of the community as contractor, the PIT shall initiate the formation of "pakyaw" groups within the barangay/s where the sub-project is located. This can be done through an invitation to undertake maintenance work posted in conspicuous places within the locality for a period of not less than fifteen (15) days;
4. Interested "pakyaw" groups shall apply for registration to the MLGU thru the PIT and shall be evaluated in terms of accuracy of information provided and its base proximity to the completed facility/ies;
5. PIT shall provide orientation course to qualified "pakyaw" group/s on the nature of work, their roles and responsibilities, the adoption of the "length-man system" within the group and the MLGUs' program on maintenance in general;
6. In case of two or more qualified "pakyaw" groups, the MLGU may opt to equitably divide the work to the groups or conduct public bidding where the lowest bidder is given preference subject to the bid being within the allocated budget;
7. PIT shall finalize arrangements and prepare the modified "pakyaw agreement" for awarding; and
8. Winning "pakyaw" group/s shall execute the arrangement within the specified period.

Inspection visits on maintenance work shall be made by the PIT on a regular basis and payments shall be made promptly on the dates specified in the agreement.

The overall process flow for the Access Infrastructure implementation processes and procedures is attached as **Annex 78**.

## F. Capacity Building Program

The capacity-building interventions, which will cover all of the procedures involved in farm to market infrastructure development from planning to O&M, will basically be intended for the technical staff of participating MLGUs. DILG has an in-house capacity to conduct technical trainings to MLGUs. However and if necessary, supplemental trainings may be provided under RAPID Growth to technical staff of DILG as they will serve as pool of trainers to deliver the training modules to the MLGUs. DTI may also avail of the technical trainings from RAPID Growth to enhance their knowledge on infrastructure development. The training modules and recommended target participants are as follows:

**Table 4. Training Modules for MLGUs and Target Participants**

Training Modules	Target Participants
FMR Feasibility Study (FS) Preparation	<ul style="list-style-type: none"> <li>✓ Municipal Planning and Development Officer (MPDO)</li> <li>✓ Municipal Engineer (ME)</li> <li>✓ Municipal Environment and Natural Resources Officer (MENRO)</li> </ul>
Detailed Engineering and POW Preparation	<ul style="list-style-type: none"> <li>✓ Municipal Engineer</li> <li>✓ Engineering Draftsmen and Assistants</li> </ul>
Procurement of Works and Goods (RA 9184 and IFAD Procurement Guidelines)	<ul style="list-style-type: none"> <li>✓ MLGU Bids and Awards Committee (BAC) Chairperson</li> <li>✓ MLGU BAC Technical Working Group and Secretariat</li> <li>✓ Municipal Engineer</li> </ul>
Contract Management	<ul style="list-style-type: none"> <li>✓ Municipal Engineer and PIT Members</li> <li>✓ Project Engineer</li> </ul>

Construction Management, Supervision, Monitoring and Evaluation	<ul style="list-style-type: none"> <li>✓ Municipal Engineer and PIT Members</li> <li>✓ Project Engineer</li> <li>✓ MPDO and PMT Members</li> </ul>
Works and Materials Quality Control	<ul style="list-style-type: none"> <li>✓ Municipal Engineer and PIT Members</li> <li>✓ Project Engineer</li> <li>✓ MPDO and PMT Members</li> </ul>
FMR Operation and Maintenance (O&M) Systems and Procedures	<ul style="list-style-type: none"> <li>✓ Municipal Engineer and PIT Members</li> <li>✓ MPDO and PMT Members</li> </ul>

The full involvement of the community is crucial to the success of any development initiative and to the sustainability of the initial gains that can be derived from the completed facilities. However, given the profile of the rural community, it can be expected that most if not all will have limited capability and technical knowledge relevant to farm to market infrastructure development. Experience shows that while communities are willing to participate in the implementation of activities to meet their needs as regards infrastructure, these activities are usually limited to the following:

- assisting LGU technical staff to conduct detailed surveys;
- providing human resources for labour during construction;
- engaging in “Pakyaw” or community labor contracts for simple infrastructure works;
- assisting with the implementation of monitoring activities;
- helping to maintain peace and order within the work environment;
- conducting O&M of the completed facilities; and
- monitoring and evaluating activities for O&M of the completed facilities.

To effectively involve the participating communities in RAPID Growth, it will be necessary to train selected community leaders and barangay officials in some of the basic procedures involved in the implementation, monitoring, and operation and maintenance of FMIs under the Project. This shall include, among others, the training modules in Table 13.

**Table 5.** Community Training Modules and their Objectives

Training Modules	Objectives
Orientation on “Pakyaw” Labor Contracting Procedures	To ensure community awareness of the guidelines on “Pakyaw” labor contracting in the event that they engage in simple infrastructure works
Basic Course on Implementation, Monitoring and Evaluation	To enhance community participation and train members in the basic concepts of monitoring and evaluating on-going FMIs
O&M of completed FMIs	To build a sense of ownership, ensure sustainability of the completed facilities and ensure that maintenance activities are properly carried out
Monitoring and Evaluation of O&M activities	To ensure that O&M activities are carried out appropriately and according to agreement

The above trainings will be conducted by trained technical staff of DTI and DILG through the PDMU with technical assistance from engaged resource persons and will be scheduled to take place within the implementation period of RAPID Growth Project.

XXXXX



## Appendix 4d: Project Management, Monitoring and Evaluation

### 1.0 Project Management

1. **Implementation Period.** The Project's entry into force is July 2019 and completion date is September 2025, equivalent to 74 months. Prior to its project effectiveness, RAPID made use of the small grant funds for its preparatory activities until the period of August 2019. By September 2019 to December 2019, the Project prepared a mini work plan and budget utilizing the IFAD loan and Government of Philippines (GoP) funds. There were 22 hired staff implementing the RAPID preparatory work in 2019.

2. For the AWPB, the GoP fiscal, January to December, will be used. In the GOP ICC-NEDA approval, the Project has committed specific deliverables in pilot provinces for Year 1 (RAPID ICC-PE Form 6). For the purpose of reporting Year 1 deliverables, the period from September 2019 to December 2020 will be considered. **Agreed actions:** MTIT and DTI will sign a MoA for RAPID implementation in Maguindanao by end of May 2020

3. **Project area and institutional arrangements.** With the inclusion of the new province of Davao Occidental, covering five municipalities already included Design Report, RAPID is now operating in 21 provinces. A provincial coordinator, directly supervised from and supported by the Davao del Sur PPO, is being hired. RAPID activities in Maguindanao are still under the supervision of the NPCO until the BARMM Ministry of Trade, Investment and Tourism (MTIT) has been established and a Memorandum of Agreement (MoA) has been signed between DTI and MTIT. See Table 1 for List of Regions and Target Provinces

**Table1: List of Covered Provinces**

Region	Region 8	Region 9	Region 10	Region 11	Region 12	Caraga	BARMM
Province s	Leyte	Zambonga Del Norte	Bukidno n	Compostel a Valley	North Cotabato	Agusa n del Norte	Maguindana o
	Norther n Samar	Zamboang a Del Sur	Lanao del Norte	Davao del Norte	Sarangani	Agusa n del Sur	
	Souther n Leyte	Zamboang a Sibugay	Misamis Oriental	Davao del Sur	Sultan Kudarat	Suriga o del Sur	
				Davao Oriental			
				Davao Occidental			

4. **Project governance.** The Project Steering Committee (PSC) as the oversight body of RAPID has been functional since its establishment in 2019. The PSC is well represented with 18 institutional members composed of GoP oversight and line agencies, government owned and controlled financial institutions, civil society and farmers organizations (CSO/FO) and representatives from the industry clusters (cacao, coffee, coconut). Regional Technical Working Groups (RTWG) have been established in all regions and have expanded their memberships to other relevant government agencies and provincial local government units (LGUs). The current membership of the RTWGs is somehow skewed towards public institutions (See Table 2). With the completion of the RSIPs and a better understanding of the key players in the four commodities, DTI should consider expanding the RTWG membership to include representatives of FOs and relevant private sector. For the continuity of RTWG member participation, issuance of special orders for permanent and alternate RTWG members has to be pursued in Regions VIII, IX, X, and XII. **Agreed action:** review

membership of RTWGs and ensure that permanent and alternate members are issued with special orders. Table 2.

**Table 2: RTWG Members**

<b>Region</b>	<b>Govt Oversight Agency</b>	<b>Govt Line Agency</b>	<b>Govt Owned Financial Insti</b>	<b>LGU</b>	<b>Private Sector</b>
<b>VIII</b>	NEDA DILG	DTI, DENR, DOST, PCA, DA, DPWH	LBP, DBP, SBC		Cacao Council, Coconut Council
<b>IX</b>	NEDA, DLG	DTI, PCA, DAR, DOST, DPWH	LBP, SBC		
<b>X</b>	NEDA, DILG	DTI, PCA, NCIP, DPWH	LBP	PLGU LDN, PLGU Mis Or, PLGU Bukidnon	Coffee Council, PFN Group
<b>XI</b>	NEDA, DILG, MInDa	DTI, DPWH, PCIC, NCIP, DAR, DENR	SBC		
<b>XII</b>	NEDA, DILG	DTI, DA, DENR, NCIP, DPWH, DOST, PCA	LBP, DBP, SBC	PLGU Sarangani, PLGU Sultan Kudarat	SME Council Cacao/Coffee Council
<b>Caraga</b>	NEDA, DILG	DTI, CDA, DA, DAR, DENR, DOST	LBP, DBP, SBC	PLGU ADN, PLGU ADS, PLGU SDS	Banana Council, Cacao Council, Coffee Council, Cacao Council

5. **Staffing.** Of the 127 positions (including 22 drivers) for contracting, 59 staff (46%) have already been hired. Hiring of drivers will commence once vehicles are procured. There are some key positions not yet filled, e.g. RCU staffing in Region XII and provincial project coordinators and VCFs in some provinces. (See attached table 3). The contracted staff have been provided with SSS and Philhealth premiums as alternate means for accident insurance. To further create a conducive working environment, it is important to fully implement the PIM provisions regarding Project Administration and Safeguards, in particular those regarding flexi time, compensatory measures for overtime and travel advance allowances.

6. Besides the contracted staff, there are 118 regular DTI officers and staff at national, regional and provincial level assigned to RAPID (see attached table 4). Furthermore, there are 195 business counsellors from 195 NCs initially identified to assist in project implementation. The project has managed to foster good

team-work and close collaboration between the DTI regular and contracted staff. With such a wide range of staff involved, though, it is important that responsibilities and accountabilities for all project implementers (regular and contracted) be clarified and harmonized at all levels. **Agreed actions:** (i) complete the hiring process and fill all remaining project staff vacancies by end of April 2020; (ii) fully implement administrative provisions as per PIM for project contracted staff; and (iii) prepare ToRs for regular staff and NC business counsellors assigned to the Project and reflect the functions of contracted and organic staff in a comprehensive Project organogram.

7. **Staff training and capacity building.** As soon as all staff is recruited and identified, orientation and training should be provided to all concerned staff and a training needs assessment should be undertaken to prepare a capacity building programme to enhance implementation expertise. Areas to be covered include: (i) conduct of brokering business partnerships between smallholders and their FOs/primary coops and SME buyers and processors; (ii) understanding value chain financing and assisting FOs and primary coops in accessing financial services from financial institutions; (iii) facilitating women, youth and IP groups participation to the various DIPs / value chains; and, (iv) collection of data for the M&E and MIS of the Project.

8. **Logical framework.** The logical framework contained in the PDR and originally submitted to ICC-NEDA has been reviewed to align with the components' structure as approved by the NEDA Board and reflects IFAD core indicators and DTI's Measure Profile Indicators. The revised logframe has been submitted to NEDA monitoring and evaluation staff (MES) and is now used by the Project for planning and progress monitoring (see attached revised logframe)

9. **Monitoring and evaluation (M&E) system.** There is an M&E manual in the PIM outlining the Project's M&E system and providing guidance in developing an M&E plan, including the data/information and capture forms, the process to analyse the data/information collected and the reporting to all relevant agencies. The Project has prepared an M&E plan that shows the frequency of data gathering/reporting and the responsible units. Some fine tuning, though, is still needed in the narrative and forms of the M&E manual and plan, e.g. capture forms for farmer organizations, MSMEs and flow of data/capture, analysis and reporting. There are now three hired M&E officers, one at the NPCO and one each in Region XI and Caraga. It is expected that the other regions will have hired their M&E officers by April 2020. Once all M&E officers are recruited, an M&E workshop will be conducted to: (i) orient all M&E officers on the current M&E system and plan, (ii) complete and improve the capture forms for gathering the data/information; and (iii) streamline the M&E assignment in terms of responsibilities for the various M&E functions. **Agreed action:** elaborate a final M&E plan together with profiling forms by May 2020.

10. **Baseline and Evaluation Studies.** During the start-up implementation mission, it was clarified that the project needs two types of baseline data: one for the purpose of planning and progress monitoring and one for outcome and impact measurement. The baseline data for planning and progress monitoring will be collected by the Project's M&E unit. With the completion of the 11 RSIPs and the incoming formulation of DIPs, the M&E unit has to profile: (i) farmers'/people's organizations (FO/PO), (ii) MSMEs (integrators, consolidators, anchor firms), (iii) production areas and processing areas (including mapping their location) identified in the RSIPs. Such profiling will also serve as basis for the impact baseline study.

11. The impact baseline survey is part of a broader package of evaluation and analytical activities, including an end-line survey, annual outcome surveys (AOS), studies and knowledge products supporting the project's policy engagement. The Project consulted some research centers (UP Mindanao, UPLB) that could take over the responsibility for the implementation of the entire evaluation package. In preparation for this study, the Project has drafted a Theory of Change as a framework for the evaluation strategy. **Agreed action:** prepare ToRs for the impact evaluation activities by end of September 2020, with the aim to undertake the procurement process during the last quarter of 2020 and launch the impact baseline survey by early 2021.

12. **MIS and Database.** Some data have been collected by the Project, but they are stored in separate databases. With more data and information to be gathered and analysed in the coming months, it is now time for the Project to establish its database and create a management information system (MIS) that links with the relevant NC data/information system and with the DTI's national MIS. Agreed action: prepare by end of April 2020 the ToRs for a database and MIS consultant, with the aim to have it established by the end of September 2020.

13. **Knowledge Management.** The Project has produced materials and brochures to promote RAPID. The newly hired KM specialist has prepared a KM strategy and activity plan. This should be improved to depart from the usual communication plan to inform the Project stakeholders about RAPID, towards documentation and packaging of key processes, knowledge capture and publication, sharing and learning. Besides the usual trade exhibits as learning venues, the Project should explore other modes of learning such as peer-to-peer exchanges, benchmarking and learning from good practices. The KM strategy should also assist in developing the identified commodity clusters by providing information on reliable and updated system of grades and standards and price formation; a system of alert on pests and diseases; disseminating information among stakeholders on innovative production models and practices, national and international buyers; web-based portals to facilitate the linkage between farmer organizations, etc. Likewise, the KM should envision to capture and share innovations. Once all the M&E and KM officers are recruited, a workshop will be organized to enhance the KM strategy and plan, and to link this plan to the Project's M&E operations.

**Table 3: List of RAPID Hired Staff, as of March 12, 2020**

Location	Name of Staff	Designation/Positon	Office	Date of Contract
National	<b>Mae Ester T. Guiamadel</b>	Project Manager	NPCO	11-Feb-20
National	<b>Mysol B. Carcueva</b>	PCO Value Chain Officer	NPCO	22-Jan-20
National	<b>Juno D. Hontanosas</b>	PCO Business Service Officer	NPCO	02-Jan-20
National	<b>Anita F. Pacabis</b>	Procurement officer	NPCO	Not yet
National	<b>Alice E. Chew</b>	Infrastructure Officer	NPCO	06-Jan-20
National	<b>Eduardo N. De Castro</b>	Finance Service officer	NPCO	03-Feb-20
National	<b>Oswald Karl Von Madrazo</b>	Finance/Administrative Specialist	NPCO	02-Jan-20
National	<b>Missiles M. Somoza</b>	Planning/M&E Specialist	NPCO	02-Jan-20
National	<b>Sandra Isabel C. Cayanong</b>	KM/Communication Specialist	NPCO	06-Jan-20
National	<b>Maria Cristina M. Apao</b>	Finance Assistant	NPCO	06-Jan-20
National	<b>Kirsten R. Carillo</b>	Project Assistant	NPCO	02-Jan-20
National	<b>Christian J. Camaro</b>	Finance Assistant (FS Based)	NPCO	
National	<i>to follow</i>	Project Assistant (RGMS Based)	NPCO	
National	<b>Jonell DC Balles</b>	Project Specialist (ROG Based)	NPCO	
National		Driver	NPCO	
National		Driver (ROG Based)	NPCO	
Region 8	<i>To follow Hiring Process On Going</i>	Regional Project Coordinators	RCU 8	
Region 8	<i>Jinuward Asis (Waiting for N.O)</i>	KM/ Planning and M&E Coordinators	RCU 8	
Region 8	<b>Nova Thristy O. Cagalitan</b>	Marketing Coordinators	RCU 8	07-Jan-20

Region 8	<b>Karen A. Caandi</b>	Finance Mgt / Admin Assistants	RCU 8	07-Jan-20
Region 8		Driver	RCU 8	
Region 8	<b>Christine A. Candare</b>	Provincial Coordinators	PCU Leyte	01-Jan-20
Region 8	<b>Niemar A. Abalo</b>	Value Chain Facilitator 1	PCU Leyte	01-Jan-20
Region 8	<b>Trixie Nicole F. Abellar</b>	Value Chain Facilitator 2	PCU Leyte	07-Jan-20
Region 8		Driver	PCU Leyte	
Region 8	<b>Guada Marie Babilonia</b>	Provincial Coordinators	PCU Southern Leyte	
Region 8	<b>Maria Lady Jean C. Leopardas</b>	Value Chain Facilitator 1	PCU Southern Leyte	07-Jan-20
Region 8	<b>Hazel P. Miro</b>	Value Chain Facilitator 2	PCU Southern Leyte	07-Jan-20
Region 8		Driver	PCU Southern Leyte	
Region 8	<b>Marlito Joshua B. Amistoso</b>	Provincial Coordinators	PCU Northern Samar	07-Jan-20
Region 8	<b>Jasperr M. Dula</b>	Value Chain Facilitator 1	PCU Northern Samar	07-Jan-20
Region 8	<b>Shirenmay M. Costa</b>	Value Chain Facilitator 2	PCU Northern Samar	07-Jan-20
Region 8		Driver	PCU Northern Samar	
Region 9	<b>Sitti Marjia A. Maluddin</b>	Regional Project Coordinators	RCU 9	
Region 9	<b>Charmaine D. Legada</b>	KM/ Planning and M&E Coordinators	RCU 9	
Region 9	<i>to follow</i>	Marketing Coordinators	RCU 9	
Region 9	<b>Rashiena T. Camlian</b>	Finance Mgt / Admin Assistants	RCU 9	
Region 9		Driver	RCU 9	
Region 9	<b>Emmabelle L. Guimalan</b>	Provincial Coordinators	PCU Zamboanga del Norte	
Region 9	<b>Desmarc G. Malate</b>	Value Chain Facilitator 1	PCU Zamboanga del Norte	
Region 9	<i>to follow</i>	Value Chain Facilitator 2	PCU Zamboanga del Norte	
Region 9		Driver		
Region 9	<b>Leif Donald B. Alday</b>	Provincial Coordinators	PCU Zamboanga Sibugay	
Region 9	<b>Jane S. Ocab</b>	Value Chain Facilitator 1	PCU Zamboanga Sibugay	
Region 9	<i>to follow</i>	Value Chain Facilitator 2	PCU Zamboanga Sibugay	
Region 9		Driver		

