

Part 2

Direct Enterprise Support (Component 1)



**Business
Development
Services
Provision (BDSP)**

**Enterprise
Strengthening**

**Farm to Market
Infrastructure**

Component 1 (Direct Enterprise Support) has three subcomponents that work together to strengthen agri-enterprises. Business Development Services Provision (BDSP) delivers tailored technical and business support. Enterprise Strengthening enhances the organizational, financial, and operational capacities of FOs and MSMEs. Farm-to-Market Infrastructure provides strategic facilities and access improvements that connect producers to markets and reduce logistics costs.



A. Business Development Services Provision (BDSP) (Sub-Component 1.1)

1. Key Implementation Areas



The Business Development Services (BDS) Provision sub-component under Component 1 of the RAPID Growth Project plays a strategic role in advancing the project's core objective: to strengthen rural agro-enterprises and improve their integration into competitive, inclusive, and sustainable value chains.

While the Enterprise Strengthening sub-component 1.2 focuses on building the internal capacities of farmer groups and MSMEs, the BDS Provision sub-component complements this by mobilizing external expertise and technical support through qualified Business Development Service Providers (BDSPs). These services are targeted, demand-driven, and aligned with the specific growth needs of cooperatives, associations, and micro and small enterprises (MSEs)—with deliberate focus on women, youth, and Indigenous Peoples (IPs) as priority groups.

BDS Provision is structured around four key service areas, all of which directly support the enterprise upgrading goals of the project:





2. Core Services



Core BDS Areas	Purpose
1. Productivity and Technology Development	Improve efficiency, reduce losses, and adopt modern production practices.
2. Product Quality and Standard Compliance	Enable compliance with safety, traceability, and market-entry requirements.
3. Product Development	Support value addition through design, packaging, branding, and innovation.
4. Market Development and Promotion	Link enterprises to buyers, expand market access, and support product visibility.

Through this sub-component, beneficiaries may access services such as:

- *Preparation of Detailed Investment Plans (DIPs);*
- *Support for cooperative formation and formalization;*
- *Technical training in production, processing, labeling, and traceability;*
- *Market linkage development and partnership facilitation;*
- *Business planning and financial literacy training.*

A structured identification, mapping, and procurement mechanism—detailed in the PIM—ensures BDSPs are qualified, demand-matched, and results-oriented.

In essence, BDS Provision is a critical enabler of inclusive enterprise growth, ensuring that small rural actors gain access to the technical and market expertise they need to become active participants in competitive value chains, aligned with the overarching goals of the RAPID Growth Project.

By expanding access to professional business services, the BDS Provision sub-component strengthens the viability, inclusiveness, and competitiveness of rural enterprises, effectively complementing the broader goals of Component 1 without duplicating the efforts of Enterprise Strengthening (Sub-Component 1.2)



3. Key Activities

3.1 Key Activity 1 – Business Development Services (BDS)

This activity focuses on the identification and mapping of qualified Business Development Service Providers (BDSPs) who may provide various technical expertise in the course of implementation of the project’s Detailed Investment Plans (DIP) and non-DIP-related activities and interventions.

The BDSPs may include anchor firms, MSMEs, government extension agencies, or individual experts that are qualified to be contracted by the project pursuant to the government’s procurement guidelines and IFAD’s procurement policies. Their services cover areas such as training, mentoring, coaching, preparation of business improvement plans, strategic planning, product development, and market linkage support.





3.2 Key Activity 2 – Capacity Building

Capacity building is central to strengthening farmers, farmers' organizations (FOs), and microenterprises (MEs) to actively participate in value chain development. The project will deliver training, mentoring, and business development services aligned with the Detailed Investment Plans (DIPs).

Activities will target different groups:

- *78,000 farmers (disaggregated by sex, indigenous peoples, and youth)*
- *300 farmers' associations/cooperatives*
- *750 MSMEs*

These interventions include formal training sessions, coaching, and workshops to enhance technical, organizational, and business management skills. Participation is systematically tracked in the MIS (DCF 4), ensuring accurate reporting of activities and attendees, while also capturing cases where proxy participants represent actual project beneficiaries.

By the end of the project, capacity-building efforts will enable farmer groups and enterprises to operate more sustainably, improve productivity, and strengthen their market competitiveness.

3.3. Key Activity 3 – Product Development Assistance / Business Development Services

To strengthen the competitiveness of farmer organizations (FOs) and micro, small, and medium enterprises (MSMEs), the project will support business management improvements, product development, and quality enhancement. This includes assistance in designing and improving products, packaging, and labeling, and introducing innovations such as digital systems.





