

Rationale

Pursuant to the findings and agreed action in the Aide Memoire (paragraphs 15-18) of the full IFAD-GOP Supervision and Implementation Support Mission conducted from May to June 2024 to conduct a DIP Implementation Review at the regional level to determine how the value chains can be upgraded by facilitating supply chains from FOs to anchor firms and identifying capacity building needs and additional investment requirements to increase consolidation capacity of intermediary FOs and MSMEs that can provide value addition, the RAPID NPCO has developed this guide for the project implementation units to conduct this crucial task to ensure the achievement of the project's goals and objectives as envisaged in the Detailed Investment Plans of the respective RAPID Implementing Regions.

Specifically, the objectives of the DIP Review are as follows:

- ✓ To capacitate the R/PCUs in the fundamentals of assessing the progress and effectiveness of value chain development interventions;
- ✓ To review the progress of the upgrading of the supply chains and its stakeholders as envisaged in the DIPs at a **meso-level perspective (the EDT is for the enterprise level diagnostics)**;
- ✓ To determine key constraints in the upgrading of the value chains and determine appropriate combination of project interventions such as investments for Matching Grants, capacity building activities, and business development services to achieve DIP goals and objectives; and
- ✓ To determine necessary updates on project policies to facilitate efficient and effective actions to address constraints in the upgrading of value chains and project implementation mechanisms and procedures.

Timeline of DIP Review

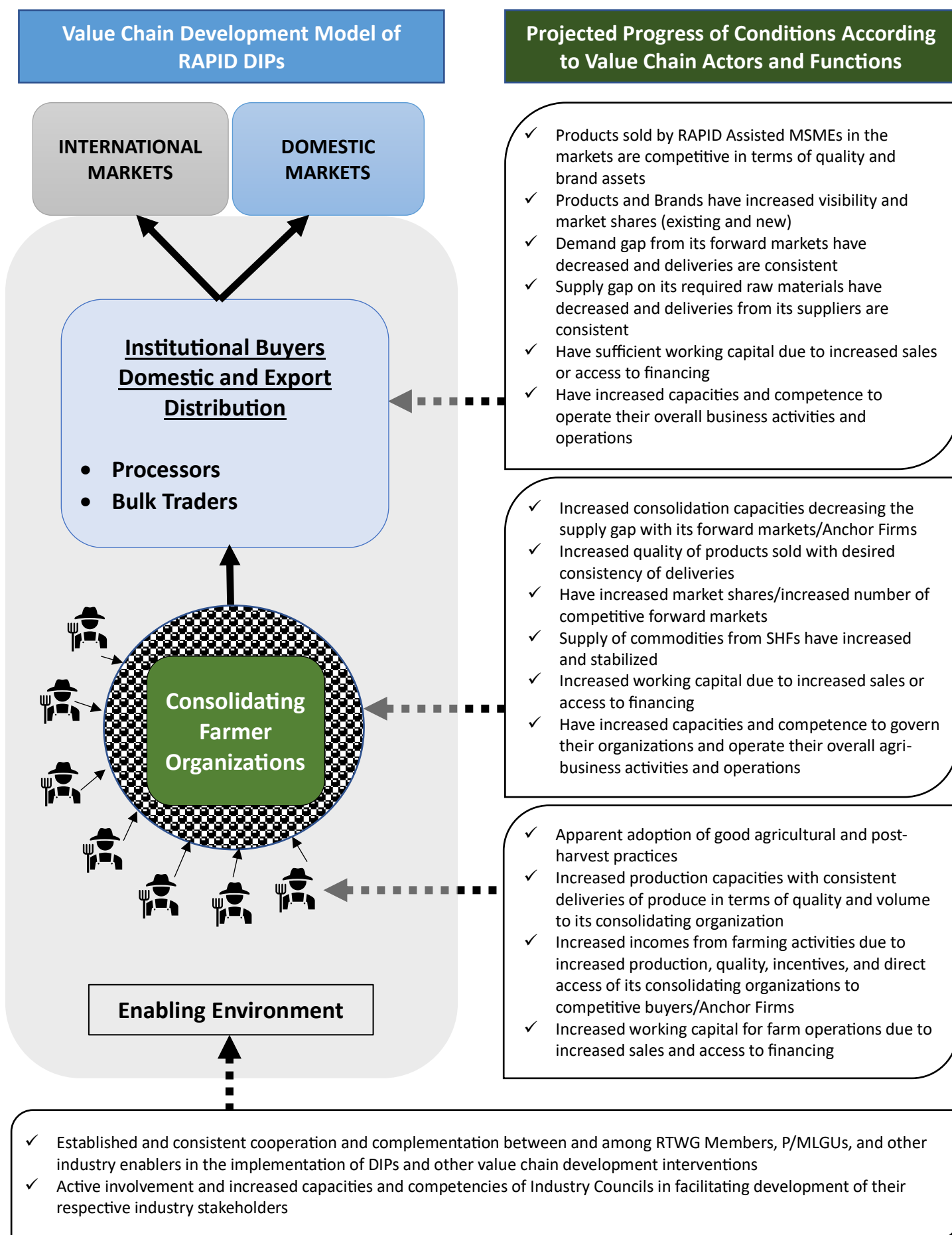
With the limited implementation timeline of the project, it is imperative for all implementing units to proceed with the DIP Review to allow a sufficient time for the planning and implementation of the recalibrated strategic investments and interventions of the project. **Hence, all RAPID Implementing Units must implement the review process starting October 2024 and must submit the results to NPCO by November 15, 2024, and agree on the ways forward on the implementation of the recalibrated interventions during the IFAD Implementation Support Mission on November 18-30, 2024.**