Region 9	<b>Ezzeddin M. Linga</b>	Provincial Coordinators	PCU Zamboanga del Sur	
Region 9	<b>Ailee P. Patagan</b>	Value Chain Facilitator 1	PCU Zamboanga del Sur	
Region 9	<b>Junald Val P. Templa</b>	Value Chain Facilitator 2	PCU Zamboanga del Sur	
Region 9		Driver	PCU Zamboanga del Sur	
Region 10	<b>Miguel Michael S. Roxas</b>	Regional Project Coordinators	RCU 10	
Region 10	<i>IFAD Comments: None of the Two Candidates seem to have relevant experience</i>	KM/ Planning and M&E Coordinators	RCU 10	
Region 10	<b>Michael Joseph Ignacio</b>	Marketing Coordinators	RCU 10	02-Mar-20
Region 10	<b>Mona Celeste O. Sususco</b>	Finance / Admin Assistants	RCU 10	02-Jan-20
Region 10		Driver	RCU 10	
Region 10	<b>Veronica L. Macabudbud</b>	Provincial Coordinators	PCU Bukidnon	02-Jan-20
Region 10	<b>Ma. Christina M. Ador</b>	Value Chain Facilitator 1	PCU Bukidnon	17-Feb-20
Region 10	<i>IFAD Comments: Not Suitable</i>	Value Chain Facilitator 2	PCU Bukidnon	
Region 10		Driver	PCU Bukidnon	
Region 10	<b>Alan D. Chiu</b>	Provincial Coordinators	Misamis Oriental	
Region 10	<b>Kevin Lloyd Cagalitan</b>	Value Chain Facilitator 1	Misamis Oriental	17-Feb-20
Region 10	<i>IFAD Comments: Not Suitable</i>	Value Chain Facilitator 2	Misamis Oriental	
Region 10		Driver	Misamis Oriental	
Region 10	<b>Annabelle B. Encabo</b>	Provincial Coordinators	Lanao del Norte	17-Feb-20
Region 10	<b>Raymundo C. Cero Jr.</b>	Value Chain Facilitator 1	Lanao del Norte	16-Mar-20
Region 10	<i>IFAD Comments: Not Suitable</i>	Value Chain Facilitator 2	Lanao del Norte	
Region 10		Driver	Lanao del Norte	
Region 11	<b>Beverly T. Bedia</b>	Regional Project Coordinators	RCU 11	01-Jan-20
Region 11	<b>Rodelia Dela Cruz</b>	KM/ Planning and M&E Coordinators	RCU 11	03-Feb-20
Region 11	<b>Daryl Valdez</b>	Marketing Coordinators	RCU 11	03-Feb-20

Region 11	<b>Rommel G. Gulle</b>	Finance Mgt / Admin Assistants	RCU 11	01-Jan-20
Region 11		Driver	RCU 11	
Region 11	<b>Rose Sheena N. Arnibal</b>	Provincial Coordinators	PCU Davao Del Norte	01-Jan-20
Region 11	<b>Rollie Jay B. Dupitas</b>	Value Chain Facilitator 1	PCU Davao Del Norte	01-Jan-20
Region 11	<b>Hermelie Oracion</b>	Value Chain Facilitator 2	PCU Davao Del Norte	02-Jan-20
Region 11		Driver	PCU Davao Del Norte	
Region 11	<b>Chrishyl Ann Bilbao</b>	Provincial Coordinators	PCU Davao Del Sur	02-Jan-20
Region 11	<b>Larraine Gloria</b>	Value Chain Facilitator 1	PCU Davao Del Sur	02-Jan-20
Region 11	<i>to follow</i>	Value Chain Facilitator 2	PCU Davao Del Sur	
Region 11		Driver	PCU Davao Del Sur	
Region 11	<b>Glady M. De La Cruz</b>	Provincial Coordinators	PCU Davao Oriental	16-Mar-20
Region 11	<i>to follow</i>	Value Chain Facilitator 1	PCU Davao Oriental	
Region 11	<b>Sunny Dumandan</b>	Value Chain Facilitator 2	PCU Davao Oriental	02-Jan-20
Region 11		Driver	PCU Davao Oriental	
Region 11	<b>Raymond Jess Locaba</b>	Provincial Coordinators	PCU Compostela Valley	14-Jan-20
Region 11	<b>Beverly Pantenople</b>	Value Chain Facilitator 1	PCU Compostela Valley	06-Jan-20
Region 11	<b>Alexa Mae Solis</b>	Value Chain Facilitator 2	PCU Compostela Valley	08-Jan-20
Region 11		Driver	PCU Compostela Valley	
Region 11	<i>to follow</i>	Provincial Project Coordinators	PCU Davao Occidental	
Region 12	<i>to follow</i>	Regional Project Coordinators	RCU 12	
Region 12	<i>to follow</i>	KM/ Planning and M&E Coordinators	RCU 12	
Region 12	<i>to follow</i>	Marketing Coordinators	RCU 12	
Region 12	<i>to follow (NO not required)</i>	Finance Mgt / Admin Assistants	RCU 12	
Region 12		Driver	RCU 12	
Region 12	<i>To follow</i>	Provincial Coordinators	PCU North Cotabato	

Region 12	<b>Cresinte M. Gumilao</b>	Value Chain Facilitator 1	PCU North Cotabato	02-Jan-20
Region 12	<b>Hazel Shayne I. Ramil</b>	Value Chain Facilitator 2	PCU North Cotabato	02-Jan-20
Region 13		Driver	PCU North Cotabato	
Region 12	<b>Mary Lou P. Andrada</b>	Provincial Coordinators	PCU Sultan Kudarat	02-Jan-20
Region 12	<b>Adrian Clave Lariba</b>	Value Chain Facilitator 1	PCU Sultan Kudarat	02-Jan-20
Region 12	<b>Arnulfo R. Cesar</b>	Value Chain Facilitator 2	PCU Sultan Kudarat	02-Jan-20
Region 12		Driver	PCU Sultan Kudarat	
Region 12	<b>Mary Lorynail Faith Andrade</b>	Provincial Coordinators	PCU Saranggani	02-Jan-20
Region 12	<b>Sheila May P. Carbajal</b>	Value Chain Facilitator 1	PCU Saranggani	02-Jan-20
Region 12	<b>Khenno N. Hinampas</b>	Value Chain Facilitator 2	PCU Saranggani	02-Jan-20
Region 12		Driver	PCU Saranggani	
BARMM	not yet	Provincial Coordinators	PCU Maguindanao	
BARMM	not yet	Value Chain Facilitator 1	PCU Maguindanao	
BARMM	not yet	Value Chain Facilitator 2	PCU Maguindanao	
BARMM		Driver	PCU Maguindanao	
Caraga	<b>Roland A. Ignacio</b>	Regional Project Coordinators	RCU Caraga	22-Jan-20
Caraga	<b>Jesal O. Pugahan</b>	KM/ Planning and M&E Coordinators	RCU Caraga	21-Jan-20
Caraga	<b>Hannah H. Tado</b>	Marketing Coordinators	RCU Caraga	21-Jan-20
Caraga	<b>Mary Mhel S. Decamotan</b>	Finance Mgt / Admin Assistants	RCU Caraga	22-Jan-20
Caraga		Driver	RCU Caraga	
Caraga	<b>Emma A. Castañares</b>	Provincial Coordinators	PCU Agusan del Sur	02-Jan-20
Caraga	<b>Elphie P. Plaza</b>	Value Chain Facilitator 1	PCU Agusan del Sur	02-Jan-20
Caraga	<b>Anthony Mark S. Cataloña</b>	Value Chain Facilitator 2	PCU Agusan del Sur	03-Feb-20
Caraga		Driver	PCU Agusan del Sur	
Caraga	<b>John Paul O. Bacolod</b>	Provincial Coordinators	PCU Agusan del Norte	20-Jan-20
Caraga	<b>Ms. Jenisa Ramoso (IFAD NO)</b>	Value Chain Facilitator 1	PCU Agusan del Norte	Not yet
Caraga	<b>Mark Anthony Balahay (IFAD NO)</b>	Value Chain Facilitator 2	PCU Agusan del Norte	Not yet
Caraga		Driver	PCU Agusan del Norte	



Caraga	<i>to follow</i>	Provincial Coordinators	PCU Surigao del Sur	
Caraga	<i>to follow</i>	Value Chain Facilitator 1	PCU Surigao del Sur	
Caraga	<i>to follow</i>	Value Chain Facilitator 2	PCU Surigao del Sur	

**Table 4: List of DTI regular staff assigned to or supporting the Project**

Locaiton	Name of Official/Staff	Designation/Position	Office
Head Office	Blesila A. Lantayona	Undersecretary	ROG
Head Office	Ireneo V. Vizmonte	Undersecretary	MSG
Head Office	Maria Asuncion H. Cruzada	Director	Finance Services
Head Office	Crisologo R. Rigunay, Jr.	Chief Accountant	Finance Services
Head Office	Gemma B. Manlangit	Chief Budget Officer	Finance Services
Head Office	Amalia dela Pena	Technical Staff	Finance Services
Head Office	Lydia Guevarra	Director	RGMS
Head Office	John William R. Lucero	Division Chief	RGMS
Head Office	May P. Cruz	Technical Staff	RGMS
Head Office	Angelic Reglos	Technical Staff	RGMS
Head Office	Joel Cruz	Director	HRAS / Procurement Services
Head Office	Maynard Peralta	Procurement Officer	HRAS / Procurement Services
Head Office	Joan Karen Riola	Director	Legal Service
Head Office	Danna Laura S. Zerrudo	Legal Staff	Legal Service
Region 8	Celerina T. Bato	OIC-Regional Director	ORD
Region 8	Meilou C. Macabare	OIC-Assistant Regional Director/BAC Chair	ORD/BAC
Region 8	Pedro Bimbo B. Tan	OIC-Chief	Business Devt Division
Region 8	Janet M. Avestruz	Division Chief	Finance and Admin Division
Region 8	Pablito S. Lora	Budget Officer	Finance and Admin Division
Region 8	Noel B. Nanquil	Supply Officer	Finance and Admin Division
Region 8	Fidelis T. Aviñon	Chief Accountant	Finance and Admin Division
Region 8	Arturo L. Tabuyan	OIC-Cashier	Finance and Admin Division
Leyte	Ma. Delia M. Corsiga	OIC-Provincial Director	OPD
Leyte	Ernesto B. Montes Jr.	OIC-Chief	Business Devt Division
Leyte	Sherie Ann D. Ilumba	TIDS/Acting Admin Officer	Finance and Admin Division
Southern Leyte	Michael B. Nuñez	Provincial Director	OPD
Southern Leyte	Maria Aurora Sabalo	Chief	Business Devt Division

Southern Leyte	Wencel Marie I. Laroa	Admin Officer	Finance and Admin Division
Northern Samar	Mimosa B. Regis	OIC-Provincial Director	OPD
Northern Samar	Gil C. Salor	OIC-Chief	Business Devt Division
Northern Samar	Kristian S. Engo	Admin Officer	Finance and Admin Division
Region 9	Ceferino T. Rubio	OIC Regional Director	ORD
Region 9	Al-Zamir I. Lipae	Assistant Regional Director	ARD
Region 9	Rossana E. Garcia	Division Chief	IDD
Region 9	Kathy Jusay-Jaron	Division Chief	Finance and Admin Division
Region 9	Kamila Fatima Masahud	Accountant III	Finance and Admin Division
Region 9	Nurvaline I. Jimlani	Budget Officer	Finance and Admin Division
Region 9	Aireen C. Amado	Supply Officer	Finance and Admin Division
Region 9	Rosas Tribulante	Cashier	Finance and Admin Division
Zamboanga del Norte	Maridel D. Dengal	Provincial Director	OPD
Zamboanga del Norte	Victoriano B. Miranda, Jr.	BDD Chief	Business Devt Division
Zamboanga del Norte	Maryland C. Acabal	Administrative Officer	FAD
Zamboanga del Sur	Grace C. Aduca	Provincial Director	OPD
Zamboanga del Sur	Flora G. Miraflor	Division Chief	Business Devt Division
Zamboanga del Sur	Xie C. Bentes	Administrative Officer	Finance and Admin Division
Zamboanga Sibugay Province	Marlon A. Alabata	Provincial Director	OPD
Zamboanga Sibugay Province	Rodolfo M. Mabalot	OIC-BDD Chief	Business Devt Division
Zamboanga Sibugay Province	Maricar C. Saavedra	TIDS/ RAPID Focal	Finance and Admin Division
Region 10	Linda O. Boniao	Regional Director	ORD
Region 10	Ermedio J. Abang	Assistant Regional Director	ORD
Region 10	Jocelyn N. Rosales	STIDS	Business Devt Division
Region 10	Rizalina C. Valle	OIC Finance & Admin Chief / Budget Officer	Finance and Admin Division
Region 10	Aivhor C. Lacuarin	OIC Accountant	Finance and Admin Division
Region 10	Edison C. Gascon	Supply Officer	Finance and Admin Division
Region 10	Geraldin C. Casas	OIC Cashier	Finance and Admin Division

Region 10	Atty. Fel Lester G. Brillantes	BAC Chairperson	
Bukidnon	Eriberto A. Taban-ud Jr.	OIC- Provincial Director	OPD
Bukidnon	Junar B. Merla	Division Chief	
Bukidnon	Presty Jean G. Sayson	Administrative Officer	Finance and Admin Division
Misamis Oriental	Almer Masillones	Provincial Director	OPD
Misamis Oriental	Elsie Limosnero	Division Chief	Business Devt Division
Misamis Oriental	Ruby Reyes	AO	Finance and Admin Division
Lanao del Norte	Ruel Paclipan	Provincial Director	OPD
Lanao del Norte	Nancy Echavez	Division Chief	Business Devt Division
Lanao del Norte	Lisette Ridad	AO	Finance and Admin Division
Region 11	Maria Belenda Q. Ambi	Regional Director	ORD
Region 11	Marilou D. Laguting	Division Chief, MSSU ( <i>RAPID Technical Supervisor</i> )	Management Service Support Unit
Region 11	Roselle D. Diez	Acting Chief Administrative Officer ( <i>RAPID Finance Mgt. Supervisor</i> )	Finance and Admin Division
Region 11	Mary Jane J. Talaid	Cashier	Finance and Admin Division
Region 11	Tarcelo C. Pepito Jr.	Chief Accountant	Finance and Admin Division
Region 11	Sheila Mae T. Toyorada	Procurement, Property & Supply Officer	Finance and Admin Division
Region 11	Richard S. Tecson	Acting Budget Officer	Finance and Admin Division
Davao Del Norte	Romeo L. Castanaga	Provincial Director	OPD
Davao Del Norte	Rosemarie E. Deypalubos	Division Chief	Business Devt Division
Davao Del Norte	Angelina B. Cartagena	TIDS/ Admin Officer	Finance and Admin Division
Davao Del Sur	Delia M. Ayano	Provincial Director	OPD
Davao Del Sur	Sarry L. Kinoc	OIC Division Chief	Business Devt Division
Davao Del Sur	Angel Mae G. Mier	Admin Officer	Finance and Admin Division
Davao Oriental	Jude Constantine S. Jaugan	Provincial Director	Provincial Director
Davao Oriental	Sylvia R. Ordiz	SuTIDS	Business Devt Division
Davao Oriental	Mary Lyn E. Pontevedra	Administrative Officer	Finance and Admin Division
Compostela Valley	Lucky Siegfred M. Balleque	Provincial Director	OPD
Compostela Valley	Sheilla Gracia M. Humol	STIDS	Business Devt Division

Compostela Valley	James Oriville L. Delan	Administrative Officer II	Finance and Admin Division
Region 12	Flora P. Gabunales	OIC -Regional Director	ORD
Region 12	Robert A. Orfrecio	Division Chief	SME Development Division
Region 12	Hazel E. Hautea	FAD Chief	Finance and Admin Division
Region 12	Fe Amor B. Vertido	Accountant	Finance and Admin Division
Region 12	Connie M. Barnachea	Budget Officer	Finance and Admin Division
Region 12	Christine Grace L. Tan	Supply Officer	Finance and Admin Division
Region 12	Mildred T. Sucol	Cashier	Finance and Admin Division
Region 12	Mary Ann M. Morales	BAC Chairperson	Finance and Admin Division
North Cotabato	Ferdinand Cabiles	OIC Provincial Director	OPD
North Cotabato	Federico Ealdama	OIC Division Chief	Business Devt Division
North Cotabato	Lei Therese P. Lames	Administrative Officer	
Sultan Kudarat	Felisa Sinobago	Provincial Director	OPD
Sultan Kudarat	Revelina Sespene	Division Chief	Business Devt Division
Sultan Kudarat	Gem Kathrin D. Urbano	Administrative Officer	
Sarangani	Ethel Laksmi Gumana	OIC Provincial Director	OPD
Sarangani	Eddie De Asis	Division Chief	Business Devt Division
Sarangani	Florigen C. Suerte	Administrative Officer	
CARAGA Region	Brielgo O. Pagaran	Regional Director	ORD
CARAGA Region	Gay A. Tidalgo	Assistant Regional Director / BAC Chairman	OARD
CARAGA Region	Ramil J. Leongas	OIC - Division Chief	
CARAGA Region	Elynur H. Gambet-Minglana	Accountant III / OIC FAD	Finance and Admin Division
CARAGA Region	Cherry May A. Mamasu	OIC Accountant	Finance and Admin Division
CARAGA Region	Julieta B. Ogoy	Budget Officer	Finance and Admin Division
CARAGA Region	Ralph O. Gorgonio	Supply Officer	Finance and Admin Division
CARAGA Region	Arleen P. Pahamtang	Cashier	Finance and Admin Division
Agusan del Sur	Jose T. Baron Jr.	Provincial Director	OPD
Agusan del Sur	Reonel R. Aniñon	OIC Division Chief	Investment Development Division

Agusan del Sur	Ma. Prescylin Lademora	Administrative Officer	
Surigao del Sur	Romel M. Oribe	Provincial Director	OPD
Surigao del Sur	Sarah Estrada	STIDS	
Surigao del Sur	Fritzie Usares	Administrative Officer	
Agusan del Norte	Brenda B. Corvera	Provincial Director	OPD
Agusan del Norte	Wyn Palma	CTIDS	
Agusan del Norte	Carmelita Banguis	Administrative Officer	

**RAPID Expanded Logframe, as of September 2020**

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
<b>Goal</b> Contribute to the reduction of poverty incidence in target areas	- Number of municipalities with poverty rates above 40% in target areas reduced	O1			349	320	260	PSA Small Area Estimates	Frequency of updating is every 3 years
<b>Development Objective</b> Increased income of small farmers and unemployed rural women and men across selected agri-based value chains	- Number of project-supported farming HH increase farm incomes by at least 60% - Number of incremental jobs generated on farm and in project supported MSMEs, of which 40% are women	O1.a 2.2.1 2.2.2			2,000 0	25,000 10,000	78,000 36,000	Project surveys MSME financial reports	SMEs interested in partnering with farmers
<b>Outcome 1</b> Producers and value chain actors execute collaborative action plans and build commercial partnerships in selected commodity chains.	- Percentage increase in value of sales of more than 1,000 participating MSMEs	1.2.4 1.2.7 2.2.3 2.2.5	Ch8 Outcome 1 Ch8 Outcome 2 Ch8 Outcome 2.3 Ch9 Outcome 1		Tbd	+30%	+100%	Project surveys MSME financial reports	

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
			Ch9 Outcome 2.1						
Output 1: Networks of Negosyo Centers in target provinces serving as one stop shop to promote entrepreneurship established	<ul style="list-style-type: none"> <li>- Number of networks of Negosyo Centers set up servicing Farmers, Farmers' Associations, Cooperatives MSMEs in 20 provinces</li> <li>- Number of Farmers served, disaggregated as men, women, IP, Youth</li> <li>- Number of FAs/ Coops served</li> <li>- Number of MSMEs served</li> </ul>		Ch9 Output 2.1	D7		10	20	Special Order NC Reports Progress reports	
Output 2: Capacities of value chain players (i.e MEs and Cooperatives) as service providers to farmers developed	<ul style="list-style-type: none"> <li>- Number of cooperatives trained</li> <li>- Number of MEs trained</li> </ul>	1.1.7	Ch8 Output 1.2 Ch8 Output 2.3	A1 E11				Project surveys Progress reports	
Output 3: Agreements between farmers and MSMEs facilitating access to markets and services forged	<ul style="list-style-type: none"> <li>- Number of partnership agreements signed</li> <li>- Number of Farmers entered into partnership agreements, disaggregated as men, women, IP, Youth</li> </ul>	Outcome 2.2.3	Ch8 Output 2.1				TBD	Partnership agreements signed/ Contract	

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
	<ul style="list-style-type: none"> <li>- Number of FAs/ Coops entered into partnership agreements</li> <li>- Number of MSMEs entered into partnership agreements</li> <li>- Number of Large Enterprises entered into partnership agreements</li> </ul>								
Output 4: Capacities of enablers (e.g. DTI, LGUs, and Industry Councils) for value chain development strengthened	<ul style="list-style-type: none"> <li>- Number of functional Industry councils in the selected value chain commodities</li> <li>- Number of DTI/NCs Staff and LGUs Staff trained, disaggregated as men, women, IP, Youth</li> </ul>	Policy 2	Ch9 Output 2.1	E11				Council Resolutions Progress reports	
Output 5: Industry-based MIS providing information to stakeholders in the target value chains developed	<ul style="list-style-type: none"> <li>- Number of industry-based MIS in selected commodities developed</li> </ul>					2	4	Progress Reports	
Output 6: Capacities of Farmers, Farmers' associations, cooperatives, MSMEs to manage enterprises strengthened	<ul style="list-style-type: none"> <li>- Number of Farmers trained for enterprise management, disaggregated as men, women, IP, Youth</li> <li>- Number of FAs/ cooperatives trained for enterprise management</li> </ul>	2.1.4	Ch8 Output 1.2	A1 E11				Progress Reports	



Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
	- Number of MSMEs trained for enterprise management								
<b>Outcome 2:</b> Farmers' Associations, Cooperatives, and MSMEs secure the necessary access to producers, markets, and suitable investment finance	<ul style="list-style-type: none"> <li>- Number of Farming HH (disaggregated as men, women, IP, Youth) with access to: <ul style="list-style-type: none"> <li>o Markets</li> <li>o Suitable Investment Finance</li> <li>o Suitable Insurance</li> </ul> </li> <li>- Number of MEs with access to: <ul style="list-style-type: none"> <li>o Producers/farmers</li> <li>o Markets</li> <li>o Suitable Investment Finance</li> <li>o Suitable insurance</li> </ul> </li> <li>- Number of SMEs with access to: <ul style="list-style-type: none"> <li>o Producers/ farmers</li> <li>o Markets</li> <li>o Suitable Investment Finance</li> <li>o Suitable Insurance</li> </ul> </li> <li>- % increase in productivity of participating SMEs and Cooperatives</li> <li>- % increase in volume and value of sales at farm/coop level and SME level</li> </ul>	1.2.2 1.2.4 1.2.5 1.2.6 2.2.2 2.2.6 3.2.1	Ch8 Outcome 2 Ch8 Outcome 2.1 Ch8 Outcome 2.3 Ch9 Outcome 1.2 Ch9 Outcome 2 Ch9 Outcome 2.1 Ch15 Outcome 1.3	C5			78000  1000  50  10% 10%	Project Surveys Midterm Reviews	

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
Output 7: Products of Farmers, Farmers Associations, Cooperatives, SMEs conforming to market requirements enhanced	- Number of Products form/type conformed to market requirements	1.1.3 1.1.4	Ch8 output 1.1 Ch8 output 1.2 Ch15 Output 1.3	C5 C6 G14 G15				Progress reports	
Output 8: Farm-to-market infrastructure connecting production to market improved	- Length of farm-to-market road rehabilitated and maintained	2.1.5	PDP-RM			40	80	Progress reports	
Output 9: Access to financial and insurance products and services to target value chain players improved	- Number of suitable financial products developed: <ul style="list-style-type: none"> <li>○ Suitable insurance</li> <li>○ Suitable financing products</li> </ul> - Number of financial management training (e.g. financial literacy) conducted to: <ul style="list-style-type: none"> <li>○ Farmers, disaggregated as men, women, IP, Youth</li> <li>○ FAs/Co</li> </ul>	1.1.5 1.1.6	Ch8 Output 2.1 Ch8 Output 2.3	C5				Progress reports	Financial institutions interested in extending affordable services in rural areas

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
	<ul style="list-style-type: none"> <li>MEs</li> <li>- Number of Farming HH and OFW Families provided with: <ul style="list-style-type: none"> <li>Suitable insurance</li> <li>Suitable financing products</li> </ul> </li> </ul>								
Output 10: Equity financing required by SMEs accessed.	<ul style="list-style-type: none"> <li>- Number of enterprises benefit from equity financing <ul style="list-style-type: none"> <li>Farmers, disaggregated as men, women, IP, Youth</li> <li>FAs/Coops</li> <li>MSMEs</li> </ul> </li> </ul>					20	40	Financial Institution reports Progress reports	
<b>Inputs/ Key Activities:</b>									
<b><i>Institutional Strengthening</i></b>									
1. NC Network establishment and/or strengthening	<ul style="list-style-type: none"> <li>- Number of of NC Network established</li> </ul>		Ch9 Output 2.1	D7		10	20	NC Reports	
2. Capacity building for MEs and Cooperatives to provide	<ul style="list-style-type: none"> <li>- Number of capacity building activities for MEs and Cooperatives conducted</li> </ul>	2.1.3	Ch8 Output 1.2	A1				Progress reports	

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
services to farmers									
3. SIP/DIP or Business Plan Preparation and Approval	- Number farming households participated in Detailed Investment Plans (DIPs)		Ch8 Output 1.2				78,000	Project surveys	
4. Capacity building for DTI/NCs, LGUs, Industry Councils for value chain development	- Number of capacity building activities related to value chain development for: <ul style="list-style-type: none"> <li>DTI/NC staff, disaggregated as men, women, IP, Youth</li> <li>LGUs, and ICs conducted</li> </ul>		Ch8 Output 1.2	E11 M23				Progress Reports	
5. Industry based MIS development including GIS	- Number of MIS Consultants engaged						2	TORs/Contracts	
<b>Direct Assistance to Enterprises</b>									
1. Capacity building of Farmers, Farmers'	- Number of capacity building activities related to enterprise management conducted to:	1.1.7	Ch8 Output 1.2	A1 E11 E12				Progress Reports	

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
associations, cooperatives, MSMEs to manage enterprises strengthened	<ul style="list-style-type: none"> <li>○ Farmers, disaggregated as men, women, IP, Youth</li> <li>○ FAs/ Coops</li> <li>○ MSMEs</li> </ul>								
2. Capacity building for farmers' Associations, cooperatives, MSMEs for productivity enhancement	<ul style="list-style-type: none"> <li>- Number of Productivity enhancement activities conducted to: <ul style="list-style-type: none"> <li>○ Farmers, disaggregated as men, women, IP, Youth</li> <li>○ FAs/Coops</li> <li>○ MSMEs</li> </ul> </li> </ul>	2.1.2 1.1.4	Ch8 1.1	A1 E11 G14 G15				Progress reports	
3. Provision of conditional matching Grant (i.e. Planting materials in both flat and sloping area-adoption of agroforestry)	<ul style="list-style-type: none"> <li>- Number/ Amount of strategic investments identified/ approved to: <ul style="list-style-type: none"> <li>○ Farmers, disaggregated as men, women, IP, Youth</li> <li>○ FAs/Coops</li> <li>○ Micro and Small Enterprises</li> </ul> </li> </ul>	1.1.3 2.1.6 3.1.4	Ch8 1.1 Ch8 2.1	A1 C5 C6 G14 G15				Progress reports	

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
y technology, processing equipment, certification )									
4. Rehabilitation of Farm to Market Roads	-								
5. Qualified business providers able to provide business services to MSEs	- Number of pools of qualified service providers set up, disaggregated as men, women, IP, Youth	2.1.1		A1		10	20	Progress reports	
<b>Technical Assistance to FSPs</b>									
1. Capacity building of FSI and related agencies/companies	- Number of FSPs and related agencies/ companies capacitated							Progress reports	
2. Cross visits/ cross	- Number of cross visits/ cross learning activities conducted								

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
learning activities									
3. Facilitation to access to market, access to finance, productivity and efficiency, and business enabling environment	<ul style="list-style-type: none"> <li>- Number FSPs extend innovative, value-chain based financial services to: <ul style="list-style-type: none"> <li>o Farmers, disaggregated as men, women, IP, Youth</li> <li>o FAs/Coops</li> <li>o MSMEs</li> </ul> </li> </ul>	IFAD RIMS	Ch8 1.1 Ch8 2.3	A1 C5 G14 G15		10	20	Progress reports	
<b>Innovation Fund</b>									
1. Developing manual for innovation fund	<ul style="list-style-type: none"> <li>- IRR for innovative/ equitable financing developed</li> </ul>	PDP-RM IFAD RIMS	Ch5 outcome 1.3 Ch5 outcome 1.2						
2. Internal capacity building	<ul style="list-style-type: none"> <li>- Number of DTI/ SBC personnel trained, disaggregated as men, women, IP, Youth</li> </ul>								
3. Production and dissemination IEC	<ul style="list-style-type: none"> <li>- Number of IEC material for equity financing produced and disseminated</li> </ul>								

Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
Material for equity financing									
<b>Project Management</b>	-								
1. Establishment of project management structures and systems	<ul style="list-style-type: none"> <li>- No. of project staff hired, disaggregated as men, women, IP, Youth</li> <li>- No. of DTI staff engaged, disaggregated as men, women, IP, Youth</li> <li>- No of PCUs established</li> <li>- PSC formally convened</li> <li>- RTWG formally convened</li> </ul>							Progress reports	
2. In-House Training and Capacity Building	<ul style="list-style-type: none"> <li>- No. of staff trained, disaggregated as men, women, IP, Youth</li> </ul>								
3. Project Coordination and Networking	<ul style="list-style-type: none"> <li>- No. of progress reports submitted</li> </ul>								
4. Results Based Project Monitoring and Supervision	<ul style="list-style-type: none"> <li>- M&amp;E Plan Prepared</li> <li>- KM Plan Prepared</li> <li>- Planning, assessment, Implementation/ supervision missions conducted</li> <li>- Project MIS developed</li> </ul>								



Results Hierarchy	Indicator	Corresponding RIMS Indicator	Corresponding PDP-RM Indicator	Corresponding DTI Measure Profile Indicator	Targets			Means of Verification	Assumptions/Risk
					Appraisal	Interim	EOP		
5. Financial and Physical Performance Monitoring	<ul style="list-style-type: none"> <li>- Percentage project utilization rate</li> <li>- Percentage accomplishment rate</li> </ul>			O26					
6. Capital Outlay	<ul style="list-style-type: none"> <li>- Number of vehicles procured</li> <li>- Number of ICT equipment procured</li> </ul>								
7. Administrative Support	<ul style="list-style-type: none"> <li>- Number of record system established</li> <li>- Number of reports submitted within prescribed time</li> </ul>			N25					

## Appendix 4e: Fiduciary risk assessment – data sheet

### PROJECT SUPERVISION

#### Fiduciary Risk Assessment – Data Sheet<sup>10</sup>

<b>Country:</b> Philippines	<b>Loan Number:</b> IFAD Loan No. 2109-PH; and IFAD Grant No. 2299-PH
<b>Project Name:</b> Rural Agro-enterprise Partnership for Inclusive Development and Growth (RAPID Growth) Project	
<b>Executing Agency:</b> Department of Trade and Industry (DTI)	<b>CPM:</b> Alessandro Marini
<b>Reviewing Finance Officer/FMS:</b> Arip Syaman Sholeh/ Mohammad Zidni Marohombsar	<b>Date of this Review:</b> March 2 - 13, 2020

Topic		Rating H/M/L	Issues / Comments / Recommendations
<b>A. Inherent Risks</b>			
<b>B. Control Risks</b>			
<b>1. Organization and Staffing</b>			
a.	Adequacy of organizational structure to meet functional needs of the project	L	Organizational structure has remained adequate. The Project's organizational structure is provided in the Project Implementation Manual (PIM).
b.	Availability of clear job description for key project positions, including fiduciary positions.	L	Duties and functions of project personnel including all key positions at all project levels are available.

<sup>10</sup> Include relevant findings of project supervision and progress reports, field visits, and audit report findings.

c.	Adequacy of project financial management staff (numbers and skill) matching functional needs of project.	L	Regular DTI Officers at the Central, Regional, and Provincial Offices were delegated. A Project Finance and Administrative Specialist (FAS) and a Finance Assistant at the NPCO, and Finance and Administrative Assistants (FAA's) at the RCU's were hired as contractual staff on a full-time basis. However, the FAS has also been performing procurement functions pending completion of the ongoing recruitment process for the Procurement Officer. RCU 12 also has still to hire its Finance and Administrative Assistant. RCU 9 also suggested to hire Finance Assistants at the PCU level (Aide Memoire: Quality of Financial Management).
d.	Availability and adequacy of operating manuals and guidelines for staff.	L	A revised Project Implementation Manual (PIM) was submitted to IFAD during the mission, subject to further review. Also referred in the PIM, financial guidelines will be consistent with the Government Accounting Manual for National Government Agencies (GAM for NGAs) and IFAD policies, systems and procedures. The Project needs to be consistent in implementing project FM procedures through timely guidance such as from issuance of memorandum, PIM updates, and workshops for all FM staff and officers (Aide Memoire: Quality of Financial Management).
e.	Existence of performance based evaluation system in place and timely completion of performance evaluation for all staff.	L	Contract renewal of all project-hired staff will be subjected to performance appraisal conducted regularly (i.e., semi-annually).

f.	Adequacy of health insurance coverage for all staff (where applicable).	L	Contractual staff personally remits for their monthly contributions to government health insurance, the premiums for which is made part of their monthly salary. The DTI pays for that of regular officials. The Project has ensured that all staff are adequately covered by health and insurance coverage.
g.	Timely payment of social security fees (where applicable).	L	Contractual staff also remits personally their monthly mandatory contributions for social security, the premiums for which is made part of their monthly salary. The DTI pays for that of regular officials.
h.	Staff adequately informed about IFAD's anti-corruption policy and relevant contact details.	L	Project staff members are being informed accordingly.
<b>2. Budgeting</b>			
a.	Timely preparation and approval of AWPB.	M	The Project is currently operating under the mini-AWPB 2019 and has still to submit the 2020 AWPB. DTI CO FS will then have to request from DBM the corresponding budget authorization for FY2020 (Aide Memoire: Coherence between AWPB and implementation, and Quality of Financial Management).
b.	AWPB in line with exp. categories in Financing Agreement (FA) Schedule 2.	L	AWPBs have been in line with expenditure categories in the FAs.
c.	Financing sources and implementing agencies for each category in AWPB are identified.	L	Financing sources (i.e., IFAD loan and/or grant, GPH counterpart, and LGU and private sector contributions) are presented in AWPB.
d.	Linkage of AWPB and Procurement Plan are identified (for cost estimate and activities).	L	The APP corresponds to AWPB.
<b>3. Fund flows and Disbursements / Withdrawals</b>			

a.	Timeliness of Funds disbursed by different sources, (and co-financiers funding if applicable)	<b>L</b>	IFAD had disbursed the initial advances of loan proceeds and grant funds amounting to USD 5.0 million and USD 500.0 thousand, respectively.
b.	Timeliness of counterpart funds disbursed.	<b>L</b>	GOP counterpart funds has been readily made available to the Project in FY2019 and FY2020 (Aide Memoire: Counterpart funds).
c.	Efficiency of the funding channels. Timeliness and traceability of funds flows.	<b>M</b>	Funds flow through usual government procedures for foreign-assisted projects. IFAD funds are deposited to the Bureau of Treasury's (BTr) account at the BSP (Central Bank), and transferred to Project Designated, and Project Accounts maintained at the Land Bank. However, no disbursement can be made by the Project using IFAD funds pending DBM issuance of SARO and/or NCA (Aide Memoire: Disbursement).
d.	Efficiency of the funding channels for credit lines. Timeliness and traceability of funds flows, if applicable.	<b>N/A</b>	
e.	Special Account(s)/Dedicated Account(s) Management, Disbursements		
	i) Adequacy of the authorized allocation to ensure smooth flow of funds	<b>L</b>	Authorized allocations amounting to USD 5.0 million and USD 500.0 thousand for the loan and grant, respectively are considered adequate.
	ii) Appropriateness of disbursement methods used	<b>L</b>	Disbursement methods for the Loan and the Grant per Letters to the Borrower (LTBs) remain appropriate (i.e., advance withdrawal, direct payment, special commitment and reimbursement). In particular, the Project was advised to consider applying for reimbursement of GOP funds used in lieu of loan proceeds pending SARO issuance by the DBM (Aide Memoire: Disbursement).

	iii) Adequacy of documentary support for SOE disbursements, reimbursements, direct payments and Special Commitments	L	DTI complies with government policies and procedures on documentary requirements for project expenditures.
	iv) Timely preparation and accuracy of Withdrawal Applications (WA)	L	No subsequent WA is expected in the short term. Project has still to gather pace.
	v) Authorization of WA preparation	L	DTI officials, including Project Director are the authorized signatories of WAs for both the Loan and the Grant.
	vi) Status on expenditures withdrawn from Special Account but not yet claimed for replenishment (old cases to be noted)	L	A total of Php 18.919 million were transferred recently to Project operating units subject to liquidation and reporting of utilization.
	vii) Regularity of Special Account(s) Monitoring and monthly reconciliations and monthly reconciliations signed by the project manager.	L	The Accountant at DTI CO FS will prepare Designated Account reconciliations.
	viii) Disbursement rate compared to the AWPB and whether satisfactory given the remaining implementation time. Provide comments as appropriate.	M	The disbursement of loan proceeds and grant are presently hindered by the pending budget authorization (Aide Memoire: Disbursement).
	ix) Recovery of SA balances by loan closure.	N/A	
<b>4. Internal Controls</b>			
a.	Segregation of duties - are the following functional responsibilities performed by different units or persons:  (i) authorization of a transaction (ii) execution of a transaction <sup>[L]<sub>SEP</sub></sup> (iii) recording of the transaction; and <sup>[L]<sub>SEP</sub></sup> (iv) custody of assets involved in the transaction.	L	There is proper segregation of incompatible functions in accordance with government accounting and audit policies and procedures.
b.	Clarity and adequacy of decision processes and sequence of events for control functions in project implementation reflected in the Financial Manual (or equivalent there-of).	L	The revised PIM provides adequate FM and disbursement guidelines. The Project however needs to timely disseminate guidance to operating units (Aide Memoire: Quality of Financial Management).
c.	Adherence to Financial Manual.	L	The Project complies with the PIM, as well as with the GAM.