By project completion, at least 450 products are expected to conform to market requirements through:

- *Product development assistance (clinics, packaging/label design, enhancement activities)*
- *Development or improvement of products/systems (including digital processes)*
- *Firm-level consultancy services to meet productivity and quality standards (e.g., HACCP, Halal, Organic, FDA-LTO/CPR).*

All interventions will be documented in the MIS (DCF 6) and verified through activity reports, before-and-after documentation, and approved certifications.

3.4 Key Activity 4 – Marketing Assistance

The project will provide targeted marketing assistance to help FOs and MSMEs expand their market reach, improve competitiveness, and increase sales. This includes organizing and participating in trade promotion activities such as trade fairs, selling missions, and business-to-business (B2B) matching. At least 250 market linkages are expected to be established through these efforts.

Beneficiaries of marketing assistance will include FOs, MSMEs, and farmers who participate in trade promotion events and receive project support in accessing markets. In addition, the project will facilitate access to quality and trade-related certifications (e.g., HACCP, Halal, Organic, FDA-LTO/CPR), ensuring that at least 450 products meet market requirements and are certified to recognized standards.

Progress will be tracked through the MIS (DCF 6 and 7), supported by activity documentation, sales monitoring reports, B2B transaction records, and approved certifications.



4. Business Development Services



4.1 Identification and Mapping of BDSPs

In preparation for the implementation of the project's detailed investment plans and industry-level assistance and interventions, all RAPID implementing units are tasked to scan, identify, and map potential BDS providers that may participate in the procurement of consulting contracts for the implementation of the project's activities and interventions.

The key competencies and services to be identified and mapped are as follows:

- *Enterprise Diagnostics for Business Improvement Plan and Detailed Investment Plan Preparation*
- *Productivity Enhancement Trainings for Cacao, Coconut, Coffee, Calamansi, and Cardava Banana commodities on Good Agricultural Practices, Post-Harvest Practices, Pest and Disease Management, Climate Adaptation and Resiliency, and other subject matters.*
- *Institutional and Organizational Development Trainings*
- *Business Development and Financial Management/Literacy Trainings*
- *End-to-end facilitation of acquisition of certifications*
- *Product Development Services*
- *Trade and Marketing Services*
- *End-to-end facilitation of acquisition of Financing from FSPs*
- *Survey, Profiling, and Development Studies Services*
- *Industry Clustering and Value Chain Development Trainings*
- *Governance and Leadership Trainings*

Since the project's procurement activities follow the Government Procurement Law of the Philippines and IFAD's procurement policies, which strictly enforce the principle of competition, RAPID implementing units are strongly encouraged to invite multiple potential BDS providers to compete in acquiring engagement contracts with the project.

Thus, prior identification and mapping of these BDS providers will be an advantage to ensure the successful procurement of consultants and expeditious implementation of project activities.



4.2 BDSP Engagement Key Steps

The table below outlines the key steps in the engagement of Business Development Service Providers (BDSPs) under the RAPID Growth Project with corresponding details and reference annexes.

a) Identification and Profiling of Potential BDS Providers

All RAPID Units from the NPCO, RCUs, and PCUs must first identify and profile potential BDS providers in their respective areas that may provide services enumerated in this manual. These BDS providers may be consulting firms, individual professional consultants, government entities, academe, primary cooperatives, and cooperative federations who may be engaged to support project beneficiaries such as cooperatives and micro and small enterprises (MEs and SMEs).

In profiling the potential BDS Providers, the Consultant Profile Form will collect the following key information:

- *Company/consultant background*
- *Services and competencies*
- *Preferred areas of engagement within the RAPID project*
- *Team composition*
- *Relevant past and current projects; and*
- *Other relevant qualifications.*

This process only serves as a pre-identification and mapping of BDS providers and does not constitute pre-accreditation or registration to the project.

b) Pooling, Mapping, and Shortlisting of BDSPs

BDSPs expressing interest will be included in a directory managed by the NPCO and RCUs. Regional Coordinators will evaluate these BDSPs based on established criteria (Annex A5), which may include:





- *Experience in relevant sectors (e.g., agribusiness, value chain devt, finance);*
- *Prior work on priority crops (coffee, cacao, coconut, fruits and nuts);*
- *Previous engagements with farmer groups, cooperatives, MEs, and SMEs*
- *Geographic experience*
- *Team qualifications*
- *Certifications and recognitions.*

Results will be consolidated and uploaded into the RAPID Project's Management Information System (MIS) for reference during procurement. This directory does not limit future participation; rather, it assists implementing units during procurement planning and market research.

c) Preparation of Terms of Reference of BDS Engagements

Guided by the User's Manual on the administration of the Project's Enterprise Diagnostic Tool (EDT) and Business Improvement Plan Preparation and the principle of strategic procurement, RAPID Implementing units are tasked to prepare the Terms of Reference of BDS engagements following the prescribed capacity-building methodology and topics according to the maturity rating of the DIP beneficiary.