Recommended Methodology of the DIP Review

The DIP Review Session is recommended to be in a workshop format to process the recommended guide questions in the DIP Review Checklist below. The workshop must be attended by at least the following project personnel and stakeholders:

- 1) Technical Supervisors of the R/PCUs
- 2) Regional and Provincial Project Coordinators
- 3) Regional and Provincial M&E Coordinators/Assistants
- 4) Designated Focal Value Chain Facilitators
- 5) Finance Management Assistants and Designated Provincial Admin Assistants
- 6) Concerned/Designated Field Validators
- 7) Representatives of Anchor Firms
- 8) Representatives of FOs
- 9) Representatives of relevant industry enablers involved in the DIP Implementation

TARGET VALUE CHAIN UPGRADING INDICATORS



DIP Review Guide Questions

Anchored on the projected progress of conditions in value chain actors and functions as envisaged in the project's DIPs, the DIP Implementation Review questions are as follows:

I. General Performance of Commercial Partnerships

S/N	Guide Questions	Findings	Recommendations
1	Are the FOs with consolidation function delivering its committed supply (agreed quality and volume) to their Anchor Firm(s)?		
2	Are the Anchor Firms honoring their commitment to their partner FOs in terms of buying the latter's consolidated produce at a competitive price?		
3	Does the Commercial Partnership Agreements offer competitive (better) buying prices and incentives for FOs to ensure the stability and sustainability of the partnership?		
4	Have the FOs or Anchor Firms established an efficient and cost-effective means of transporting the consolidated produce of the FOs?		
5	Does the Anchor Firms provide cash advances or financing to partner FOs to increase the latter's working capital for consolidating commodity products from the SHFs?		
6	Should there be fall-outs from the commercial partnerships due to unfavorable conditions for both parties, have the FOs or RAPID Implementing Units identified new competitive Anchor Firms for the FOs that offer mutually advantageous partnership terms?		
7	For continuing/sustaining CPAs, were there any changes in the terms which is mutually beneficial for both FO and Anchor Firm? If so, what are those terms that prove to be crucial in the sustainability of the agreement?		

II. General Performance of Hubs (Key Consolidating Farmer Organizations and MSMEs)

S/N	Guide Questions	Findings	Recommendations
1	Are the FOs expanding their memberships or offering associate memberships to SHFs to increase the volume of their consolidated commodity products?		
2	Are the FOs experiencing fall-out of members in terms of supplying the latter's produce to the organization? If so, what are the mitigating measures done by the FOs?		
3	Are the FOs experiencing fall-out of members in terms of participation to the RAPID Growth Project? If so, what are the mitigating measures done by the FOs?		
4	Does the FOs/MSMEs provide incentives to their members/suppliers to avoid/minimize pole-vaulting?		