d.	Effectiveness and efficiency of internal controls over inflows of funding sources other than IFAD.	L	GOP counterparts and LGU equity are covered by country FM systems that entail effective and efficient internal controls.
e.	Adequacy of contract management (use of contracts register and monitoring form) and filing there-of.	L	Presently, the NPCO FAS and Finance Assistant monitor contracts. The Procurement Officer that is to be hired will then maintain contract registry.
f.	Effectiveness and efficiency of internal controls over expenditures (full cycle from commitment, payment, receipt of good and services, approval of payments, classification, etc.)	L	Project expenditures are accordingly covered by government accounting and auditing policies and procedures that entail effective and efficient internal controls.
g.	Documentary evidence to confirm delivery and acceptance of contracted goods, works or services.	L	The Project ensures adequate documentary evidence in accordance with government accounting and auditing policies and procedures.
h.	Physical controls over cash, documents and records. Adequacy of filing systems. Is the petty cash subject to monthly reconciliation as well as surprise checks; custody of cash box and control of keys.	L	Original DVs and supporting documents are being filed at the respective COA of operating units. No PCF cash being maintained.
i.	Adequacy of physical management of cash.	L	Cash are deposited in Land Bank accounts and disbursed through checks.
j.	Timely payment to suppliers and consultants.	L	Payments are being made on a timely basis.
k.	Eligibility of expenditures with respect to Financing Agreements.	L	Expenditures are generally eligible for financing using loan proceeds and grant funds.
l.	Legality/eligibility of advances from project funds and timely justification for use there-of.	L	Fund transfers were made to NPCO and RCU's.
m.	Compliance with financial management covenants in the Financing agreements and LTB.	L	Project satisfactorily complies with financial covenants.
n.	Adequacy of up-to-date record keeping for fixed assets and inventories.	L	The Project will maintain subsidiary ledgers of project assets in accordance with

			government accounting and audit policies and procedures.
o.	Adequacy of controls concerning project assets including:  i) Vehicle and other assets management ii) Fuel management iii) Travel authorisations	L	The Project complies with government accounting and audit policies and procedures.
p.	Adequacy of vehicles and assets insurance.	L	All vehicles to be procured will be insured with GSIS as required by government policies.
q.	Workshops:  i) Availability of list of participants [SEP] ii) DSA paid to participants iii) Receipts for workshop expenditure [SEP]	L	Adequate supporting documentation for workshops or training is being complied by the Project.
r.	Adequacy of controls and authorization process for use of funds (payments, transfers, Cash/Bank balance management) / and other operational accounts – non-special account.	L	Project and/or Regional Directors approve disbursements from project bank accounts. Special Disbursing Officers (SDO's) are being recommended to be assigned in all operating units (Aide Memoire: Quality of Financial Management).
s.	Banking arrangement and controls (reconciliation of bank statements with financial accounts).	L	Monthly bank reconciliation statements are required as part of government accounting and audit policies and procedures. The Project has still to finalize banking arrangements at the PCU level (Aide Memoire: Quality of Financial Management).
t.	Existence of a proper IT support unit in place.	L	IT units are in place at DTI CO and RO's.
<b>5. Accounting</b>			



a.	Basis of accounting (cash, accrual) and whether accounting standards are in line with IFAD's requirements (e.g. IFRS/IPSAS/IPSAS cash)	L	The Project's financial transactions are recorded and reported in accordance and compliance with the Philippine Public Sector Accounting Standards (PPSAS), as prescribed by the COA.
b.	Adequacy and reliability of accounting system, (is double entry accounting used, specify software used, is budget data entered into the accounting system, can the accounting system produce regular automated financial reports?).	L	The Project uses the government automated accounting system or eNGAS at the DTI CO and RO's 8 and 11. The RCU's have still to maintain their respective financial accounts (Aide Memoire: Quality of Financial Management).
c.	Recordkeeping (including documentation and filing/archiving)	L	The COA retains all original signed copies of DVs and supporting documentation of project expenditures.
d.	Fixed assets register maintained and reconciled (sample and physical check).	L	The operating units will maintain their respective fixed asset registers.
e.	Adequate documentation and controls for Information Systems, including documented accounting procedures, backup of financial records, integration of all sub-systems.	L	The GAM documents accounting procedures for government transactions. The Project also maintains manual financial records.
f.	Adequacy of chart of accounts for project accounting purposes	L	Project chart of accounts is adequate, as prescribed by the COA.
g.	Timeliness of recording transactions, regularity of performance and approval of reconciliations, controls on erroneous recordings.	L	Journal Entry Vouchers (JEVs) are prepared for every transaction and approved by the Accountant. JEVs are summarized at every month-end.
h.	Appropriate/ adequate accounting and reporting of counterpart funds contributions (incl. tax and tax exemptions) as well as beneficiary contributions.	L	GPH counterpart are recorded and reported properly.
<b>6. Reporting &amp; Monitoring</b>			

a.	Completeness, accuracy, usefulness, and timeliness of financial reports.	L	Quarterly financial statements are to be prepared and consolidated by DTI CO. The Project ensures that books of accounts are consistently being updated.
b.	Interim FM reports and linkage to progress reports - timely preparation, submission to IFAD.	L	No IFRs due presently.
c.	Preparation of reports showing actual vs budget income/expenditure and AWPB execution rate.  <i>Ensure complete details (i.e. progress from preceding years)</i>	L	Financial accomplishments and progress against AWPB FY2019 were reported and reviewed during mission.
d.	Follow up of previous aide-memoirs fiduciary recommendations.	L	The Project has acted accordingly on fiduciary recommendations from previous Aide Memoire.
e.	Reasonable alignment between disbursement rate of recurrent versus investment cost categories.	L	There have been no changes in the percentage of appraisal amounts for recurrent costs and investment costs to total baseline costs.
<b>7. Internal Audit</b>			
a.	Existence of Internal Audit arrangements.	L	There are no internal audit arrangements yet for the Project.
b.	Adequacy of internal audit arrangements (organization - staff capacity).	L	Internal Audit Service exists at the DTI-CO but still have to plan activities for the Project.
c.	Adequacy of internal audit scope of work and quality of reports.	N/A	
d.	Assessment of matters raised in audit reports.	N/A	
<b>8. External Audit</b>			
a.	Adequacy of scope and TOR.	L	The Commission on Audit (COA) will conduct annual audit on the project financial statements, SOE and Special Accounts. The terms of reference (TOR) for project audit are incorporated in the PIM.

b.	Adherence to TOR.	L	The Project will coordinate with the COA regarding project audit requirements.
c.	Timeliness of audit report.	L	No audit report is currently due (Aide Memoire: Quality and timeliness of audit)
d.	Quality of audit.	L	The project audit is to be conducted in accordance with ISSAIs, and IFAD Guidelines for Project Audits. It will cover financial transactions and implementation at all the operating units.
e.	Implementation of audit recommendations/agreed plan in place to address these.	L	No Audit Observation Memorandum (AOM) yet for the Project.

## Summary of Project Fiduciary Risk Assessment at Supervision

	Risk Assessment H/M/L	Proposed Mitigation
<b>Inherent Risk</b>		<b>N/A</b>
<b>Control Risks</b>		
1. Organization and Staffing	L	Full complement of qualified project-hired staff dedicated to finance functions.
2. Budgeting	M	(1) Obtaining timely issuance and appropriate budget (SARO) and disbursement (NCA) authorizations for IFAD loan and grant from the DBM. (2) Timely preparation and submission of AWPB for IFAD No Objection.
3. Funds flow & Disbursement Arrangements	M	Obtaining from the DBM the appropriate budget (SARO) and disbursement (NCA) authorizations for IFAD loan and grant financing.
4. Internal Controls	L	(1) Promote good practice by disseminating timely guidance to all operating units on standard project-specific FM procedures.

		(2) Assign Special Disbursing Officers (SDO's) at all operating units to facilitate cash advances for project expenditures.
5. Accounting	L	Maintenance of separate books of accounts at DTI CO, NPCO, and RCU's.
6. Financial Reporting and Monitoring	L	Timely consolidation and reconciliation of project books of accounts.
7. Internal Audit	L	Coordination with the Internal Audit of DTI CO for possible internal audit activities covering the Project.
8. External Audit	L	Close coordination with respective auditors from the COA of all operating units on external audit arrangements for the Project in accordance with IFAD's Guidelines on Project Audit, and/or the new Conceptual Framework and Handbook for Financial Reporting and Auditing for IFAD-Finance Projects.
<b>Overall Project Fiduciary Risk</b>	<b>M</b>	
H=High, M=Medium, L= Low		

## **Philippines**

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### **Rural Agro-enterprise Partnerships for Inclusive Development and Growth Supervision Report**

#### **Appendix 5: Mission preparation and planning, TORs, schedules, people met**

Mission Dates: 02-13 March 2020  
Document Date: 14/04/2020  
Project No. 2000001200  
Report No. 5379-PH

Asia and the Pacific Division  
Programme Management Department



## **Appendix 5: Mission Preparation and Planning, TORs, Schedules, People met.**

### **Terms of Reference Supervision and Implementation Support Mission 2-17 March 2020**

#### **Mission Team:**

##### *IFAD Staff:*

Alessandro Marini, Country Director and Mission Team Leader  
Jing Pacturan, Country Programme Officer  
Michael Hamp, Lead Regional Technical Specialist

##### *Consultants:*

James Shields, Value Chain and Agribusiness Specialist  
Clovis Ike Payumo, Engineer  
Yolando Arban, M&E Specialist  
Arthur Tantuan, Procurement Specialist  
Zidni Marohombsar, Financial Management Specialist

#### **A. Background**

1. The Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project (RAPID Growth) is a six years investment project implemented in partnership between IFAD and the Department of Trade and Industry (DTI). Its total investment is US\$ 95.1 million, financed by an IFAD loan of US\$ 62.9 million, an IFAD grant of US\$ 2.5 million, Government contribution of US\$ 9.1 million, private sector contributions (including financial institutions) of US\$ 15.2 million and farmers' contribution of US\$ 2.1 million. The project goal is to sustainably increase the incomes of small farmers and unemployed rural women and men across selected value chains. The development objective is to provide strategic enabling conditions for the sustained growth of micro and small enterprises in agricultural commodity chains with comparative advantage, market demand, growth potential, backward linkages to small farmers, and job creation effects.

2. The project is implemented in six regions in Mindanao and Visayas (regions 8-13) and twenty target provinces, selected based on their growth potential in specific commodities, poverty incidence and operational efficiency considerations. The project will initially target four commodities of the seven prioritised by DTI, namely cocoa, coffee, processed fruits and nuts, and coconut. These commodities present attractive market and social features, and have potential to provide sustained economic benefits to both small farmers and enterprises.

3. RAPID was approved by the IFAD Executive Board in April 2018, the Financing Agreements were signed in April 2019 and it entered into force in July 2019. The Project Completion Date is 30 September 2025.

4. From 9 to 16 September 2019, a Start-up Implementation Support Mission worked in Davao with DTI and the Project team, with the aim to follow up on the Project preparatory activities. Key areas identified for action following the Mission included:

- Completion of the first batch of 12 Strategic Investment Plans (SIPs);
- Finalization of the PIM, with particular emphasis on the procedures for: (i) processing of matching grants; (ii) accreditation and procurement of Service Providers (SPs); and (iii) operationalization of the Innovation Fund;

- Elaboration of a draft M&E plan, including plans for a baseline survey;
- Finalization of recruitment of PMU staff at all levels.

## **B. Mission Objectives and Outputs**

5. From 2 to 13 March 2020, a joint IFAD-Government Supervision and Implementation Support Mission will visit the Project to assess its performance and implementation status, in particular with respect to the areas identified during the last mission (see above), as well as on the overall implementation of the Annual Work Plan and Budget (AWPB) for 2019 and 2020. The mission will include some meetings in Manila with key RAPID partners; meetings in Davao with DTI and the PMU; visits to project areas (programme to be agreed with the project) and a final wrap-up meeting with DTI and other key stakeholders on 13 March 2020.

6. The objectives of the mission are to:

- Review the performance and progress of the project, by investment component, with specific focus on the status of implementation of the actions agreed in September 2019 (see above) as well as on the initial preparatory activities at Provincial level;
- Assess the institutional and implementation arrangements as well as the processes and procedures for project management, coordination and implementation at all levels;
- Review the compliance with loan and grant covenants;
- Review the performance of financial management systems, flow of funds arrangements, procurement and contract management.

7. The main outputs of the mission will be:

- An **Aide Memoire**, summarizing the main findings and agreements of the mission, to be discussed at the Wrap-up Meeting with the government and signed at the end of the Mission.
- A **Supervision Report** with the necessary annexes and appendixes, following the IFAD template, to be elaborated within 30 days from the end of the mission.

## **C. Individual tasks and responsibilities**

8. Subject to any modification and addition that may become necessary during the course of the mission, as determined by the Team Leader, each team member will be assigned individual tasks and responsibilities to contribute to the objectives of the mission, as specified here below. Each member will contribute to the final Aide Memoire and Supervision Report in relation to his/her areas of expertise and as required by the Team Leader, following the IFAD document templates.

9. **Alessandro Marini, Team Leader.** He will be responsible for coordinating the team members to ensure that the mission reaches its objectives and responds to its terms of reference in a professional, efficient, effective and timely manner. This includes coordinating, reviewing and managing the contributions of team members and working closely with them to ensure proper quality of the final outputs. Besides his overall task of leading the mission, he will:

- Apply IFAD new Integrated Project Risk Management framework to the project and prepare the necessary related reporting;
- Review the compliance with loan covenants;
- Prepare and present the mission Aide Memoire at a wrap-up meeting with relevant stakeholders at the end of the mission with relevant inputs from mission members.
- Be responsible to assemble the final supervision report following IFAD's template and ensure its compliance with IFAD's required formats and quality standards.
- Prepare a Management Letter to be sent to Government at the end of the mission highlighting the key findings and agreements.

10. **James Shields, Value Chain and Agribusiness Specialist.** Within the overall objectives of the



mission, he will be responsible for reviewing the implementation progress of Component 1, Direct Assistance to Enterprises, except the Farm-to-Market Infrastructure sub-component. In particular, he will:

- Assess the overall status of preparations of the component;
- Review the status and quality of the first batch of Strategic Implementation Plans (SIPs), as well as the plans for the undertaking of the second batch of SIPs;
- Review the proposed arrangements for the operationalization of the matching grants (selection, awarding, disbursement and monitoring);
- Review the implementation arrangements for the provision of business services by the project to the whole range of potential clients along the selected value chains (cooperatives, MSMEs, etc.);
- Assess the project strategy for partnering with private sector players within the selected value chains;
- Prepare a brief technical note summarizing the findings in his area of competence.
- Inclusive dates: 29 Feb-16 March 2020

11. **Clovis Ike Payumo, Rural Infrastructure Specialist.** Within the overall objectives of the mission, he will be responsible for reviewing the implementation progress of the sub-component on Farm-to-Market Infrastructure. In particular, he will:

- Assess the overall status of preparations of the sub-component and review the proposed planning of civil works as emerging from the SIPs;
- Review the proposed implementation arrangements, in particular the respective role of DTI vs. local governments;
- Prepare a brief technical note summarizing the findings in his area of competence.
- Inclusive dates: 01-15 March 2020

12. **Jing Pacturan, Country Programme Officer.** Within the overall objectives of the mission, he will be responsible for reviewing the implementation progress of Component 2, Institutional Strengthening. In particular, he will:

- Review the project plans to strengthen the governance and institutional framework of the selected value chains at different level: local, regional and national;
- Discuss opportunities for policy support and engagement with DTI;
- Review the role of the Negosyo Centres as effective platforms for service delivery for the project;
- Discuss with project management and DTI the plans for establishing a strategic partnership with Farmers' Organizations as part of project implementation;
- Review the plans for strengthening of public institutions to enhance their role in support of the value chain.

13. **Michael Hamp, Lead Regional Technical Specialist.** Within the overall objectives of the mission, he will be responsible for reviewing the implementation progress of Component 3, Technical Assistance and Partnership with FSPs, and component 4, Innovation Fund. In particular, he will:

- Review the overall implementation arrangements of the TA and FSPs Partnership component and, in particular, the draft MoAs with key implementing partners (i.e. LBP, DBP);
- Discuss opportunities to partner with private FSPs, besides LBP and DBP;
- Assess the status of the partnership with PCIC for the provision of insurance services in project investment areas;
- Review the operational modalities for the Innovation Fund as prepared by SBC;
- Prepare a brief technical note summarizing the key findings and recommendation in his area of competence;

14. **Yolando Arban, Planning, M&E and KM Specialist.** Within the overall objectives of the mission, he will be responsible for reviewing aspects related to project management, M&E and knowledge management. In particular, he will:

- Review project implementation arrangements and staffing at all levels, including the adequacy of the staffing structure, as well as the overall quality of project management and oversight systems;
- Assess status of achievements against AWPB 2019 and 2020;
- Review the overall M&E system and ensure consistency and alignment between the indicators reported on by the project (and their regular updating) and those included in the logframe;
- Ensure that the relevant inclusion indicators (gender, youth, etc.) are properly embedded in the project monitoring system and regularly reported on;
- Review the ToRs of the baseline study and the plan for its undertaking before end of 2020;
- Review plan by the project to ensure achievements of the targets in terms of outreach, for both direct and indirect beneficiaries;
- Coordinate and consolidate the contributions of different members to the review of the PIM;
- Collect information on KM-related matters and provide recommendations and comments on how to integrate KM and Communication in every-day project implementation linked to M&E;
- Support the team leader in assembling the final supervision report following IFAD's template.

**Arthur Tantuan, Procurement Specialist.** The Procurement Specialist will provide advice on procurement and infrastructure investment procedures to IFAD projects and the IFAD Subregional Office (Mekong Hub) in Hanoi and ensure that project procurement management and infrastructure investment are effective and in accordance with IFAD and/or Government procurement/infrastructure guidelines.

In line with Module IV of the IFAD Procurement Manual, the Consultant should carry out the following tasks:

- Review the current Procurement Plan in order to assess it has been fully updated and upgraded, ascertain its completeness, its concurrence with the AWPB, and its consistency with the country systems and/or IFAD Procurement Guidelines and Handbook;
- Provide support, advice and recommendations on the following:
  - The thresholds, ceilings and preferences to be applied in the implementation of procurement under the project;
  - The contract types and contractual arrangements for goods, works and consulting services required to implement the projects;
  - The proposed methods of procurement;
  - The related IFAD review procedures and provide suggestions to improve the overall quality of the procurement processes;
- Review a minimum sample of 10% of all procurement contracts for compliance;
- Carry out spot checks on past procurement activities and assess the extent these adhere to Government and/or IFAD Procurement Guidelines and Handbook; in particular, verify that the goods, services and works procured correspond with the approved AWPB and Procurement Plan, in terms of quality and quantities;
- Review the procurement, contracting and implementation processes and timeliness and appropriateness of procurement actions;
- Assess contract administration and management procedures;
- Assess the procurement capacity of all entities to be reviewed in terms of manpower, levels of training of procurement staff, work environments and independence of procurement staff to carry out their statutory assignments;
- Conduct specific analysis of value for money (VFM) at all levels and the reasonableness of prices for:

- Goods, equipment, etc using available price indicators;
  - Civil Works, compared to locally accepted standards and prices; and
  - Services compare quality-output to international standards and prices;
- Determine whether adequate systems are in place for procurement planning, implementation and monitoring, and whether documentation are maintained as per required standards and can be relied upon;
- Verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards;
- Review issues identified in the previous procurement review and aide-mémoire and procurement related issues identified in project audit reports;
- Identify deficiencies and make recommendations for improvements and control mechanisms in the procurement procedures and processes;
- Conduct a review of any significant changes in the borrower/recipient's procurement system and practices, and ensure project procurement procedures and systems are updated accordingly;
- Review/update the Procurement Risk Assessment, using the IFAD Procurement Risk Matrix (Module I of the IFAD Procurement Manual);
- Assess further procurement staff training needs and ensure relevant training is planned and provided to project management and procurement staff in a timely manner;
- Submit an assignment report (as per IFAD format), and any other relevant ancillary documents;
- Carry out any other activity, as required by IFAD.

15. **Zidni Marahombsar, Financial Management.** Within the overall objectives of the mission, he will be responsible for reviewing all aspects related to financial management, including disbursement performance. Using the IFAD FMAQ as the basis to collect the relevant information, he will assess the strengths and weaknesses of financial management systems, internal controls and financial reporting systems relating to financial management and financial administration of project funds in order to ensure that they satisfy IFAD's fiduciary requirements and comply with the Financing Agreement and LTB. In particular, he will:

- Review financial management progress, identify constraints in disbursements and expenditure programming; propose solutions where appropriate;
- Assess physical and financial project implementation progress against appraisal targets and Annual work plans and budgets;
- Identify actual, emerging or potential problems, constraints and bottlenecks in project implementation;
- Identify risks arising from material deficiencies and propose practical recommendations for improving financial management functions and/or staffing for financial operations needed to mitigate risk;
- Review the financial reporting systems, including Government reporting requirements. Assess the functionality of the accounting software used and make recommendations, if any, to customise the software in order to enhance its usefulness for project reporting purposes;
- Assess regularity of WA preparation. Recommend concrete measures to ensure faster and more efficient disbursements. Assess the project's treasury planning; analyse adequacy of DA authorised allocation, with respect to projected expenditure requirements;
- Review SOEs prepared since the last field review to verify adequacy, completeness and validity of claims by selecting on a sample basis expenditure items from each category of expenditures and performing a system 'walk-through'. Document findings on individual SOE items, noting down any ineligible expenditures. Provide recommendations on any internal controls weakness noted. Assess the adequacy of the project's filing of financial records;
- Review contractual and payment procedures (as well, assess (for quality, timeliness) and identify any capacity gaps in contractor/IP/SP preparation of documentation for payment of works, financial reports, etc.); check contract register, usage of contract monitoring forms,

register of advances; highlight outstanding advances (ageing analysis); verify compliance with audit requirements foreseen in contracts/ MOUs, if applicable;

- Review status of counterpart funding, including checking if the Borrower/Lead Project Agency has made available financing proceeds to the Project, as planned and in line with the Financing Agreement;
- Review key internal controls in project expenditure management, assess number of days required for payment approvals;
- Assess compliance with financing agreement, LTB and applicable guidelines, including PIM;
- Review internal audit arrangements provided by COA, document findings of internal audit reports;
- Discuss findings of previous audit reports with finance team, describe planning for addressing audit observations;
- Discuss Mission recommendations with the project and relevant stakeholders and agree on a plan of action; based on above work, assign FM performance ratings to the projects, and update FM risk assessments, following CFS guidelines; and
- Follow up on the audit report 2018 submission.

16. **XXXXXXX, NEDA Representative.** Within the overall objectives of the mission, she will be responsible for reviewing aspects related to planning and M&E. In particular, she will:

- Assist in reviewing the project's implementation progress against the AWPB 2019 and 2020;
- Assist in reviewing and analyzing the performance of the project's M&E system; and
- Advise the team on government requirements/processes regarding relevant procedures for project implementation.