The TOR should comprehensively detail the following:

- *Background and Objectives of the Engagement*
- *Scope of Work and Target Beneficiaries*
- *Methodology of the capacity-building engagement (OJT approach, mentoring, or classroom-type training depending on the EDT rating or maturity level of the beneficiaries)*
- *Expected Outputs of the BDS Provider*
- *Timeline of Implementation*
- *Qualification of BDS Team Members*
- *Cost of Engagement and Payment Schedules*
- *Working Conditions and Arrangements*





d) Procurement of BDSP Services

The engagement of BDSPs will strictly follow the procurement procedures outlined in Section III of the PIM, in line with RA 12009. Implementing units (PCUs/RCUs) shall use appropriate procurement methods (e.g., Request for Proposals) to identify and contract service providers based on technical qualifications and value for money.

There is no pre-registration requirement to be eligible for procurement. All qualified providers, including those from outside the region, may express interest and be considered through competitive selection.

References:

Annex ___: Procurement Process Flow

e) Orientation of BDSPs

Contracting RAPID Implementing Units must organize orientation sessions for contracted BDSPs to align them with the Terms of Reference of the engagement, project objectives, procurement processes, and other relevant considerations in the delivery of the services. The TOR of the engagement must be consistent with the results of the Enterprise Diagnostic Tool and Business Improvement Plan of FOs and MSMEs as attached in the approved Detailed Investment Plans.

Negosyo Centers and NPCO's capability-building initiatives may also supplement these efforts. Orientation is a standard operating protocol to ensure fairness and avoid inconsistencies in BDSP engagement.

References:

Annex ___: BDSP General Process Flow





f) Performance Review and Feedback Mechanism

Rather than formal accreditation or annual renewal, BDSP performance will be monitored based on feedback from project beneficiaries and implementing units after each engagement. RCUs will gather feedback through post-engagement surveys and consolidate this into terminal reports.

NPCO will maintain a summary of performance data (Annex A6 & A7) to inform future procurement decisions and ensure continuous improvement. Favorable performance feedback may increase the likelihood of future engagement but does not guarantee re-selection.

References:

- Annex ___: BDSP Scoring Tool
- Annex ___: BDSP Performance Assessment Tool
- Annex ___: Client Satisfactory Rating Form

g) Data Privacy Assurance

All information collected from BDSPs and consultants will be used solely for internal project purposes. Potential service providers will be informed that their data may be accessible to implementing stakeholders, including the Negosyo Centers, in compliance with the Data Privacy Act.





5. Delivery of BDS



5.1 Rating System

Since the EDT employs a rating system to quantify the levels of the enterprises' capacities, competencies, and capabilities, these ratings will now determine the modality of the delivery of RAPID's business development services and capacity building activities to ensure maximum effectiveness and ultimately achieve the project's desired goals and outcomes.

Categories	Overall Enterprise Maturity Rating	Description According to DTI's Enterprise Development Track, Ver. 3, as of February 23, 2022
Potential Entrepreneurs	0 - .99	On framing individuals and/or entities in an enabling path, this level relates to the embrace of correct and positive entrepreneurial mindset and the basic know-hows and how-tos of entrepreneurship.
Nurturing Startup	1 – 1.99	Business idea is materialized, hence the establishment of a new enterprise offering a product /service. This level relates to formalization of the business through registration with appropriate agencies as well as seeking the necessary licenses and the promotion of start-up that will boost the chances on creating competent new enterprises.
Growing Enterprises	2 – 2.99	Enterprise is now fully registered and is equipped to reap wider, diverse opportunities and tap resources to foster enterprise's growth. This level relates to the increase in capital and production capacity, and investment in new technologies that will yield greater product sales or service income while minimizing the cost of operation.
Expanding Enterprises	3 – 3.99	Enterprise is already prominent and well- established, thus is capable to penetrate wider markets—new market segments and geographic expansion. This level relates to the access of enterprise into other markets and possible shift to a more efficient business model whether via sub- contracting, branching, or franchising, licensing, among others.
Sustaining Enterprises	4	Enterprise is thriving in the industry and ready to operate the business on its own pace. This level relates to the enterprise's steady gaining of market share, achievement of economies of scale in production while maintaining/continually improving product/service quality, heightening market linkages, product variation/ diversification, innovation, corporate social responsibility, among others.





5.2. Delivery Modalities

The delivery of BDS and Capacity Building activities are categorized into two (2) modalities based on the range of EDT ratings as described in the tables below.