5	Have the FOs/MSMEs established an efficient and cost-effective means of consolidating produce of members in terms of logistics?		
6	Does the FOs/MSMEs have sufficient working capital for its consolidation activities? If not, were they able to access financing from FSPs or from other sources?		
7	Are the FOs/MSMEs consciously putting effort in targeting/including women, youth, and IPs in the upgrading of their agri-enterprise activities and implementation of the RAPID Growth Project?		
8	Are there observable improvements to the overall management and agri-enterprise operations of the FOs/MSMEs due to the productive investments and capacity building activities of the project?		
9	What are the constraints/difficulties of the FOs/MSMEs in accessing and implementing the project's Matching Grants for productive investments (seedlings, PHFs, and Equipment)? Are there any mitigating measures being implemented by the FOs/MSMEs and the project implementing unit?		

III. General Performance of Smallholder Farmers

S/N	Guide Questions	Findings	Recommendations
1	Are there observable change in behavior and adoption of good agricultural practices from the farmers due to the capacity building activities of the Project?		
2	Are there observable/reported increase in production capacities of farmers in terms of volume and quality due to the project's capacity building interventions?		
3	Are there observable/reported increase of incomes of farmers due to increased production, quality, incentives, and direct access of its consolidating organizations to competitive buyers/Anchor Firms?		
4	Are there observable/reported increase of access of farmers to financing for their farm operations?		
5	What are the constraints/difficulties of the SHFs in rehabilitating and/or expanding their farm production areas? Are there any mitigating measures being implemented by the SHFs and the project implementing unit?		

IV. Coordination and Complementation of other Industry Enablers

S/N	Guide Questions	Findings	Recommendations
1	Were the relevant industry enablers such as MAOs, PAOs, FSPs, and etc. able to join the DIP Implementation Planning Session and have extended their commitments to complement in the implementation of the DIPs?		

2	Were the relevant industry enablers such as MAOs, PAOs, FSPs, and etc. able to deliver their commitment to complement in the implementation of the DIP? If so, in what ways?		
3	Are there observable/reported deficiencies/constraints of relevant industry enablers/extension service providers such as MAOs in their capacities to deliver extension services for the FOs and the SHFs? If so, are there any efforts from the project to bridge such gap?		

V. DIP Implementation (Internal to RAPID ONLY. Processing of these questions must be in a separate session excluding external project stakeholders.)

S/N	Guide Questions	Findings	Recommendations
1	What are the major issues arising in the implementation of the project's Matching Grants (farm expansion and PHFs and Equipment)? What are the mitigating measures and strategies used by the project implementing unit?		
2	What are the major issues arising in the implementation of the project's Capacity Building interventions and Business Development Services? What are the mitigating measures and strategies used by the project implementing unit?		
3	What are the major issues/constraints arising from the procurement processes in implementing Matching Grants and the capacity building interventions and business development services? What are the mitigating measures and strategies used by the project implementing unit?		
4	What are the major issues arising in the finance and admin processes that hinders the timely submission of financial reports to the NPCO? What are the mitigating measures and strategies used by the project implementing unit?		
5	What are the major issues arising in the conduct and delivery of the required monitoring and evaluation processes of the project in terms of the implementation of the DIPs? What are the mitigating measures and strategies used by the project implementing unit?		

Note:

Qualitative and quantitative analysis such as increase in quality, increase in capacity, adoption of practices, and et al., must be narrated in the Findings column with concrete figures (baseline reference vs. findings on the current status). Samples of which are:

- Increase in incomes of SHFs were reported due to the execution of CPA and improvement of GCB quality. From P100 per kilo of GCB in year 2021, it is now at P350 per kilo.
- Adoption of farm record keeping were reported. Out of the 50 SHF-trainees, 30 were reported to adopt proper farm record keeping practices.
- Purok Dos MPC have consistently delivered quality compliant (no rejection of deliveries) Dried Fermented Cacao Beans to its Anchor Firm compared in 2021 which they don't even produce fermented cacao beans.

-Nothing Follows-