#### **D. Mission Schedule**

2 March	Meetings with DTI at Central Level and relevant stakeholders in Manila
3-4 March	Travel to Davao and meetings with PMU in Davao.
5-10 March	Field visits – programme to be defined.
11 March	Meetings in Davao
12 March	Pre-wrap-up (technical) in Davao.
13 March	Final wrap-up in Manila.
16 March	Submit individual reports
17 March	Final Report

**IFAD-GOP Supervision and Implementation Support Mission  
Itinerary of Activities**

**A. Kick-Off Meeting**

Date : March 2, 2020  
Venue : Conference Room, DTI- ROG  
Participants : IFAD Team, NPCO, RGMS, ROG, OSEC

Time	Activity/ Topic	Resource Person
9:00 AM – 9:15 AM	Registration	
9:15 AM – 9:35 AM	Preliminaries - Opening Prayer - National Anthem	
9:35 AM – 9:45 AM	Welcome Remarks	<b>USec. Blesila A. Lantayona</b> Regional Operations Group, DTI
9:45 AM – 9:55 AM	Opening Statements A. International Fund for Agriculture Development  B. RAPID Growth Project	<b>Alessandro Marini</b> , Country Director and Team Leader, IFAD-PH  <b>ARD Edwin O. Banquerigo</b> Project Director, RAPID Growth Project
9:55 AM – 10:25 AM	Overview and Objectives of the IFAD-GOP SIS Mission	<b>Jerry Pacturan</b> Country Programme Officer, IFAD-PH
10:25 AM – 10:45 AM	SGA Accomplishment Report and RAPID Growth Project Updates	<b>ARD Edwin O. Banquerigo</b> Project Director, RAPID Growth Project
10:45 AM – 11:15 AM	Financial Updates	<b>Ma. Asuncion Cruzada</b> Director, DTI-Finance Services
11:15 AM – 11:30 AM	Travel Itinerary for Regional Meetings and Field Visits	<b>Mae Ester T. Guiamadel</b> Project Manager, RAPID Growth Project
11:30 AM – 11:45 AM	Discussion	
11:45 AM – 12:00 PM	Next Steps and Closing Remarks	<b>ARD Edwin O. Banquerigo</b> Project Director, RAPID Growth Project
12:00 PM – 1:00 PM	Lunch	
1:00 PM – 3:00 PM	Open Discussion	IFAD, NPCO, RGMS, FS
1:00 PM – 2:30 PM	Visit/ Courtesy meeting with DBP President	Participants: - Michael Hamp - John Lucero - Ed de Castro
3:00 PM – 5:00 PM	Visit/ Courtesy meeting with SBC President	

## B. Regional Meetings and Field Visits (March 3-8, 2020)

**Team :** A  
**Area of Coverage :** Regions 8 and 13  
**Heads of Delegation :** Alessandro Marini, Marc de Souza, IFAD  
 ARD Edwin O. Banquerigo, DTI-NPCO  
**Additional Team Member :** NEDA Rep  
**NPCO Coordinator :** Mysol B. Carcueva  
**Contact No. :** 09751009338  
**Entry Point :** Tacloban City  
**Exit Point :** Trento, Agusan del Sur  
**Vehicle Details**  
 1) Region 8 Leg (Tacloban-Jaro-Matag-ob-Javier-Tacloban Route)  
 Nissan Urvan  
 OW 4315 plate Num  
 Driver- Lopecenio Suico cp#09676172933  
 Driver Contact No. 09676172933  
 2) Region 13 Leg (Butuan-San Francisco- Rosario- Trento- Davao Route)  
 Toyota Hi Ace Grandia GL- Silver Metallic  
 Plate no. ABG 9370  
 Driver- Andy Tayong Buligan CP#- 09505406254  
 Driver Contact No- 09505406254

### DAY 1

Date: 3 March 2020

Time	Activity	Participants	Venue/Accommodation
4:40 AM – 6:00 AM (might be too early. Proposing for option 2)	Travel Time Manila- Tacloban PAL Flight Schedule PR- 2981	Alessandro Marini Edwin Banquerigo NEDA Rep	
Option 2: 8:10 AM – 9:40 AM	Cebu Pacific Schedule Flight 5J 651		
10:00 AM – 3:00 PM (inclusive of Lunch)	Regional Meeting with RTWG and Implementing Units (RCU and PCUs)*	Mission Team*** RCU 8 PCUs (Leyte, N. Samar, S. Leyte) RTWG	Summit Hotel Robinsons Place, Brgy Marasbaras, Tacloban, City
3:00 PM – 3:30 PM	Summit Hotel to KAMMPIL Agricoop**	Mission Team RCU 8	KAMMPIL Agricoop, Barangay Daro,
3:30 PM – 5:00 PM	Meet with KAMMPIL Agri Coop	PCUs (Leyte, N. Samar, S. Leyte)	Jaro, Leyte
5:00 PM – 5:30 PM	Jaro to Tacloban		
5:30 PM	ETA Tacloban Straight to Summit Hotel		Summit Hotel Robinsons Place, Brgy Marasbaras, Tacloban, City
7:00 PM	Dinner	To be hosted by DTI-RO 8	TBD

\* A generic program or flow of discussion good to all regions is proposed in Part E

\*\* Kalipunan ng mga Maliliit na Magniniyog sa Pilipinas (KAMMPIL Agricoop)

\*\*\*Mission Team refers to IFAD, NPCO, and NEDA delegation

## DAY 2

Date: 4 March 2020

Time	Activity	Participants	Venue/Accommodation
7:00 AM – 8:00 AM	Breakfast/ Check out	Mission Team	Summit Hotel
8:00 AM – 12:00 NN	Zewil Deli Foods (Cocoa Liquor)	RCU 8 PCU Leyte	Mc Arthur St, Brgy. Talisay, Matag-ob, Leyte
12:00 PM – 1:00 PM	Lunch	Mission Team	Matag-ob, Leyte
1:00 PM – 2:30 PM	Travel Matag-ob to Javier	Mission Team	
2:30 PM – 3:30 PM	Field Visit Javier Cacao Farmers and Agriable Inc.	RCU 8 PCU Leyte	Cacao Farm: Brgy. Magsaysay Javier, Leyte Cacao Nursery: Poblacion Zone 1 Javier, Leyte
3:30 PM – 5:30 PM	Travel back to Tacloban		
5:30 PM – 7:00 PM	Closing Meeting with RCU and Mission Team		Summit Hotel Robinsons Place, Brgy Marasbaras, Tacloban, City
7:00 PM	Dinner		

## DAY 3 (end of Region 8 Leg)

Date: 5 March 2020

Time	Activity	Participants	Venue/Accommodation
5:00 AM	Check out		Summit Hotel Robinsons Place, Brgy Marasbaras, Tacloban, City
7:30 AM – 8:55 AM	Tacloban to Manila Cebu Pacific Flight 5J 650	Mission Team	
8:55 AM – 1:45 PM	~4hrs Layover NAIA Terminal 3		
1:45 PM – 3:40 PM	Manila to Butuan Cebu Pacific Flight 5J 787		
4:00 PM	Check-in		Almont Inland Resort
6:00 PM	Dinner meeting with Region 13 Mancom and RCU	Mission Team, RCU 13, and Region 13 ManCom	JC Aquino Ave. Brgy JP Rizal, Butuan City

## DAY 4 (start of Region 13 Leg)

Date: 6 March 2020

Time	Activity	Participants	Venue/Accommodation
8:00 AM – 12:00 NN	Regional Meeting with RTWG and Implementing Units (RCU and PCUs)*	Mission Team RCU 13 PCUs RTWG	Almont Inland Resort JC Aquino Ave. Brgy JP Rizal, Butuan City
12:00 NN – 1:00 PM	Lunch/ Check-out hotel		
1:00 PM – 3:00 PM	Travel to Rosario, Agusan del Sur	Mission Team RCU 13	
3:00 PM – 5:00 PM	Meeting with VPO Rosario Agro Industrial Development (Cacao)	PCUs	Koon Restaurant, Brgy. Sta. Cruz, Rosario, Agusan del Sur
5:00 PM – 6:00 PM	Travel back to San Francisco Check in	Mission Team	Mabe's Savory Place Brgy 1, San Francisco, ADS

\* A generic program or flow of discussion good to all regions is proposed in Part E

**DAY 5 (end of Region 13 Leg)****Date: 7 March 2020**

Time	Activity	Participants	Venue/Accommodation
8:00 AM – 9:00 AM	Travel to Hills View Trento, Agusan Del Sur	Mission Team RCU 13 PCUs	Purok 5, Brgy. Pulanglupa, Trento, Agusan del Sur
9:00 AM – 11:00 AM	Meeting with Janicahh Food Products (PFN)		
11:00 AM – 12:00 NN	Site visit- Calamansi Farm		
12:00 NN – 1:00 PM	Lunch at Hills View, Trento		
1:00 PM – 2:30 PM	Closing Meeting with RCU and Mission Team		
2:30 PM – 7:00 PM	Travel to Davao City Check-in	Mission Team	Marco Polo Hotel Brgy. Poblacion, Davao City

**Team :** B  
**Area of Coverage :** Regions 9 and 10  
**Heads of Delegation :** Jerry Pacturan, IFAD  
 PM Mae Ester T. Guiamadel, DTI-NPCO  
**Additional Team Member :** Clovis Ike Payumo  
**NPCO Coordinator :** Alice E. Chew  
**Contact No. :** 09478453051  
**Entry Point :** Dipolog City  
**Exit Point :** Cagayan de Oro City  
**Vehicle Details**  
 1) **Region 9 Leg (Dipolog-Roxas-Dapitan-CDO)**  
 Toyota Grandia- White Color  
 Plate no- KAA 3339  
 Driver- Ace Duopan cp#09214684899

2) **Region 10 Leg (CDO- Manolo Fortich-Malaybalay-Davao City Route)**  
 Van 1- Vehicle type and color: Toyota Grandia Van- White  
 Plate no. KGU 372  
 Driver- Marlon Luyahan cp no- 09657182618  
 Van 2- Vehicle type and color: Toyota Grandia Van- White  
 Plate no. ABS 8564  
 Driver- Renante Beronio  
 Driver contact no- 09656513259

**DAY 1****Date: 3 March 2020**

Time	Activity	Participants	Venue/Accommodation
4:30 AM – 6:30 AM	Travel Time (Philippines Airlines) Manila- Dipolog Flight PR 2557	Jing Pacturan PM Mae Ester T. Guiamadel Arthur Tantuan Clovis Ike Payumo Alice Chew	
8:00 AM – 12:00 NN	Regional Meeting with RTWG and Implementing Units (RCU and PCUs)**	Mission Team RCU 9 PCUs RTWG	Missio Dei Hotel, Brgy. Miputak, Dipolog City
12:00 NN – 1:00 PM	Lunch/ Check-in Hotel	Mission Team RTWG	
1:00 PM – 1:30 PM	Travel to Roxas, Zambo Norte	Mission Team RCU 9	Brgy. Lower Irasan, Roxas, Zamboanga Norte
1:30 PM – 3:30 PM	Site visit to Asiniero Food International (PFN-Mango)	PCU	
3:30 PM – 4:00 PM	Travel Back to Dipolog City		



4:00 PM – 5:00 PM	Visit Negosyo Center		DTI Zamboanga del Norte Brgy. Miputak, Dipolog City
5:00 PM – 5:30 PM	Check-in Hotel		Mission Dei Hotel, Brgy. Miputak, Dipolog City

\*Mission Team composed of IFAD and NPCO

\*\* A generic program or flow of discussion good to all regions is proposed in Part E

## DAY 2 (end of Region 9 Leg)

Date: 4 March 2020

Time	Activity	Participants	Venue/Accommodation
7:00 AM – 8:00 AM	Breakfast/ Check out	Mission Team	
8:00 AM – 8:30 AM	Travel to Dapitan City		
8:30 AM – 10:00 AM	Site visit: CocoTurmeric Health Products	Mission Team RCU 9 PCUs	Brgy Polo, Dapitan City, ZDN
10:00 AM – 12:00 PM	Closing Meeting with RCU and Mission Team		
12:00 PM – 1:00 PM	Lunch/ End of Mission		
1:00 PM – 6:00 PM	Travel Time Dapitan City to CDO		
6:00 PM	Check in Hotel		Mallberry Suites, CDO

## DAY 3

Date: 5 March 2020

Time	Activity	Participants	Venue/Accommodation
7:00 AM – 8:00 AM	Breakfast/ Check out	Mission Team	
8:00 AM – 12:00 AM	Regional Meeting with RTWG and Implementing Units (RCU and PCUs)**	Mission Team RCU 10 PCUs RTWG	Mallberry Suites, Brgy 28, CDOC
12:00 NN – 1:00 PM	Lunch		
1:00 PM – 1:30 PM	Travel to Manolo Fortich	Mission Team	
1:30 PM – 3:00 PM	Site visit and meet with Hineleban Foundation	RCU 10 PCUs	Brgy. Kalugmanan, Manolo Fortich, Bukidnon
3:00 PM – 5:00 PM	Travel to Malaybalay City		
5:00 PM	Check-in Hotel		Loiza's Pavillion, Brgy. Casisang, Malaybalay City

\*Mission Team composed of IFAD and NPCO

\*\* A generic program or flow of discussion good to all regions is proposed in Part E

## DAY 4 (end of Region 10 Leg)

Date: 6 March 2020

Time	Activity	Participants	Venue/Accommodation
8:00 AM – 8:30 AM	Breakfast/ Check out	Mission Team	Loiza's Pavillion, Brgy. Casisang, Malaybalay City
8:30 AM – 10:30 AM	Travel to Imbayao Site visit and meet with Imbayao FA- CBFM (Coffee)	Mission Team RCU 10 PCUs	Brgy. Imbayao, Malaybalay City
10:30 AM – 11:00 AM	Travel Back to Malaybalay City		
11:00 AM – 12:00 PM	Internal Meeting with RCU and Mission Team		
12:00 AM – 1:00 PM	Lunch		
1:00 PM – 5:00 PM	Travel to Davao City	Mission Team	
5:00 PM	ETA Davao/ Check in	IFAD Team	Marco Polo Hotel

**Team :** C  
**Area of Coverage :** Regions 11 and 12  
**Heads of Delegation :** Michael Hamp, IFAD  
 Jyon Hontanosas, DTI-NPCO  
**Additional Team Member :** Yolando Arban  
 Zidni Marahombsar  
**NPCO Coordinator :** Missiles Somoza  
**Contact No. :** 09055265373  
**Entry Point :** General Santos City  
**Exit Point :** Davao City  
**Vehicle Details**  
**Route)** 1) Region 12 Leg (General Santos-Tupi-Koronadal-Tacurong-Makilala-Davao  
 Toyota Hi Ace Grandia GL- Pear White (2-tone)  
 Plate no. GAN 1913  
 Driver- Beljune B Oblero  
 Driver contact no. 09230865155  
 2) Region 11 Leg (Davao-Bansalan-Davao Route)  
 Toyota Grandia Van- Color White  
 Plate no. SKN-331  
 Driver- Roderick Sabado contact no- 09195313343  
 Driver contact no- 09195313343

#### DAY 1

Date: 3 March 2020

Time	Activity	Participants	Venue/Accommodation
6:25 AM – 8:35 AM	Travel Time (Philippines Airlines) Manila- General Santos Flight PR- 453	Michael Hamp Yolando Arban Zidni Marahombsar Missiles Somoza Ed de Castro	
8:35 AM – 9:00 AM	Breakfast	Mission Team*	
9:00 AM – 11:00 AM	Travel to Tupi for Site Visit Meet with Kablon Farms (Cacao and PFN)	Mission Team RCU 12	Kablon Farms, Brgy Bunao, Tupi, South Cotabato
11:00 AM – 12:00 PM	Travel time Tupi- Koronadal City		
12:00 NN – 1:00 PM	Lunch/ Check-in	Mission Team RCU 12	The Farm at Carpenter Hill Brgy. Carpenter Hill, Koronadal City
1:00 PM – 5:00 PM	Regional Meeting with RTWG and Implementing Units (RCU and PCUs)**	Mission Team RCU 12 PCUs RTWG	DTI- Conference Room Brgy. Carpenter Hill, Koronadal City
5:00 PM	Back to Hotel		The Farm at Carpenter Hill Brgy. Carpenter Hill, Koronadal City
6:00 PM – 7:00 PM	Dinner		
	Rest Over Night		

\*Mission Team composed of IFAD and NPCO

\*\* A generic program or flow of discussion good to all regions is proposed in Part 3

## DAY 2 (end of Region 12 Leg)

Date: 4 March 2020

Time	Activity	Participants	Venue/Accommodation
7:00 AM – 8:00 AM	Breakfast/ Check out	Mission Team	
8:00 AM – 9:00 AM	Travel to Tacurong		
9:00 AM – 10:00 AM	Meet with PMTZ Care Marketing (Coffee Processor)		Brgy. Upper Katungal Tacurong City
10:00 AM – 10:15 AM	Travel to Sultan Kudarat State University		
10:15 AM – 11:00 AM	Site visit and meet with SKSU Coffee Cupping Laboratory stakeholders	Mission Team RCU 12 PCUs	Sultan Kudarat State University, Brgy. Barrio Dos, Tacurong City
11:00 AM -12:00 PM	Early lunch		Mama's Love Restaurant, Brgy. Barrio Dos, Tacurong City
12:00 PM – 1:30 PM	Travel Time to Makilala, North Cotabato		
1:30 PM – 3:30 PM	Site visit and meet Platinum Cacao Processing owned by Jack Sandique and Farmers' Cooperatives		Brgy. Sto.Nino Makilala, North Cotabato
3:30 PM – 4:30 PM	Internal Meeting with RCU and Mission Team		
4:30 PM – 7:00 PM	Travel Time Makilala to Davao City		
6:00 PM	ETA Davao/ Check in	IFAD Team	Marco Polo Hotel

## Day 3

Date: 5 March 2020

Time	Activity	Participants	Venue/Accommodation
8:00 AM – 12:00 NN	Regional Meeting with RTWG and Implementing Units (RCU and PCUs)**	Mission Team RCU 11 PCUs RTWG	DTI-11 Conference Room Brgy. 30, Poblacion, Davao City
12:00 NN – 1:00 PM	Lunch		
1:00 PM – 5:00 PM	Internal Meeting with RCU and Mission Team	Mission Team RCUs, PCUs, DTI-11 FAD	
5:00 PM – 6:00 PM	Welcome Dinner		
	Check in		Marco Polo Hotel

## Day 4

Date: 6 March 2020

Time	Activity	Participants	Venue/Accommodation
6:00 AM – 7:00 AM	Breakfast	IFAD Team	Marco Polo Hotel
7:00 AM – 9:00 AM	Travel to Bansalan		
9:00 AM – 11:30 AM	Meet with Balutakay Coffee Farmers' Association (BACOFA)		Brgy. Balutakay, Bansalan, Davao del Sur
11:30 AM – 12:30PM	Travel back to Bansalan Proper		
12:30 PM – 1:00PM	Lunch	Mission Team RCU 11 PCUs	Digos City
1:00 PM – 1:30PM	Travel from Bansalan to Lao Integrated Farms	Mission Team	Brgy. Eman, Bansalan Davao Del Sur
1:30 PM – 3:00PM	Engage with Farmers' Cooperatives		
3:00 PM – 5:00PM	Travel to Davao City		
5:00 PM	ETA Davao City/ Check in		Marco Polo Hotel

Area of Coverage : Regions 8, 11 and 12 (Procurement)  
Mission member : Arthur Tantuan

**BARM**

Time	Activity	Participants	Venue/Accommodation
<b>3 March 2020</b>			
4:30 AM – 6:30 AM	Travel Time (Philippines Airlines) Manila- Dipolog Flight PR 2557	Jing Pacturan PM Mae Ester T. Guiamadel Arthur Tantuan Clovis Ike Payumo Alice Chew	
8:00 AM – 12:00 NN	Regional Meeting with RTWG and Implementing Units (RCU and PCUs)**	Mission Team RCU 9, PCUs, RTWG	Missio Dei Hotel, Brgy. Miputak, Dipolog City
12:00 NN – 1:00 PM	Lunch/ Check-in Hotel	Mission Team RTWG	
1:00 PM – 1:30 PM	Travel to Roxas, Zambo Norte	Mission Team RCU 9 PCU	Brgy. Lower Irasan, Roxas, Zamboanga Norte
1:30 PM – 3:30 PM	Site visit to Asiniero Food International (PFN-Mango)		
3:30 PM – 4:00 PM	Travel Back to Dipolog City		
4:00 PM – 5:00 PM	Visit Negosyo Center		DTI Zamboanga del Norte Brgy. Miputak, Dipolog City
5:00 PM – 5:30 PM	Check-in Hotel		Missio Dei Hotel, Brgy. Miputak, Dipolog City
7:15 AM	Travel to Manila PR2558	Procurement	