With the established modalities of the delivery of the project’s business development services and capacity building activities, the project also intends to set the quality of these interventions to further ensure its effectiveness and practicality by setting the minimum standard of modules/topics to be delivered by the BDS providers.

Modality of Delivery of BDS/CapDev Activities	Mentorship and On-the-Job Training	Classroom-type Training/Seminar
Assessment Rating on EDT Criteria	0.00-1.99 Potential Entrepreneurs-Nurturing Start-up Or Not skilled-Minimally skilled (CAT)	2.00-3.99 Growing Enterprises-Expanding Enterprises Or Somewhat skilled – Skilled (CAT)
Prescribed Scope of Work of BDS Provider	<ul style="list-style-type: none"> Preparation of Inception Report Conduct of pre-testing of trainees/mentees Conduct of classroom-type Training on concepts and theories Provision of specific soft tools, methods, systems and procedures addressing critical weaknesses (sub-criterion rating of 0.00-2.99) based on ratings of sub-criteria One-on-one mentoring/coaching on the operationalization of specific soft tools, methods, systems and procedures addressing critical weaknesses based on ratings of sub-criteria At least three (3) follow-through one-on-one mentoring/coaching sessions to ensure absorption and operationalization of specific tools, methods, systems and procedures Conduct of post-testing of trainees/mentees Preparation of Terminal Report 	<ul style="list-style-type: none"> Preparation of Training Design and Indicative Program of Activities Conduct of pre-testing of trainees/mentees Conduct of classroom-type Training on concepts and theories. Provision of specific soft tools, methods, systems and procedures addressing critical weaknesses (sub-criterion rating of 0.00-2.99) based on ratings of sub-criteria Conduct of post-testing of trainees/mentees Preparation of Post-Activity or Training Report
Estimated Timeframe of Delivery of BDS	Three (3) to six (6) months depending on the number of trainees/mentees	Three (3) to six (6) weeks depending on the number of batches of trainings/seminars
Prescribed Qualifications of BDS Provider	<ul style="list-style-type: none"> For mentorship of FOs, qualified and reputable organizations that are mandated to the development of cooperatives and associations is preferable such as AgriCoop PH, NATCCO, and FICCO For mentorship of MSMEs, any reputable and qualified consultancy firms and extension service providers will suffice. 	For resource persons or consultants for trainings, any qualified and reputable consultancy firms, individual consultants, and extension service providers will suffice.





5.3 Tools

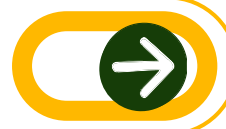
Additionally, critical soft tools are also identified to emphasize operationalization of knowledge, systems, procedures, and practices. The User's Manual on the administration of the Project's Enterprise Diagnostic Tool (EDT) and Business Improvement Plan Preparation (Annex XX) details the prescribed assistance, modules, and tools to be delivered by the BDS Provider on the following topics:

- *Product Competitiveness*
- *Sales, Distribution, and Revenue Generation*
- *Consolidation, Production, and Supply Chain Management*
- *Historical Financial Performance*
- *Financial Management*
- *Marketing, Promotion, and Brand Equity Management*
- *Management and Governance*
- *Human Resource Management and Development*
- *Technology and Innovation*
- *Resource Generation from Enabling Institutions, Affiliations, and FSPs*
- *Risk Management*
- *Gender Equality, Social Inclusion, and Environmental Sustainability*

Subsequent text below is recommended to be deleted in the PIM and transferred to the User's Manual on the administration of the Project's Enterprise Diagnostic Tool (EDT) and Business Improvement Plan Preparation.



6. Productivity and Technology Development



The project provides assistance through the Matching Grant as support to the community-based enterprises (cooperative/FA/MEs) in the implementation of the productivity and technology development to improve the economic performance of the specified agricultural commodity value chain towards the end market.

Productivity and technology development are key drivers of successful integration of production networks of industry key players of the selected agricultural value chains towards inclusive development. MSMEs are considered to perform better when they are associated or linked with other key players of the industry, such as the anchor firms. The provision of productivity and technology development would include the required training, seminars, and other capability development activities.

6.1 Implementation Modalities

Engagement of business development service providers (BDSPs) will support this process of intervention. It is ideal to cluster/group every batch of beneficiaries to have a graduated system of control over the series of trainings, seminars, and other capability development on productivity and technology activities based on the assessment result.

This will be organized by the PCUs, who will prepare the activity design in coordination with the Negosyo Center; together they will facilitate the conduct of the activity. A trainer/consultant will be selected among the registered BDSPs to be the resource person on the identified activity.