**Procurement-Tacloban**

Time	Activity	Participants	Venue/Accommodation
<b>5 March 2020</b>			
04:40 AM	Travel Manila-Tacloban PR2981	Procurement	
08:00AM	DTI Regional Bids ad Awards Committees		DTI Region 8 Office
<b>6 March 2020</b>			
09:00am-03:00pm	DTI Regional Bids ad Awards Committees and RAPID Growth Procurement		DTI Region 8 Office
18:30	Travel to Manila		

**DAVAO**

Time	Activity	Participants	Venue/Accommodation
<b>8 March 2020</b>			
15:10	Travel to Davao PR2813		
	Mission Team meeting		Hotel
<b>6 March 2020</b>			
09:00am-03:00pm	DTI Regional Bids ad Awards Committees and RAPID Growth Procurement		DTI Region 8 Office
18:30	Travel to Manila		

- **March 7-8** Saturday and Sunday
- **March 9-10-** IFAD and NPCO Meeting  
Venue: DTI Conference Room

**C. Pre-Wrap Up meeting**

Venue : DTI- Conference Room

Date : 11 March 2020

Time	Activity/ Topic	Resource Person
9:00 AM – 9:15 AM	Registration	
9:15 AM – 9:35 AM	Preliminaries <ul style="list-style-type: none"> <li>- Opening Prayer</li> <li>- National Anthem</li> </ul>	
9:35 AM – 9:45 AM	Welcome Remarks	<b>ARD Edwin O. Banquerigo</b> Project Director, RAPID Growth Project
9:45 AM – 11:00 AM	Mission Findings (part 1)	<b>IFAD Team</b>
11:00 AM -12:00 PM	Discussion (part 1)	
12:00 PM – 1:00 PM	Lunch	

1:00 PM – 3:00 PM	Mission Findings (part 2)	IFAD Team
17:50 PR2818	IFAD Team to Depart for Manila	

**D. 12 March 2020 IFAD Internal Meeting- Manila**

- Visit or attend the launching of National Food Fair (NFF) (please note that RAPID sponsored 4 Pavilions for the 4 industry cluster covered by the Project)

**E. Wrap-Up Meeting (Makati City)**

Date : March 13, 2020

Venue : Main Conference Room, DTI- ROG boi penthouse

Participants : IFAD Team, NPCO, RGMS, ROG, OSEC

Time	Activity/ Topic	Resource Person
9:00 AM – 9:15 AM	Registration	
9:15 AM – 9:35 AM	Preliminaries <ul style="list-style-type: none"> <li>- Opening Prayer</li> <li>- National Anthem</li> </ul>	
9:35 AM – 9:45 AM	Welcome Remarks	<b>USec. Blesila A. Lantayona</b> Regional Operations Group, DTI
9:45 AM – 10:45 AM	Mission Findings <ul style="list-style-type: none"> <li>- International Fund for Agriculture Development</li> <li>- RAPID Growth Project</li> </ul>	<b>Alessandro Marini</b> , Country Director and Team Leader, IFAD-PH  <b>ARD Edwin O. Banquerigo</b> Project Director, RAPID Growth Project
10:45 AM – 11:30 PM	Discussion	
11:30 AM – 12:00 PM	Agreements and Way Forward	
12:00 PM – 12:30 PM	Closing Remarks	<b>Jerry Pacturan</b> Country Programme Officer, IFAD-PH
12:00 PM – 1:00 PM	Lunch	

**F. Generic Program/ flow of discussion for the Regional Meetings with RTWG, RCUs and PCUs**

Time	Activity	Resource Person
8:00 AM – 8:30 AM	Registration	Secretariat
8:30 AM – 9:00 AM	Preliminaries (prayer & National anthem)	Secretariat
9:00 AM – 9:15 AM	Welcome Remarks	<b>Regional Directors</b>
9:15 AM – 9:30 AM	Introduction of Participants	Emcee
9:30 AM – 10:00 AM	Overview of the Activity	IFAD
10:00 AM -10:30 AM	Presentation: Project Status of Implementation	RCU
10:30 AM – 11:00 AM	Status of RSIPs	RCU; RTWG
11:00 AM – 11:30 AM	Open Forum/ Discussion	
11:30 AM – 11:40 AM	Synthesis and way Forward	
11:40 AM – 12:00 PM	Closing Remarks	
12:00 PM – 1:00 PM	Lunch	

**IFAD SUPERVISION AND IMPLEMENTATION SUPPORT (SIS) MISSION**  
**2-13 March 2020**  
**LIST OF PERSONS MET BY THE SIS MISSION in the REGIONS**

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
<b>DTI- Central Office</b>					
02 Mar	Kick-Off Meeting	RAPID-NPCO		ARD Edwin Banquerigo	Project Director
		RAPID-NPCO		Mae Ester T. Guiamadel	Project Manager
		DTI-RGMS		Dir. Lydia Guevarra	Director
		DTI-KMIS		Dir. Patricia Abejo	Director
		DTI-FS		Dir. Maria Asuncion Cruzada	Director
		DTI-Foreign Trade Service Corps		Magnolia Misolas-Ashley	Executive Director
		DTI- RGMS		William John Lucero	Chief TIDS
		DTI- RGMS		May Cruz	SupTIDS
		DTI- RGMS		Angelic Reglos	STIDS
		DTI- LS		Dana Zerrudo	Attorney-II
		RAPID-NPCO		Ed De Castro	Finance Service Officer
		RAPID-NPCO		Alice E. Chew	Rural Infrastructure Officer
		RAPID-NPCO		Oswald D. Madrazo	Finance and Admin Specialist
		RAPID-NPCO		Missiles Somoza	PMES
<b>REGION 8</b>					
03 Mar	RTWG Meeting	DOST 8	Palo, Leyte	Roderick Pacanot	Senior Science Research Specialist
		Regional Coconut Industry	Jaro, Leyte	Roy Ribo	KAMMPIL General Manager
		NEDA 8	Palo, Leyte	Grace A. Arteche	Senior Economic Development Specialist
		SBC	Palo, Leyte	Antonio Elmer Garado	CEO
		DAR 8	Tacloban City	Czarina Vanelli P. Piñon	Agrarian Reform Program Technologist
		Regional Cacao Industry	Matag-ob, Leyte	Wilfredo P. Madjus	Chairman
		DENR 8	Tacloban City	Catalina B. Nuñez	Developmental Management Officer III
		DA 8	Tacloban City	Jubella G. Judilla	Agriculturist II
		PCA 8	Palo, Leyte	Minerva O. Langco	Agriculturist II
		DBP Leyte Lending Center	Tacloban City	Lorriane Mae S. Dorado	Accounts Management Specialist
				Dr. Antonio Abamo	Consultant for Cacao

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
				Renato Solis	Consultant for Coconut
		DTI	Regional Office 8	RD Celerina Bato	Regional Director
		DTI	Regional Office 8	Pedro Bimbo Tan	Division Chief
		DTI	Regional Office 8	Gian Paolo Brilata	OIC – RAPID RPC
		DTI	Regional Office 8	Janet M. Avestruz	Chief Admin Officer
		DTI	Regional Office 8	Fideliz T. Aviñon	Accountant III
		DTI	Regional Office 8	Nova Thristy O. Cagalitan	RAPID Marketing Coordinator
		DTI	Regional Office 8	Karen A. Caandi	RAPID Finance and Admin Assistant
		DTI	Leyte	Ma. Delia M. Corsiga	OIC- Provincial Director
		DTI	Leyte	Ernesto B. Montes Jr.	Senior Trade and Industry Development Specialist
		DTI	Leyte	Christine A. Candare	RAPID Provincial Project Coordinator
		DTI	Leyte	Niemar A. Abalo	RAPID Value Chain Facilitator
		DTI	Southern Leyte	Michael B. Nuñez	Provincial Director
		DTI	Southern Leyte	Guada Marie P. Babilonia	RAPID Provincial Project Coordinator
		DTI	Northern Samar	Mimosa B. Regis	OIC- Provincial Director
		DTI	Northern Samar	Marlito Joshua B. Amistoso	RAPID Provincial Project Coordinator
		DTI	Southern Leyte	Jerwin C. Sy	Driver
		DTI	Northern Samar	Ronie Cananog	Driver
		DTI	Regional Office 8	Lopecinio P. Suico	Driver
04 Mar	Field Visit to Leyte	SC Global	Baybay City	Emmanuel S. Licup	Managing Director
		DTI	Leyte	Trixie Nicole F. Abellar	RAPID Value Chain Facilitator
		Ormoc City		Richard I. Gomez	Mayor
		Agriable Inc.	Javier, Leyte	Rhea Argallon	Farm Supervisor
		Javier LGU	Javier, Leyte	Cleto B. Abad	LGU Consultant
		DTI-8 Regional Office	Leyte – Ormoc City	James Batucan	Negosyo Center Business Counselor
		DTI-8 Regional Office	Leyte – Ormoc City	Alfiela Maria Amascual	Negosyo Center Business Counselor

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DTI-8 Regional Office	Leyte – Jaro, Leyte	Shiela Marie Villamor	Negosyo Center Business Counselor
		DTI-8 Regional Office	Leyte – Javier, Leyte	Niño Camilo Salvacion	Negosyo Center Business Counselor
			Jaro, Leyte	Editha Azures	Tinambakan Farmers Association
			Jaro, Leyte	Jaime Barraza	Brgy. Sta. Cruz Farmers Association
			Jaro, Leyte	Rodrigo Tadea	Brgy Natubgan Farmers Association
			Javier, Leyte	Romeo Malinao	Javier Cacao Farmers Association
			Javier, Leyte	Milo Margate	Javier Cacao Farmers Association
			Javier, Leyte	Celetino Meras	Javier Cacao Farmers Association
			Javier, Leyte	Eric Gandolfos	Javier Cacao Farmers Association
			Javier, Leyte	Ava Nikko Maballo	Javier Cacao Farmers Association
			Javier, Leyte	Edgar Rodriguez	Javier Cacao Farmers Association
			Javier, Leyte	Cristito Davis	Javier Cacao Farmers Association
<b>REGION 9</b>					
MARCH 3	RTWG	DTI-R09	Zamboanga City		RD/DTI 9
		DTI-R09	Zamboanga City	Al-Zamir I. Lipae	ARD/DTI 9
		DTI -ZDN	Zamboanga del Norte	Victoriano Miranda, Jr.	OIC-PD/ZDN
		DTI-ZDN	Zamboanga del Norte	Susan S. Naval	Focal person for Mango and Coconut in ZDN
		DTI-ZDS	Zamboanga del Sur	<b>Maridel D. Dengal</b>	PD/ZDS
		DTI-ZSP	Zamboanga Sibugay	Marlon A. Alabata	OIC-PD/ZSP
		DTI-R09	Zamboanga City	Rossana E. Garcia	Chief, IDD
		DTI-R09	Zamboanga City	Rodrigo Montero	RO-IX Focal person for Mango, Coconut, Coffee and, cacao
		RAPID RCU9	Zamboanaga City	Sitti Marjia A. Maluddin	RAPID Marketing Coordinator
		RAPID RCU9	Zamboanga City	Rashiena T. Camlian	RAPID-FMA



Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		PCU9-ZDN	Zamboanga Del Norte	Richelle Gomez- Belandres	PC-ZDN
		PCU9-ZDN	Zamboanga Del Norte	Emmabelle Guimalan	VCF-ZDN
		PCU9-ZDS	Zamboanga Del Sur	Ezzeddin Lingga	PC-ZDS
		PCU9-ZSP	Zamboanga Sibugay	Jane O. Casanova	PC-ZSP
		PCU9-ZSP	Zamboanga Sibugay	Leif Donald B. Alday	VCF-ZSP
		DTI-ZDN	Dipolog City	John Elevito	Driver
		DTI-R09	Zamboanga City	Ronald A. Pique	Driver
			Polanco, ZDN	Rosalina Salaveria	President
			Roxas, ZDN	Engr. Jose Cadag	
			ZDN	Selected ZDN NCBCs attended this meeting	
			Dapitan City	Engr. Dioscoro Viadnes, Jr.	Proprietor /Owner
				Bengie Magallano	Marketing Personnel
			Dapitan City	Miguel D. Lopez	President
				Kim Bryan Sy	Member
				Alma Jaictin	Member
				Glarin E. Reganion	Member
				Jose Nestor Montilla	Member
				Sheryl R. Dico	Secretary
March 3 1 :30PM	<b>SITE VISITS</b>	Polyfruits, Inc.	Polanco, ZDN	Rosalina Salaveria	President
March 3 3PM		Aseniero International Trading	Roxas, ZDN	Engr. Jose Cadag	
March 3 4:30	VISIT NEGOSYO CENTER	DTI-ZDN	ZDN	Selected ZDN NCBCs attended this meeting	
March 4 8am		Cocoturmeri c Health Products	Dapitan City	Engr. Dioscoro Viadnes, Jr.	Proprietor /Owner
		Cocoturmeri c Health Products	Dapitan City	Bengie Magallano	Marketing Personnel

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
March 4 10:30am		ZamPen Products Cooperative	Dapitan City	Miguel D. Lopez	President
				Kim Bryan Sy	Member
				Alma Jaictin	Member
				Glarin E. Reganion	Member
				Jose Nestor Montilla	Member
				Sheryl R. Dico	Secretary
March 4 12NN	EXIT MEETING	DTI-R09	Zamboanga City	Al-Zamir I. Lipae	ARD/DTI 9
		DTI -ZDN	Zamboanga del Norte	Victoriano Miranda, Jr.	OIC-PD/ZDN
		DTI-ZDN	Zamboanga del Norte	Susan S. Naval	Focal person for Mango and Coconut in ZDN
		DTI-ZDS	Zamboanga del Sur	<b>Maridel D. Dengal</b>	PD/ZDS
		DTI-ZSP	Zamboanga Sibugay	Marlon A. Alabata	OIC-PD/ZSP
		DTI-R09	Zamboanga City	Rossana E. Garcia	Chief, IDD
		DTI-R09	Zamboanga City	Rodrigo Montero	RO-IX Focal person for Mango, Coconut, Coffee and, cacao
		RAPID RCU9	Zamboanaga City	Sitti Marjia A. Maluddin	RAPID Marketing Coordinator
		RAPID RCU9	Zamboanga City	Rashiena T. Camlian	RAPID-FMA
		PCU9-ZDN	Zamboanga Del Norte	Richelle Gomez- Belandres	PC-ZDN
		PCU9-ZDN	Zamboanga Del Norte	Emmabelle Guimalan	VCF-ZDN
		PCU9-ZDS	Zamboanga Del Sur	Ezzeddin Lingga	PC-ZDS
		PCU9-ZSP	Zamboanga Sibugay	Jane O. Casanova	PC-ZSP
		PCU9-ZSP	Zamboanga Sibugay	Leif Donald B. Alday	VCF-ZSP
<b>Region 10</b>					
March 5	RTWG	DTI	CDO	LINDA O. BONIAO	RD/DTI 10
		DTI	CDO	Ermedio J. Abang	ARD/DTI 10
		DTI	CDO	JOCELY ROSALES	DTI 10
		DTI	CDO	Mona Celeste O. Sususco	DTI 10

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DTI	CDO	VERON MACABUDBUD	DTI 10
		DTI	BUKIDNON	ERIBERTO A. TABAN- UD, Jr.	PD DTI BUKIDNON
		DTI	CDO	MIKE IGNACIO	DTI 10
		TESDA 10	CDO	JOSEF ROD ILAGAN	TESDA 10
		TESDA 10	CDO	NOEL P. ECON	TESDA 10
		DILG	CDO	ROSEMARIE ECHAVEZ	DILG
		DAR 10	CDO	VIVIAN DOLOR	DAR 10
		PPOC	MIS.OR	DR. JOSEFINO BASCUG	PPOC
		DTI 10	CDO	ERANDIO ABANG	DTI 10
			VALENCIA CITY	CLAY ROJO	CHAIRMAN
		DTI	MIS.OR	ELSIE LIMASNERO	DTI 10
		DA	CDO	BERNARD RAMOS	DA 10
		DA	BUK	JACQUELINE LAGURO	DA 10
		FKR PHI	CDO	VIC FLORES	
		DTI/CITY	ILIGAN CITY	NANOY ECHAVEZ	DTI 10
		PCO	ILIGAN	ANNABELLE ENCARO	PCO
		DTI	TUBOD	JOHN CLIFFORD FERNAN	DTI
		BPI	CDO	ANNABELLE ARANAS	BPI
		DTI	CDP	JULIE NEMA	DTI 10
		DTI	MALAYBALA Y CITY	LAWRENCE PRODIA	DTI BUK
		PPDO	LANAO DEL NORTE	CARISSA ABBIGAIL JAVIER	PPDO LANAO DEL NORTE
		PPDO	MALAYBALA Y	JESSA MANGUBAS	MALAYBALAY
		DTI	CDO	KIM PLAVANZA	DTI 10
		DENR	CDO	CATHY ESCUZOR	DENR 10
		DENR	CDO	DALE ADAMS CAPA	DENR 10
		DA	CDO	CLEOFE AMPETIA	DA 10
		DTI	CDO	MARIA CHRISTINA ADOR	DTI BUK
		DOST	CDO	SHEENA BAYETA	DOST 10
		NCIP	CDO	OSCAR BALDONA	NCIP
		DTI	MIS.OR	KEVIN LLOYD CAGALITAN	DTI MIS.OR
		RIC	EL SALVADOR CITY	CRIS SANTILLAN	ATI-RIC 10

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
MARCH 6	SITE VISIT in BUKIDNON	DTI	CDO	JOCELYN ROSALES	DTI 10
		DTI	CDO	Mona Celeste O. Sususco	DTI 10
		DTI	CDO	VERON MACABUDBUD	DTI 10
		DTI	CDO	MIKE IGNACIO	DTI 10
		DTI 10	CDO	ERANDIO ABANG	DTI 10
			VALENCIA CITY	CLAY ROJO	CHAIRMAN
		DTI	MIS.OR	ELSIE LIMASNERO	DTI 10
		DTI/CITY	ILIGAN CITY	NANCY ECHAVEZ	DTI 10
		DTI	ILIGAN	ANNABELLE ENCABO	DTI 10
		DTI	MALAYBALAY CITY	LAWRENCE PRODIA	DTI BUK
		DTI	CDO	MARIA CHRISTINA ADOR	DTI BUK
		DTI	MIS.OR	KEVIN LLOYD CAGALITAN	DTI MIS.OR
		DTI	CDO	JUDY ACLAN	DTI MIS OR
		DTI	VALENCIA CITY	GLAIZA CARALDE	NC-BC
			CDO	NOEL BUENNAGUA	DRIVER
		DTI	MALAYBALAY	ZAGADO PRERO	DTI MALAYBALAY
MARCH 6	EXIT MEETING in LOIZA'S PAVILLON MALAYBALAY, BUKIDNON	DTI	CDO	JOCELYN ROSALES	DTI 10
		DTI	CDO	Mona Celeste O. Sususco	DTI 10
		DTI	CDO	VERON MACABUDBUD	DTI 10
		DTI	BUKIDNON	ERIBERTO A. TABAN-UD, Jr	PD DTI BUKIDNON
		DTI	BUKIDNON	JUNAR C. MERCIA	OIC CHIEF DTI BUKIDNON
		DTI	CDO	MIKE IGNACIO	DTI 10
		DTI 10	CDO	ERANDIO ABANG	DTI 10
			VALENCIA CITY	CLAY ROJO	CHAIRMAN
		DTI	MIS.OR	ELSIE LIMASNERO	DTI 10
		DTI/CITY	ILIGAN CITY	NANCY ECHAVEZ	DTI 10