6.2 Trainings

In the same manner, the topics and schedule of activities as a result of the assessment submitted to the NPCO to collaborate with the Philippine Training and Technology Center (PTTC) to conduct the training-of-Trainer (ToT) on the identified productivity and technology requirement, this is to build-up the availability of trainers in the area for the sustainability of the required expertise.

Ideally, the participants to the ToT shall be coming from the participating FAs/ Coop/ Association of MSMEs and other similar group as the direct beneficiary of the project as part of the interventions listed in the RSIP. The training activities may include but not limited to the following:

- *Capability building on Q grading*
- *Creation of Industry pool of technical expert*
- *Study mission for SALT training and other productivity and technology activities*
- *Farm management system and rehabilitation training series*
- *Organizational and enterprise management training series*
- *Other productivity training series based on the result of the RSIP*

6.3 Selection of Training Topics

The focus of intervention is primarily on the selected agricultural commodities, i.e., cacao, coffee, coconut, and processed fruit & nuts. Accordingly, the registered intervention (training topics) was made by the group (Farmer Associations/Cooperative/MSMEs) in the RSIP.

The RSIP of the needed productivity and technology requirement shall be the basis of selection of topics or training module(s) to develop the marketability of the commodity across the value chain. It is therefore necessary to identify in the RSIP who these groups are, where they are located, and/or how many can benefit from the required intervention.

Among the identified groups in the covered area (province/municipality and barangay), establish the list of interventions and rank them according to most priority down to less priority and make the planning and scheduling of implementation. Submit a copy to NPCO for proper monitoring and coordination.



6.4 Monitoring and Evaluation

Each batch of identified participants to the scheduled training must fill out the project enrollment form (Annex A9 training registration form), and each batch of FAs/MSMEs will undergo a series of training packages depending on the required topics/skill development module. Based on the training package completion per batch, this will determine the number of batches for each intervention vs. the target.

Based on the target deliverables of the number of trainings spread throughout the project area, every PCU/RCU submits their program of activities with corresponding succeeding targets and accomplishments accordingly.

6.5 NC Participation in the Implementation

As the regular function of the Negosyo Center service delivery, such as training and documentation of assisted MSMEs, the Negosyo Center will be the focal point of RAPID Services implementation in close collaboration with the VCFs supervised by the PCUs/RCUs.

VCFs will prepare and submit the final activity design for budgetary purposes and, together with the NCs, will facilitate the conduct of the productivity and technology and skills training activities.

The project will provide the necessary resources aside from the additional funds for service delivery to target MSMEs as well as FAs/Coop.

The identified NCs with-in the region/province will be networked across the region purposely for cross reference of service delivery schedules, resource information and other possible services required by assisted project beneficiaries.





6.6 Productivity/Processing Operation Manual Development

For the sustainability of the productivity and technology development activities in the implementation of the RAPID project and as part of the intervention under the Commercial Partnership Agreement, the project will conduct farm-level organizational diagnosis.

This activity is to determine the level of competencies of each of the organizations that would require the preparation of the Operation Manual to serve as the framework of each organization in the implementation of recommended reforms or organizational changes/adjustments in the operation. A BDSP will be contracted to implement the required activity in coordination with the VCF, assisted by the PCUs, supervised by the RCUs, in collaboration with the VCO, assisted by the BSO.

6.7. RIIC Collaboration

To effectively integrate Regional Inclusive Innovation Centers (RIICs) into the project's framework, a provision should be added that explicitly outlines their collaborative role in several key areas:

a) BDSP Classification

The project should leverage RIICs' expertise and networks in the classification and identification of Business Development Service Providers (BDSPs). This collaboration will ensure that the identified BDSPs are well-versed in innovation, productivity, and technology, aligning with the project's goals of increasing the capacity of MSMEs and FOs.

b) Startup Engagement

A clear mechanism for engaging startups should be established in coordination with RIICs. This collaboration will facilitate the development of innovative technologies and/or digital solutions/applications for adoption by Farmer Organizations (FOs) and Micro, Small, and Medium Enterprises (MSMEs). The RIICs' role in developing and assisting agri-entrepreneurship startups should be explicitly recognized.



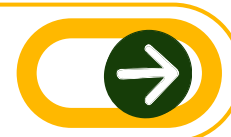
c) Access to Shared Facilities (R&D Laboratories, Fablabs, Co-working Spaces)

The provision should emphasize that RIICs serve as virtual or physical platforms that provide access to shared facilities such as R&D laboratories, co-working spaces, and fabrication laboratories. The project should actively facilitate access for its beneficiaries, particularly MSMEs, to these facilities, recognizing that such access is crucial for their improvement and growth.

d) Capability-Building

RIICs should be central to the project's capability-building initiatives on the appreciation and use of innovative technologies. The provision should outline how the project will collaborate with RIICs to deliver training and assistance to FOs and MSMEs, aiming to increase the number of assisted/trained organizations and the adoption of new technologies.

7. Product Quality and Standard Compliance



The project, as a Market Driven Value Chain Development approach program, offers the opportunity for the Small House hold farmers, MEs/ FAs/ Coop and other key player to improve the marketability of selected agricultural commodity. However, this would require the basic FDA requirements that would enable the beneficiaries widen the reach of its product/ commodity in the market.

7.1 Requirements

The project provides assistance through the Matching Grant as support for the activities in compliance with the FDA certification and product quality standards (food safety standards, LTO, CPR, HACCP, GMP, Halal, and traceability) through the implementation of activities geared towards the beneficiary's product quality standards preparedness [1].





7.2. BDSP Technical Service Matching

Technical service matching is the process of identification of available expertise that can provide technical assistance to the target beneficiaries in selected agricultural value chains.

To conduct the matching process, it is important to evaluate the RSIP result of identified beneficiaries that requires the technical intervention, which determines “what type of technical service(s)” and “how many MSMEs” that are not FDA Quality Standard compliant and creates the clusters of target beneficiaries according to required service(s).

The cluster’s service requirement will then be processed to match the available Technical Experts (BDSP).

At the PCUs level VCF shall coordinate the number of clusters and topic(s) required then submit to the RCUs to check on the availability of experts based on the BDSP registry, and only qualified BDSPs are allowed to handle RAPID activities. RCUs may submit and endorse to NPCO any additional Expert(s) if none is available in the list of qualified BDSPs.

PCUs through the VCFs establish the list of activities and required intervention and the number of clustered beneficiaries (FAs/Coop/MSMEs) as mentioned in the RSIP that are willing to establish backward linkage to be submitted to RCUs and submit to NPCO for proper coordination and monitoring of progress.

References:

-Annex ___ : List of Clusters’ Services/Intervention Requirements





7.3 Firm-Level Consultancy

The intervention delivery as required for the clustered beneficiaries as identified to be certified ready must be indicated in the draft of the intervention outline (module design), which will be agreed upon by the RCUs and the BDSP assigned. The RCUs evaluate and finalize the arrangement of the activity design to be implemented and for budgetary purposes.

Once the activity design is accomplished, the implementation will commence through the conduct of initial meetings of the BDSP/consultant and the target beneficiaries to set the activity requirement and schedule of firm visits, as well as other technical work required.

References:

- Annex ___: Intervention Outline Format

7.4. Intervention Outline

The following is the example of the intervention outline:

- A meeting of the consultant and clustered beneficiaries for the consultant assessment of work required.
- Conduct product quality and standard trainings, i.e., HACCP, GMP, Halal, and others as may be necessary.
- Prepare and agree on the requirement for the activity
- Schedule of firm visit and scope of activity per individual visit
- Establish the technical working days (timeline) for the consultant to prepare all requirements.
- Set individual meetings for firm visit for deliberation of result and recommendations.
- Submission of the final result:
 - ✓ Firms certified ready
 - ✓ Products certified ready



8. Product Development



Developing new product variations and product line expansions are necessary to enhance the market competitiveness of MSMEs. Product development encompasses improving or modifying existing products to developing new products to be offered to potential markets and satisfy consumers. It is one of the strategies in building the competitive advantage of the MSMEs and its long-term success.

8.1 Key Processes

The following table outlines the prescribed major processes in delivering product development services to MSMEs:

a) Identification of MSMEs with Need for Product Development

- *VCFs will identify the MSMEs needing product development. A list of MSMEs will be submitted to MCs for consolidation.*
- *MCs will then submit the list to VCO. VCFs, in coordination with MCs, will conduct MSME profiling and product assessment and prepare the proposal for specific product development intervention. In the proposal, results of the market survey and customer feedback should be presented as the basis for product development interventions.*

b) Conduct of MSMEs and Product Assessment

MSMEs who will be beneficiaries of product development should meet the minimum criteria:

- *DTI Business Name Registration, SEC, DOLE and CDA*
- *Three (3) months in operation*
- *High potential to scale up with DTI RAPID interventions*
- *Letter of Intent to avail DTI RAPID services*
- *Submit proposal to the RCU for approval*



c) Facilitate the Conduct of Product Clinics

- The VCO will coordinate with the Product Development and Design Center of the Philippines (PDDCP) and the local designers pool for the list of consultants who will conduct the product development activities. She/he will also coordinate with food technologies for product development related to product quality and acceptability (taste, color, texture, etc.). RCUs may take initiatives to also canvass for potential consultants.
- NPCO and RCUs will jointly identify the consultants who will undertake the product development process.
- RCUs will facilitate the Terms of Reference and execution of MOAs with the consultants as to specific product development interventions.
- Schedules on the conduct of product clinics shall be finalized and agreed between the consultants and MSMEs, in coordination with MCs and VCFs.