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DTI	ILIGAN	ANNABELLE ENCABO	DTI 10
		DTI	MALAYBALAY CITY	LAWRENCE PRODIA	DTI BUK
		DTI	CDO	MARIA CHRISTINA ADOR	DTI BUK
		DTI	MIS.OR	KEVIN LLOYD CAGALITAN	DTI MIS.OR
		DTI	CDO	JUDY ACLAN	DTI MIS OR
		DTI	VALENCIA CITY	GLAIZA CARALDE	NC-BC
			CDO	JOLY ABADON	DRIVER
			CDO	NOEL BUENNAGUA	DRIVER
		DTI	MALAYBALAY CITY	ZAGADO PRERO	DTI MALAYBALAY
		DTI	MALAYBALAY CITY	EUGENE QUISQUIS	NC BC
		DTI	MALAYBALAY CITY	THARA JEAN MAE SIOQUIN	NC BC
		DTI	S. BUKIDNON	ANGELA KRISTINE SILONGON	NC BC
		DTI	MARAMAGB UKIDNON	REYMARK BAGUWIN	NC BC
<b>Region 11</b>					
March 5	Meeting with RXI RTWG, RCU, PCUs	DTI	Davao City	Ma. Belenda Ambi	Regional Director, DTI XI
		DTI	Davao City	Marilou Laguting	MSSU Division Chief, DTI RXI
		DTI/RAPID	Davao City	Beverly Bedia	Regional Project Coordinator
		DTI/RAPID	Davao City	Rodelia dela Cruz	M&E KM Coordinator
		DTI/RAPID	Davao City	Daryl Valdez	Marketing Coordinator
		DTI/RAPID	Davao City	Rommel Gulle	Finance Admin
		DTI	Digos City	Delia Ayano	Provincial Director, DTI Davao del Sur
		DTI	Davao Oriental	Jude Constantine	Provincial Director, DTI, Davao Oriental
		DTI	Davao del Norte	Romeo Castanaga	DTI Provincial Director
		DTI	Davao de Oro	Lucky Siegfred	DTI Provincial Director
		DTI	Davao Occidental	Ma. Jocelyn Banlasan	Project Manager
		DTI/RAPID	Davao de Oro	Jess Locaba	Project Coordinator
		DTI/RAPID	Davao del Norte	Rose Sheena Arnibal	Project Coordinator
		DTI/RAPID	Digos City	Crishyl Ann Bilbao	Project Coordinator
		DTI/RAPID	Davao Oriental	Sunny Dumandan	VC Facilitator
		NCIP	Davao City	Nenita Alonzo	CDO

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DOST XI	Davao City	Just Magallanes	CSTC
		DILG	Davao City	Henry Villanueva	DILG
		DBP	Davao City	Faye Rodriguez	Account Officer
		DENR	Davao City	Gloria Suboan	DMO III
		DAR	Davao City	Alfonzo Vega	CARPO
		DA	Davao City	Melinda Rubellas	Agriculturist
		DA	Davao City	Samuel Rentor	Agriculturist II
		NEDA	Davao City	Rowena Dango	Sr. DIS
		DTI RAPID	Davao City	Eduardo Castro	FSO
		DTI	Davao Oriental	Sylvia Ordi	Technical Supervisor
		PCA	Davao City	Cherrybelle Magbanua	Technical Staff
		DTI RAPID	Davao City	Jyon Hontanosas	BSO
		SBC	Davao City	Caroline Macabenta	OIC- DM
		DTI	Davao de Oro	Rachelle Otos	STIDS
		DPWH	Davao City	Krishna Perandos	Engr II
		PCIC	Davao City	Grace Sallomon	Mktg. Sales
6 Mar	Field Visit	Balutakay Coffee Farmers Agriculture Cooeprative (BACOFA)	Bansalan, Davao Del Sur	Marivic Dubria	BOD Chairperson
		Balutakay Coffee Farmers Agriculture Cooeprative (BACOFA)	Bansalan, Davao Del Sur	Ma. Luz E. Dubria	Manager
		Balutakay Coffee Farmers Agriculture Cooeprative (BACOFA)	Bansalan, Davao Del Sur	Roselyn D. Parolino	Member
		Balutakay Coffee Farmers Agriculture Cooeprative (BACOFA)	Bansalan, Davao Del Sur	Flora Mae L. Tebas	Member
		Balutakay Coffee Farmers Agriculture Cooeprative (BACOFA)	Bansalan, Davao Del Sur	Ariel B. Tebas	Member
		Lao Integrated Farms, Inc. (LIFI)	Bansalan, Davao Del Sur	Benjamin Lao	President & CEO

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		Lao Integrated Farms, Inc. (LIFI)	Bansalan, Davao Del Sur	Donna Lao-Padre	Vice President & Marketing Officer
March 10	Commercial Partnership Agreement Signing	DTI-DN	Tagum City	Rosemarie E. Deypaluros	CTIDS
		DTI-DN	Tagum City	Rose Sheena Arnibal	Provincial Project Coordinator
		MFMPD Mabuhay	San Isidro, Davao del Norte	Myla C. Ynteg	Secretary
		LFMPD	San Isidro, Davao del Norte	Dianalyn B. Llamasing	Manager
		LFMPD	San Isidro, Davao del Norte	Levy C. Jumag	Chairman
		IFMPD	San Isidro, Davao del Norte	Dindo Cenargue	Chairman
		Dacudao MPC	San Isidro, Davao del Norte	Azucena S. Moran	Manager
		Dacudao MPC	San Isidro, Davao del Norte	Pacita O. Probadora	Chairman
		MAFAMPC O	San Isidro, Davao del Norte	Diosdada Cuertas	Chairman
		SAMASAM A	San Isidro, Davao del Norte	Reynaldo Montenegro	BOD Member
		CSI	San Isidro, Davao del Norte	Dexter Coquilla	BOD Member
		CSI	San Isidro, Davao del Norte	Carlos Babsicule	BOD Member
		(Coop)	San Isidro, Davao del Norte	Presco Tutor Jr.	Chairman
		DTI-DN	Tagum City	Romeo Castañaga	Provincial Director
		DTI-DN	Tagum City	Rollie Jay Dupitas	Value Chain Facilitator
		(Coop)	San Isidro, Davao del Norte	Vicente N. Turo-turo Jr.	BOD Member
<b>Region 12</b>					

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
March 3	Site Visit to Kablon Farms	Kablon Farms	Tupi, South Cotabato	Ernesto Pantua Jr.	General Manager
		Negosyo Center Tupi	Tupi, South Cotabato	Ian Louise Doctolero	Business Counselor
		RCU 12	Koronadal, South Cotabato	Adrian Clave Lariba	Regional Project Coordinator
		PCU Sarangani	Sarangani Province	Mary Lorynail Faith Andrade	Provincial Project Coordinator
		PCU Sarangani	Sarangani Province	Khenno Hinampas	Value Chain Facilitator
		PCU Sarangani	Sarangani Province	Sheila Carbajal	Value Chain Facilitator
	Meeting with DTI Staff and the RTWG	DTI	Koronadal, South Cotabato	Flora D. Politud-Gabunales	RTWG Representative
		DILG	Koronadal, South Cotabato	Mila A. Inodio	RTWG Representative
		DENR	Koronadal, South Cotabato	Wilma Saladero	RTWG Representative
		DA	Koronadal, South Cotabato	Abdulkadil A. Ango	RTWG Representative
		DPWH	Koronadal, South Cotabato	Noraiza Kabalo	RTWG Representative
		PCA	Koronadal, South Cotabato	Jenycar Gallego	RTWG Representative
		DPWH	Koronadal, South Cotabato	John Mark Salas	RTWG Representative
		SB Corp	General Santos City	Rodyard Gler	RTWG Representative
		PLGU North Cotabato-PPDO	North Cotabato	Teresita G. Quiban	RTWG Representative
		MINDA	Koronadal City	Ivy Mae Arnoco	RTWG Representative
		MINDA	Koroandal City	Gerardo Reynaldo	RTWG Representative
		Coffee/Cacao Regional Council	Koronadal City	Dante Eugenio	RTWG Representative
		MSMED Council	General Santos City	Felicidad Into	RTWG Representative
		MSMED Council	General Santos City	Ivy Love Casai	RTWG Representative
		DTI	North Cotabato	Ferdinand Cabiles	OIC PD- North Cotabato



Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DTI	North Cotabato	Federico Ealdama	OIC Chief – North Cotabato
		PCU North Cotabato	North Cotabato	Cresinte Gumilao Jr.	Value Chain Facilitator
		PCU North Cotabato	North Cotabato	Hazel Shayne Ramil	Value Chain Facilitator
		DTI	Sarangani	Ethel Laksmi Gumana	PD- Sarangani
		DTI	Sarangani	Eddie De Asis	BDD Chief – Sarangani
		DTI	Sultan Kudarat	Felissa Sinobago	PD – Sultan Kudarat
		DTI	Sultan Kudarat	Revelina Sespene	BDD Chief – Sultan Kudarat
		PCU Sultan Kudarat	Sultan Kudarat	Mary Lou Andrada	Provincial Project Coordinator
		PCU Sultan Kudarat	Sultan Kudarat	Arnulfo Cesar Jr.	Value Chain Facilitator
		DTI	Koronadal City	Robert Orfrecio	SDD Chief – Regional Office
		DTI	Koronadal City	Hazel Hautea	AFMD Chief – Regional Office
		DTI	Koronadal City	Fe Amor Vertido	Chief Accountant – Regional Office
March 4	Sultan Kudarat Visit @ SKSU Campus, Tacurong City				
		DTI Sultan Kudarat	Tacurong City, SK	Felisa A. Sinobago	Provincial Director
			Tacurong City, SK	Revelina B. Sespeñe	Business Development Division Chief
			Tacurong City, SK	Mary Lou P. Andrada	Project Provincial Coordinator
			Tacurong City, SK	Arnulfo R. Cesar	Value Chain Facilitator
			Tacurong City, SK	Noel Eiman	Driver
		SKSU	Tacurong City, SK	Engr. Marylynn Magbanua	Vice President of Research and Extension
			Tacurong City, SK	Harold John Dumaop	Staff
			Tacurong City, SK	Viriden Hechanova	Focal Person Coffee Cupping Laboratory
			Tacurong City, SK	Jamila M. Aman	Staff
		Radiowealth Finance Corporation (RFC)	Tacurong City, SK	Rodolfo Villanueva (RFC)	Staff

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		BDO Network Bank	Isulan, SK	Franethel Collado	Branch Manager
		BDO Network Bank	Isulan, SK	Kevin B. Rosapa	Staff
		SRT Tacurong City Cooperative	Tacurong City, SK	Hyaseth hope Fuentes	Branch Manager
		PMTZ Care Marketing	Tacurong City, SK	Maria Teofanie Criss Tutanes	Proprietor
		PMTZ Care Marketing	Tacurong City, SK	Raffy A. Tutanes	
		Soccsargen Coffee Alliance	Tacurong City, SK	Dante Eugenio	President
		Tribal Christian Farmers Association	Bagumbayan, SK	Goon Timlas	President
		Palimbang Upper Valley Agrarian Reform Beneficiarie s Association	Palimbang, SK	Nelson Baluyot	President
March 4	Commerical Partnership Agreement Signing/ Exit Meeting	DTI North Cotabato	Kidapawan City	Ferdinand C. Cabiles	OIC- Provincial Director
		DTI North Cotabato	Kidapawan City	Federico C. Ealdama	Senior Trade and Industry Specialist
		DTI North Cotabato	Kidapawan City	Nelson P. Cabarlo	Desk Officer – SB Corp
		DTI North Cotabato	Kidapawan City	Hazel Shayne I. Ramil	RAPID –VCF
		DTI North Cotabato	Kidapawan City	Cresinte M. Gumilao	RAPID-VCF
		Negosyo Center Makilala	Makilala	Fitz Gerald Anuta	Junior Business Counsellor
		Household MPC	Antipas	Reynold S. Alejo	Chairman
		Household MPC	Antipas	Renniel Jay Daguman	Vice Chairman
		Platinum	Makilala	Alfonso Jack Sandique	Owner
		Cacao PilSense	Makilala	Jo-Ann Sandique	President

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		Sta. Catalina Coop		Jessa Grace Casamillo	Officer
<b>Region 13</b>					
05 Mar	Meeting with Cacao Stakeholders	Caraga Cacao, Inc.	Agusan del Norte	Christopher H. Lindo	Chairperson
		Taguibo Coconut and Cacao Growers Association	Agusan del Norte	Restituto P. Asube	Chairman
		DTI	Agusan del Norte	Ramil J. Leongas	Division Chief
		DTI	Agusan del Norte	Roland A. Ignacio	Regional Project Coordinator
		DTI	Agusan del Norte	Annette F. Anduyan	Regional Account Officer – Cacao Industry
		DTI	Agusan del Norte	Jesal O. Pugahan	M & E Coordinator
05 Mar	Management Committee Meeting with RCU and PPCs	DTI	Agusan del Norte	RD Brielgo O. Pagaran	Regional Director
		DTI	Agusan del Norte	PD Brenda B. Corvera	Provincial Director
		DTI	Agusan del Sur	OIC Jose T. Baron, Jr.	Officer-in-charge
		DTI	Surigao del Sur	PD Romel M. Oribe	Provincial Director
		DTI	Agusan del Norte	Ramil J. Leongas	Division Chief
		DTI	Agusan del Norte	Roland A. Ignacio	Regional Project Coordinator
		DTI	Agusan del Norte	Jesal O. Pugahan	M & E Coordinator
05 Mar	Management Committee Meeting with RCU and PPCs	DTI	Agusan del Norte	Hannah Rose M. Tado	Marketing Coordinator
		DTI	Agusan del Norte	Mary Mhel S. Decamotan	Finance and Mgt Assistant
		DTI	Agusan del Norte	Annette F. Anduyan	Regional Account Officer – Cacao Industry
		DTI	Agusan del Norte	Dennis D. Solis	Regional Account Officer – Coffee Industry
		DTI	Agusan del Norte	Banawe C. Curato	Regional Account Officer – Coconut Industry
		DTI	Agusan del Norte	John Paul C. Bacolod	Provincial Project Coordinator

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DTI	Agusan del Sur	Reonel R. Aninon	RAPID Focal Person
		DTI	Agusan del Sur	Emma Castanares	Provincial Project Coordinator
		DTI	Surigao del Sur	Sarah Estrada	RAPID Focal Person
05 Mar	Site Visit at Simbalan Rubber Farmer's Association	Simbalan Rubber Farmer's Association	Agusan del Norte	Primo Paring	President
		Simbalan Rubber Farmer's Association	Agusan del Norte	Lucia Morden	Manager
		DTI	Agusan del Norte	Ramabe Montilla	Provincial Account Officer – Coffee Industry
			Agusan del Norte	Mark Balahay	Coffee Industry Expert
06 Mar	RTWG Meeting	DTI	Agusan del Norte	Marson Jan S. Dolendo	Regional Coordinator - NC
		DTI	Agusan del Norte	Wyn A. Palma	Division Chief
		DTI	Agusan del Norte	Myra Luz A. Gavero	RAPID Focal Person
		DTI	Agusan del Norte	Chona Marie Grado	TIDS
		DTI	Agusan del Norte	Althea Asia Acevedo	Senior Business Counselor
		DTI	Agusan del Sur	Anthony Mark Catalona	Value Chain Facilitator
		DTI	Agusan del Sur	Elphie P. Plaza	Value Chain Facilitator
		DAR	Agusan del Norte	Josette F. Rivera	Representative
		DAR	Agusan del Norte	Forcep Chris B. Dela Torre	Representative
06 Mar	RTWG Meeting	Caraga Cacao, Inc.	Agusan del Norte	Christopher H. Lindo	Chairperson
		NEDA	Agusan del Norte	Gladys C. Giberson	Alternate Head
		NEDA	Agusan del Norte	Regine Y. Awid	Representative
		MinDA	Agusan del Norte	Aguaviva Rachael	Representative
		PCA	Agusan del Norte	Engr. Gretchen Lestores	Representative
		LBP	Agusan del Norte	Jonnie Sacote	Representative
		DENR	Agusan del Norte	Jennifer R. Abucejo	Representative
		SB Corp.	Agusan del Norte	Rene P. Villagantol	Alternate Head

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		CDA	Agusan del Norte	Fil Christian Y. Villanueva	Representative
		DILG	Agusan del Norte	Estela Marie M. Vallespin	Representative
06 Mar	Site Visit at Molena D Tableya	Molena D Tableya	Agusan del Norte	Melona Solana	Chairperson
	Site Visit at VPO Agro-Industrial Development Corporation	VPO Agro-Industrial Development Corporation	Agusan del Sur	Vivencio Ocite	President & CEO
		VPO Agro-Industrial Development Corporation	Agusan del Sur	Lerio Ocite	Chief Finance Officer
	Site Visit at Calamansi Farm	Lily's Food Products	Agusan del Sur	Liliosa Malupangue	Proprietor
07 Mar	Site Visit at Janicahh Food Products	Janicahh Food Products	Agusan del Sur	Irenea R. Hitgano	Proprietor
		Veruela Poblacion Agrarian Reform Beneficiaries Cooperative	Agusan del Sur	Fadelina D. Fabe	Manager
		Veruela Poblacion Agrarian Reform Beneficiaries Cooperative	Agusan del Sur	Rowena C. Dacua	Treasurer
			Agusan del Sur	Joy D. Bangcot	Farmer/Producer
<b>Break out Meetings</b>					
March 9, 2020	Meeting/Levelling -Off With RBACs	DTI XI Regional Office	Davao City	Maridel D. Dengal	Provincial Director Region 9/ BAC
		DTI XII Regional Office		Mary Ann M. Morales	Division Chief Region 12/ BAC
		DTI X Regional Office		Atty. Fel Lester G. Brillantes	Division Chief Region 10/ BAC Chairperson
		DTI X Regional Office		Edison Gascon	Administrative Officer Region 10

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DTI-RGMS		John William R. Lucero	Division Chief RGMS
		DTI XI Regional Office		Roselle D. Diez	Chief Administrative Officer
		DTI XI Regional Office		Deolly L. Roque	Division Chief/ BAC
		NPCO		Anita F. Pacabis	Procurement Officer
		RCU 11		Rommel G. Gulle	Finance Management Assistant
		NPCO		Kirsten R. Carillo	Project Assistant
		NPCO		Oswald Karl Von D. Madrado	Finance and Admin. Specialist
<b>REGION 9</b>					
March 6, 2020	Meeting/ Levelling-Off With Region 9 AFMSD	DTI IX Regional Office	Zamboanga City	Rossana E. Garcia	Division Chief, IDD
		DTI IX Regional Office		Rodrigo E. Montero	RAPID Regional Coordinator (Ad Hoc)
		DTI IX Regional Office		Rashiena T. Camlian	RAPID Financial Management Assitant
		DTI IX Regional Office		Sitti Marjia A. Maluddin	RAPID Marketing Coordinator
		DTI IX Regional Office		Atty. Kathy M. Jusa- Jaron	Division Chief, FAD
		DTI IX Regional Office		Nurvaline I. Jimlani	Budget Officer
		DTI IX Regional Office		Kamila Fatima G. Masahud	Chief Accountant
		NPCO		Oswald Karl Von D. Madrado	Finance and Admin. Specialist
<b>Meeting with BARMM-MTIT and DTI-Maguindanao</b>					
10 Mar		MTIT- BARMM	Cotabato	Shiela Joy M. Mangco	STIDS
		MTIT- BARMM	Cotabato	Khaliku Zaman Baraguir	Provincial Director
<b>Meeting win Department of Interior and Local Government for the Rural Infrastructure Implementation Arrangement</b>					
March 2	COURTESY CALL	DILG-CO		<b>USEC MARIVEL C. SACENDONCILLO, CESO III</b>	USEC Local Governance

Date	Meeting	Office / Org	Municipality/ Province	Name	Designation / Office
		DILG-CO		<b>RENE V. VALERA</b>	DIRECTOR
		DILG-CO		<b>MARIO O. PAZ</b>	OPDS PM
		DILG-CO		<b>ROSALINA DN ILAYA</b>	OPDS PM
MARCH 9	OPDS	DILG-CO		<b>RENE V. VALERA</b>	DIRECTOR
				<b>MARIO O. PAZ</b>	OPDS PM II
				<b>ROSALINA DS ILAYA</b>	OPDS PM
				<b>GILBERT L. MERCADO</b>	OPDS PM
				<b>CHERYL C. AGUSTIN FLORES</b>	OPDS DIVISION CHIEF

## **Philippines**

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### **Rural Agro-enterprise Partnerships for Inclusive Development and Growth Supervision Report**

#### **Appendix 6: Procurement**

Mission Dates: 02-13 March 2020  
Document Date: 14/04/2020  
Project No. 2000001200  
Report No. 5379-PH

Asia and the Pacific Division  
Programme Management Department





## Appendix 6

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#### i. Review of Procurement Plan

After start up, the Project submitted a mini Procurement Plan for implementation in the last quarter of 2019. Only a limited number of the procurement activities foreseen in the mini-Procurement Plan (PP) were completed and most of them were carried over in 2020 under the full 2019 PP. Days before the mission, after compliance with IFAD comments, IFAD gave its No Objection to the full 2019 PP. It is noted that the Project will still submit its 2020 PP for IFAD No Objection.

The 2019 mini PP was aligned with the AWPB, follows earlier version of the IFAD PP template issued in mid 2019 and has a summary page with an AWPB reference column, methods and thresholds are entered correctly. IFAD latest template was followed by the full 2019 PP. It is consistent with the latest approved AWPB. However, at this time, the 2019 PP not yet easily and publicly accessible.