d) Monitoring of Prototype Development and Execution

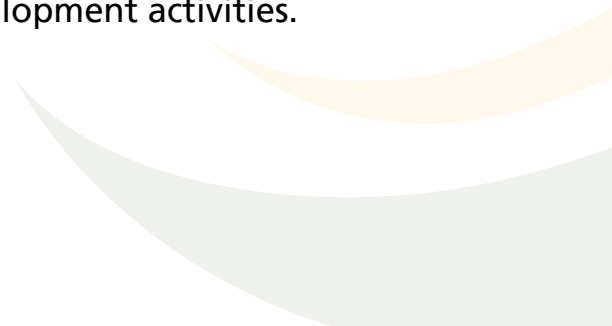
- *Various product testing shall be conducted with the MSMEs and the consultants until consumer-ready*
- *The proposed design shall be reviewed and revised (if necessary). The new design should be compliant with mandatory labeling requirements (e.g., FDA regulations).*
- *Prototypes that meet the specifications will be developed.*

e) Promotion of Newly Developed Products

Promotional activities should be undertaken to introduce new products in the markets:

- *Product launching*
- *Participation or organization of trade fairs and missions*
- *Trade exhibits or product expositions*
- *Involvement in market or business matching*
- *Production of promotion collaterals*
- *Display at pasalubong centers*

VCFs should recommend to MSMEs to use the customer feedback for monitoring and as a basis for further product development activities.





f) Reportorial Requirements

- VCFs shall monitor the results of the product development interventions with the beneficiary MSMEs. It should be included in the monthly highlights submitted to RCUs.
- If performance is not satisfactory, VCFs shall conduct assessments and recommend appropriate actions to be taken.

8.2 RIIC collaboration

To enhance the product development support for Farmer Organizations (FOs) and MSMEs, the RAPID Growth Project will collaborate with Regional Inclusive Innovation Centers (RIICs) across the following key areas:

a) BDSP Classification

- RIICs will support the identification and classification of BDSPs with expertise in innovation, design, and technology. This ensures that service providers are aligned with the project's goals for product improvement and enterprise upgrading.

b) Startup Engagement

- To enhance the product development support for Farmer Organizations (FOs) and MSMEs, the RAPID Growth Project will collaborate with Regional Inclusive Innovation Centers (RIICs) across the following key areas:

c) Access to Shared Facilities

- RIICs will facilitate beneficiary access to shared facilities, including R&D labs, FabLabs, and co-working spaces. These resources will support prototyping, product testing, and design enhancement.

d) Capability Building

- RIICs will be key partners in training FOs and MSMEs on innovation and technology adoption. Joint programs may include design thinking, product innovation, and use of digital tools, tailored to the needs identified in RSIPs and DIPs.





e) Institutional Coordination

- NPCO and RCUs will formalize partnerships with RIICs. PCUs and BDSPs will coordinate local implementation. RIICs will be recognized as technical partners in innovation-driven product development.

9. Market Development and Promotion



This service focuses on helping MSMEs expand their market reach by building demand for their products and services through targeted promotional activities and strategic market linkages.

Below illustrate the guidelines that provide a practical guide for implementing RAPID's market development and promotion activities. They are designed to ensure consistency, quality, and effectiveness in supporting enterprise growth through well-structured service delivery.

The guidelines outline key processes, roles, and tools to help stakeholders foster a dynamic and sustainable market for business development services.

9.1 Participation to Trade Fairs

Trade fairs and shows are the best venues to showcase innovative products. These allow anchor firms to expand market linkages, which will eventually result in expansion of the supply base and generate more employment opportunities

9.2 Participation Guidelines

A list of potential MSMEs will be generated from all participating regions. VCFs and MCs may recommend MSMEs who meet the criteria. Basic eligibility requirements are as follows:

- FDA Registration
- License to Operate (LTO)





VCO, in coordination with RCUs, will be responsible for screening the participants based on the additional criteria set by the organizers:

- For International Trade Fairs—CITEM
- For Domestic Trade Fairs – BDTP
- For Regional Trade Fairs – RCUs

9.3 Exhibit Preparation

a) Planning and Coordination

Organizers (CITEM or BDTP), together with RDs, RTPOs, VCO, and RCUs, will conduct a planning session to finalize the trade fair action plan, including timeframe, budget, working committees, eligibility criteria, booth design, product display, logistics, and ingress requirements.