Procurement entities(RCUs) will be implementing both 2019 PP and 2020 PP. They are encouraged to undertake procurement short of award authorized under the national procurement law, rules and regulations. Procurement of project vehicles with approved budget of Php 42 million programmed under the 2019 mini PP and carried over to the full 2019 PP has not yet commenced despite the Government Procurement Policy Board clearly exempted vehicles to be used for the transport of personnel, equipment, supplies, products, materials and for the exercise of executive functions from the equipment to be centrally procured by the DBM Procurement Service. At this stage of the project, the mission highlights the need for RCUs to undertake procurement short of award authorized under the national procurement law, rules and regulations. National Sub Allotment Release Orders(SARO) and actual Notices of Cash Allocations(NCA) issued by the Department of Budget and Management in the course of budget implementation are not necessary to undertake procurement short of award. SAROs are only necessary when the procuring entity

is ready to issue a Notice of Award, upon prior IFAD NO whenever applicable. NCAs are necessary when goods/works/consulting services contracts are expected to be delivered and paid for.

**ii. Review of Ongoing/Completed Procurement Activities and Documentation**

As of the mission, there were no procurements yet via competitive bidding. All procurements were Small Value Procurements for renovation works of a part of the DTI office where the PCO is holding office and acquisition of three office equipment. These procurements are in accordance with the PP. Processes applied were compliant with national procurement law, rules and regulations IFAD Project Procurement Guidelines and Handbook; the Financing Agreement and Letter to the Borrower. However, project needs to implement the Self-Certification Forms for bidders and awarded contractors/suppliers.

**iii. Review of Contract Administration and Management**

Purchase Order contracts are consistent with legal templates but do not have provisions regarding prohibited practises and IFAD's right to audit. Contracts are signed by Project/Government authorities. Deliveries of goods and works were in accordance with timelines. Supervision of renovation works contract was undertaken. Contract register does not follow IFAD's template and is therefore not correctly updated. Existing procurements did not require advance payment and performance securities including retention money guarantee.

**iv. Review of project's procurement filing system and the ease of document retrieval**

The Lead Project Implementing Agency is keeping procurement records in file records in filing cabinet but not yet in lever arch folders with side label and a file index.

**v. Review of issues identified in the previous procurement supervision and aide-mémoire and procurement related issues identified in project audit reports**

There are no prior procurement supervision reports. Mission conducted is first supervision mission.

**vi. Assessment of further procurement staff training needs**

There is a Procurement Officer at the PCO who was appointed during the mission. However, she has no prior experience in donor funded public procurement and needs training on the Government Procurement Reform Act and IFAD Project Procurement Guidelines and other related procurement requirements and processes. Procurement staff have immediate access to the legal and regulatory framework documents because they are mostly available online. Procurement and financial management functions are also separated.

**vii. Review of any significant changes in the Borrower/Recipient's procurement system and practices**

Congress passed Republic Act 9184(Government Procurement Reform Act) in 2003. Implementing Rules and Regulations and manuals were subsequently issued. Latest revision of implementing rules and regulations took effect in September, 2016. Standard bidding documents template prescribed by Government Procurement Policy Board(GPPB) exist for goods, works and services. PEFA Report 2016 concludes that the procurement monitoring system of 15 national government agencies maintains data for contracts on what has been procured, value of procurement and who has been awarded contracts. The data are accurate and complete for most (about 80% by value) of the contracts procured using different methods for goods, services and works. Rating is B which is equivalent to 3(low risk) under the IFAD Procurement Risk Matrix. PEFA report 2016 also concludes that the total value of contracts awarded through competitive methods in 2014 was PhP 35.4 billion for central government agencies and PhP 26.2 billion or 74% was done through competitive bidding. This was rated B which is equivalent to 3(low risk) under the IFAD Procurement Risk Matrix. PEFA Report 2016 further concludes that 5 of the 6 key procurement information elements are complete and reliable for national government agencies representing 75% of procurement operations (by value) and are made available to the public in a timely manner through appropriate means. Rating is B which is equivalent to 3(low risk) under the IFAD Procurement Risk Matrix. On the other hand, PEFA report 2016 concludes that there is no independent administrative procurement complaints system provided for under the GPRA. This was rated is D, which is equivalent to 1 and is considered high risk. Likewise, from a Corruption Perception Index(CPI) score of 36 in 2018, CPI score for 2019 went down to 34. Change is not among those considered statistically significant. Complaints handled first by investigation bureau of Office of the Ombudsman. Recommendation is reviewed by a Deputy Ombudsman. There is a debarment system implemented by GPPB via a monthly consolidated list of blacklisted contractors, suppliers and consultants. Office of the Ombudsman exists to investigate graft and corruption by public officials.

**viii. Key findings and conclusions from the PRM assessment update**

Initial PRM submitted on 19 March 2020. PRM assessment update will be conducted during the next mission.

**ix. Procurement performance indicator rating and justification**

Pillars	Rating	Justification
A. Review of Procurement planning	3	Procurement planning exhibits significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.
B. Process and Procedures: from prequalification to bidding	6	Processes and procedures applied fully meet requirements
C. Process and Procedures: from evaluation to awards	6	Processes and procedures applied fully meet requirements
D. Contract management	5	Processes, procedures and systems for administration, supervision and management of contracts exhibit minor shortcomings that have no impact on project

		implementation and performance
E. Record Retention	5	The project's record retention exhibits minor shortcomings that have no impact on project implementation and performance
Overall	5	Processes, procedures and systems applied exhibit minor shortcomings that have no impact on project implementation and performance.

**x. Recommendations for improvement and follow-up actions for the Borrower/Recipient and/or IFAD**

**a) Recommendations**

Agreed Action	Responsibility	Agreed Date
Procuring entities to undertake procurement short of award	RCUs, PCO	Continuous
Training of Procurement Officer on GPRA and IFAD Procurement issuances	PCO, IFAD	Last week of May 2020

**b) Follow-up**

Recommendation	Follow-up action	Responsibility	Agreed Date

### **Annotated Guide for procurement review**

#### **Review of Procurement Plan**

**A. Procurement planning process** - PP is aligned with the AWPB, is prepared and updated consistently and accurately and is based on consultative and collaborative processes. PP follows the IFAD PP template, has a summary page with an AWPB reference column, methods and thresholds are entered correctly, and no less than 80% of the procurements listed are ongoing/completed as planned. PP is updated (with the “actuals” rows updated) and upgraded as necessary in a timely manner, with IFAD NOs provided accordingly. All procurements carried out are in the PP, as consistent with the Financing Agreement and the Letter to the Borrower. PP is easily and publicly accessible – demonstrating transparency and promoting participation and competition.

Review of Procurement Plan for each procurement should be completed in accordance to the following questions:

- Is it consistent with the latest approved AWPB:
  - Do the nature and quantity of goods/works/services appear consistent with the activities in the AWPB?
  - Is the procurement schedule consistent with the implementation schedules in the AWPB (does the delivery of goods, works and services correspond to targets in the AWPB)?
  - Is the procurement budget adequate?
- Is the selection of procurement methods in compliance with the provisions of the LTB?
- Do the time estimates indicated seem realistic?
- Adequacy of procurement packaging:
  - Are the procurement activities systematically and logically grouped according to the categories of the procurement (goods/works/services)?
  - Has packaging been done in a way that generally facilitates the use of the most competitive and efficient procurement method, that ensures the best value for money and that avoids pseudo-packaging?
- Progress in implementing and updating and upgrading the PP, including identifying significant delays and causes, proposing adjustments to the PP and recommending improvements relating to planned/ongoing procurement processes (e.g. in the preparation of the bidding documents)

#### **Review of Ongoing/Completed Procurement Activities and Documentation**

**B. Process and Procedures from Prequalification to bidding** - From prequalification (if applicable) to bidding, processes and procedures applied by the Lead Project Implementing Agency exhibit consistency, fairness, value for money, competition, efficiency, and responsiveness to requests for information and to complaints. Processes and procedures are consistent and comply with the following: national procurement regulations and laws; IFAD Project Procurement Guidelines and Handbook (including any ancillary IFAD Procurement Documents/Templates); the Financing Agreement and Letter the Borrower (including provisions for prior review); and, other policies and requirements, such as the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations. Prequalification criteria and schedules of requirements (i.e. technical specifications, quantities or terms of reference, etc.) are clearly expressed and measurable. Evaluation methodology is fully disclosed in the bidding documents. There are 20 no requirements in the bidding documents that present a barrier to entry for bidders, except for acceptable national participation requirements. There is evidence showing the following: more than the minimum number of bidders were invited to participate; all bidders received

the bidding documents; minimum number of bids were received, as per method requirements; and, competition was maximised.

Process and Procedures from Prequalification to bidding for each procurement should be completed in accordance to the following questions:

- Is the item in the Procurement Plan?
- Is there a formal Procurement Requisition that initiates the process?
- Is the Method proposed in the PP used?
- Is enough done to demonstrate that competition was achieved?
- Is there time provided for bidders to request and receive clarifications, before the submission deadline?
- Is there sufficient time allotted for bidders to prepare quotations, bids and proposals?
- No late bids were accepted?

**C. Process and Procedures from Evaluation to Awards:** Processes and procedures applied by the Lead Project Implementing Agency for evaluation and contract award exhibit consistency, fairness, value for money, competition, efficiency, and responsiveness to requests for information and to complaints. Processes and procedures are consistent and comply with the following: national procurement regulations and laws; IFAD Project Procurement Guidelines and Handbook (including any ancillary IFAD Procurement Documents/Templates); the Financing Agreement and Letter the Borrower (including provisions for prior review); and, other policies and requirements, such as the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations. Proper number of evaluation committee members as per IFAD, including at least 1 member with the technical knowledge and experience in coherence with the type of procurement. Evaluation done across 3 steps, Preliminary Examination, Technical Evaluation and Financial Evaluation, consistent with the methods of procurement. Evidence of signatures of evaluation committee members in the pages that carry final recommendation and final scores. Arithmetic corrections are accurate with evidence to show that the errors were formally communicated to bidders, and bidders' acceptance of such corrections. For Prior Review procurements, Technical and Combined Evaluation Reports and Draft Contracts evident with IFAD No Objection filed. Evidentiary documents and/or justification to show how bidders were eliminated from each step. For Post Review procurements, evaluation reports and contracts showing the steps, evident in file.

The Evaluation process for each procurement should be completed in accordance to the following questions:

- Was Preliminary Examination done?
- Are there objective and justifiable reasons for rejections at Preliminary Examination?
- Was Technical Evaluation done?
- Are there objective and justifiable reasons for rejections at Technical Evaluation?
- For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened?
- For all advertised procurement, were bidders informed of the (technical) evaluation outcome?
- Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?
- Were bidders given enough time to submit a challenge/protest?
- For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?
- Was Financial evaluation done and properly?
- Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?
- Are there objective and justifiable reasons for rejections at Financial Evaluation?
- For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?
- Were challenges/protests received? Were they handled properly?

The Award and negotiations process for each procurement should be completed in accordance to the following questions:

- Was award done after all challenges/protests were received?
- Negotiations were not held for Goods and Works
- Negotiations were held for consulting services?
- Did the negotiations significantly alter:
  - the scope
  - the duration
  - the price

#### **Review of Contract Administration and Management**

**D. Contract management and Administration:** The Lead Project Implementing Agency has sound processes, procedures and systems in place for administration, supervision and management of contracts, including for non-procured contracts/agreements such as grants, partnership agreements etc. Contract formats are consistent with bid documents and/or other legal templates, and include provisions regarding prohibited practises and IFAD's right to audit. Contracts are signed by Project/Government authorities. Correspondences and communication between the parties to the contract are available. As applicable, warranties, guarantees (advance payment, performance, retention) and insurance are available or valid. Payments are consistent and timely in accordance with contract provisions. Delivery of goods, works and services is in accordance with timelines. Supervision of works contract is undertaken. Delays are managed and liquidated damages are applied consistently. Complaints and disputes are managed and promptly resolved. IFAD prior review requirements are complied with. Contract register follows IFAD's template and is updated correctly and submitted in accordance with provisions in the Letter to the Borrower.

To ensure that **contract administration review** is effective and efficient, the following should be addressed:

- Advance payment (for Goods and Works): review should include checks for a copy of the advance payment security, acceptability of the format (guarantee, bond, etc.), validity, advance payment recovery plan as captured in the contract, and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Performance security (for Goods and Works): review should include checks for a copy of the performance security, acceptability of the format (guarantee, bond, etc.), validity (should be valid up to 28 days after contract completion), and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Retention money guarantee (for Works): review should include checks for need for a retention money guarantee as against a retention, validity, and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Timeliness of progress payments; and
- Validity of insurance policies.

To ensure that **contract management review** is effective and efficient, the following should be addressed:

- Assessing if contracts are effectively managed by the technical units in charge; and if contracts are executed as per the original schedule.

To ensure that **contract payment monitoring form** review is effective and efficient, the following should be addressed:

- Identifying issues and weaknesses (and the relevant underlying causes of these issues and weaknesses) in contract administration and management and recommend improvements.



The contract, contract administration and management process for each procurement should be completed in accordance to the following questions:

- Was the Contract signed by both parties? (A copy must be evident in file)
- Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?
- Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid evaluation report and negotiated outcome?
- Was a Contract amendment made to extend time/add funds/add scope?

#### **Review of project's procurement filing system and the ease of document retrieval**

**E. Record retention:** The Lead Project Implementing Agency keeps procurement records orderly in file records in shelves or other safe place, or even better if records are saved orderly electronically and are uploaded to the cloud or other safe electronic environment (including a protected in-house server). The file record should not be cramped. Excess papers should be in additional volumes in one or more additional lever-arch folders. Bids and proposals submitted by bidders may be left out of the lever arch file and kept in appropriately labelled box files. Lever arch folders should have a side label and a file index.

File Index should carry the following minimum information:

- Copy of Procurement Plan, with the item highlighted
- Signed Requisition
- Bidding Document
- Bid Opening documents
- Bids, proposals or quotations (when these are voluminous, a box-file should be used)
- Evaluation documents
- Contract documents
- Any other relevant documents

#### **Review of issues identified in the previous procurement supervision and aide-mémoire and procurement related issues identified in project audit reports**

Such review assesses if adequate remedial actions are being taken to address issues or weaknesses raised in the previous procurement supervision, aide-mémoire and in recent project audit reports, as well as identifying any outstanding risk mitigation actions and other procurement-related issues arising from implementation support and monitoring. Based on such review, further actions to be taken by IFAD, the project or the Borrower/Recipient will be recommended.

#### **Assessment of further procurement staff training needs**

The assessment of further procurement staff training needs entails ensuring relevant training is planned and provided to project management and procurement staff in a timely manner. The assessment should refer to the Capability in Public Procurement under Project Institutional risk assessment of the Risk Matrix. The following must be addressed:

- Existence of a Procurement Unit with at least 2 staff members (Design stage, reference is to government agency)
- Existence of a Procurement Officer (Implementation)
- Staff member(s) required experience in donor funded public procurement
- General quality of documents produced by the procurement office
- Procurement staff having immediate access to the legal and regulatory framework documents
- Procurement and financial management functions being separated

#### **Review of any significant changes in the Borrower/Recipient's procurement system and practices**

The review should ensure project procurement procedures and systems are updated accordingly and should focus on the Legal and Regulatory Framework and the Accountability and Transparency under the Country Risk Assessment of the Procurement Risk Matrix. The following must be addressed:

### Legal And Regulatory Framework

- Country procurement law, regulations and manual exist
- Existence of Standard Bidding Documents for Goods, Works and Services
- Procurement Monitoring
- Procurement Methods
- Public access to procurement information

### Accountability and Transparency

- Procurement Complaints Management
- Country Corruption Perception Index score
- 2-tiered system to handle complaints
- Existence of a debarment system
- Existence of an independent and competent local authority responsible for investigating corruption allegations

### Key findings and conclusions from the PRM assessment update

A project's PRM will need to be reviewed and updated every time the procurement performance of a project is supervised. The PRM will be updated in light of evolving conditions or circumstances, for example, with respect to the national procurement system, improvement/deterioration of project procurement performance, overall implementation progress and results delivery. As a result, procurement and prior review thresholds may be revised, other existing risk mitigation measures may be adjusted or additional measures may be introduced.

If the colour of the circle under the **NET RISK RATING** of the Procurement Matrix changes from:

- 1) **Low risk to High Risk or Medium Risk to High Risk** (  →  ) (  →  )

Procurement specialist must give thorough explanation why the change has occurred, and what the recommendations are

- 2) **High Risk to Medium Risk or Medium to Low Risk** (  →  ) (  →  )

Procurement Specialist must give thorough explanation why the change has occurred and how

- 3) **Risk remains the same** (colour remains the same)

Procurement Specialist is not required to provide any justification

### Procurement performance indicator rating and justification

The Borrower/Recipient and Lead Project Implementing Agency's performance with respect to procurement is assessed in terms of the quality, reliability, transparency and efficiency with which it carries out procurement processes it is responsible for, and the effects on project implementation and results delivery. The procurement performance indicator consists of five pillar sub-ratings that must be averaged (on an equal weight basis) to compute the overall rating. This indicator will be assessed at least once a year.

**Ratings (as per below):**

Pillars/ Rating s	(6) Highly satisfactory	(5) Satisfactor y	(4) Moderately Satisfactory	(3) Moderately unsatisfactory	(2) Unsatisfactory	(1) Highly unsatisfactory
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<b>A. Planning</b>	Procurement is very well planned, and all related processes and procedures applied fully meet requirements	Procurement planning exhibits minor shortcomings that have no impact on project implementation and performance.	Procurement planning exhibits some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely	Procurement planning exhibits significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Procurement planning exhibits serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Procurement planning is non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
<b>B. Procurement - Bidding</b>	Processes and procedures applied fully meet requirements.	Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance.	Processes and procedures applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely	Processes and procedures applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Processes and procedures are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
<b>C. Evaluation-Award</b>	Processes and procedures applied fully meet requirements.	Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and	Processes and procedures applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. 21 Implementation support is	Processes and procedures applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed;	Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk	Processes and procedures are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of

		performanc e.	required, however, prompt resolution of issues/constraint s is likely.	implementation support is required; resolution of issues/constraints is likely but will take some time.	is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	issues/constraint s is unlikely. Extensive evidence of prohibited practices.
<b>D. C ontract managem ent</b>	Processes, procedures and systems for administration, supervision and management of contracts exhibit high performance across all requirements	Processes, procedures and systems for administrati on, supervision and managemen t of contracts exhibit minor shortcomin gs that have no impact on project implementa tion and performanc e.	Processes, procedures and systems for administration, supervision and management of contracts exhibit some weaknesses. Implementation support is required, however, prompt resolution of issues/constraint s is likely	Processes, procedures and systems for administration, supervision and management of contracts exhibit numerous shortcomings. Project implementation is negatively impacted; implementation support is required; resolution of issues/constraints is likely but will take some time.	Processes, procedures and systems for administration, supervision and management of contract exhibit significant lapses and gaps in terms of performance standards, inconsistently applied controls, inefficiency, and transparency. Project implementation is severely impacted; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of	Processes, procedures and systems for administration, supervision and management of contracts are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraint s is unlikely. Extensive evidence of prohibited practices.
<b>E. R ecord retenti on</b>	The project's record retention fully meets requirements, and can be regarded as a best practice.	The project's record retention exhibits minor shortcoming s that have no impact on project implementat ion and performanc e.	The project's record retention exhibits some weaknesses. Implementation support is required, however, prompt resolution of issues/constraint s is like	The project's record retention exhibits numerous shortcomings. Project implementation is negatively impacted; implementation support is required; resolution of issues/constraints is likely but will take some time.	The project's record retention exhibits serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of	The project's record retention is non- functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraint s is unlikely. Extensive evidence of prohibited

					prohibited practices.	practices.
<b>OVERALL</b>	Processes, procedures and systems applied fully meet requirements.	Processes, procedures and systems applied exhibit minor shortcomings that have no impact on project implementation and performance.	Processes, procedures and systems applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely.	Processes, procedures and systems applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Processes, procedures and systems applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Processes, procedures and systems are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.

### **Recommendations for improvement and follow-up actions for the Borrower/Recipient and/or IFAD**

Based on the supervision review, recommendations for improvement and follow actions should be worked out.

- c) In the recommendations, agreed actions should be worked out in order to improve the procurement process

Agreed Action	Responsibility	Agreed Date

- d) The follow-up actions must be based on what has been stated in the recommendation for the improvement.

Recommendation	Follow-up action	Responsibility	Agreed Date

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