b) Proposal Submission and Approval

A project proposal will be submitted for approval. Upon approval, a memorandum will be issued to participating regions detailing documentary requirements (e.g., application forms, product sheets, terms and conditions).

c) Exhibitor Selection and Screening

VCFs will identify qualified MSMEs, consolidate lists through MCs, and submit to VCO. The working committee will screen applicants based on eligibility criteria. Final lists will be shared with all regions.

d) Orientation

Organizers and VCO will verify completeness of submissions, coordinate missing requirements, and assist MSMEs through VCFs. RTPOs and VCO will conduct an orientation on booth layout, logistics, and participation guidelines.





d) Venue and Booth Arrangements

Organizers will finalize venue contracts and booth assignments, coordinate booth layout with contractors, and provide final exhibitor booth lists. Promotion may involve hiring marketing and media experts.

e) Directory, Program, and Briefing Materials

VCO will prepare the exhibitors' directory and briefing kits. Organizers will finalize the opening program, share it with NPCO, and disseminate it to regions. VCFs will relay schedules to MSMEs.

e) Invitations and Event Logistics

Organizers and VCO will send invitations to buyers and guests. Committees will *handle permits and awards and prepare materials such as IDs, sales monitoring forms, gate passes, and feedback forms.*

9.4 Trade Fair Proper Activities

The following is important guidance during the actual conduct of the trade fair activities:

a) Orientation and Coordination

VCO will conduct a briefing orientation session for the working secretariat, including MCs and VCFs, and distribute IDs. VCFs and MCs will ensure exhibitors complete ingress forms for product entry into the venue, supervise ingress timing, and assist with booth setup, dressing, and visual merchandising.

b) Secretariat Management

TPOs and VCO will ensure the Secretariat Counter is properly manned throughout the event. VCFs and MCs will assist guests and ensure the smooth distribution of briefing kits and directories.





c) Registration and Compliance

The Secretariat Committee will oversee registration of guests, buyers, and exhibitors, enforcing exhibition rules. Certificates of participation for exhibitors and appearance for guests will be distributed. The Awards Committee will assist with selecting nominees for Best Dressed Booth, Most Innovative Product, and other awards.

d) Sales and Egress Management

VCFs and MCs will ensure all sales reports and egress forms are fully completed and submitted to the Secretariat. Exhibitor dues must be fully settled before egress.

e) Debriefing and Evaluation

A debriefing session will be held after the event to assess performance, review objectives, and gather feedback for improving future trade shows

9.5 Reportorial Requirements

To assess the impact of trade fair participation and support ongoing market linkages, the following post-event processes are necessary:

a) Sales Reports

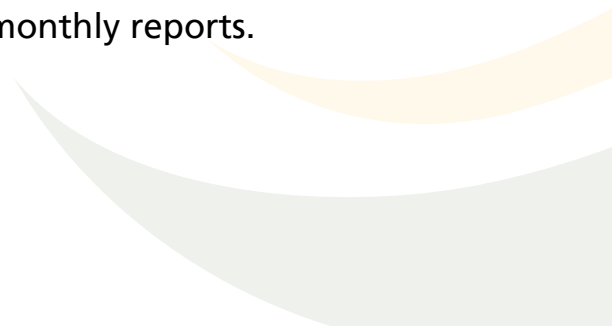
VCFs will assist MSMEs in preparing their final sales reports and submitting them to MCs for consolidation. MCs will forward the consolidated reports to VCO for inclusion in the terminal report, which will be disseminated to the regions.

b) Client Feedback

Client Satisfaction Feedback Forms will be distributed after the trade fair. Results will be reviewed and analyzed by the organizers and VCO.

c) Post-Event Monitoring

VCFs will monitor sales for up to one year post-event, tracking market linkages and submitting sales forms to MCs for inclusion in monthly reports.





9.6 Participation in Outbound Mission

To ensure the smooth organization and participation of qualified MSMEs in outbound missions, the following coordination and selection procedures will be implemented.

a) Coordination with EMB

EMB will coordinate outbound missions, providing itineraries and eligibility criteria for participants.

b) Invitation Process

NPCO will send official invitations through memoranda to DTI RAPID-assisted regions. RCUs will select participants based on the eligibility criteria.

c) Endorsement to EMB

NPCO will submit the list of confirmed participants, along with required supporting documents (business permits, LTO, FDA registration), to EMB.

d) Official Invitation

EMB will issue official invitations and support visa applications for confirmed participants.

e) Participant Briefing

EMB will conduct a briefing with the selected participants to prepare them for the outbound mission.





B. Enterprise Strengthening (Sub-Component 1.2)

1. Implementation Approach

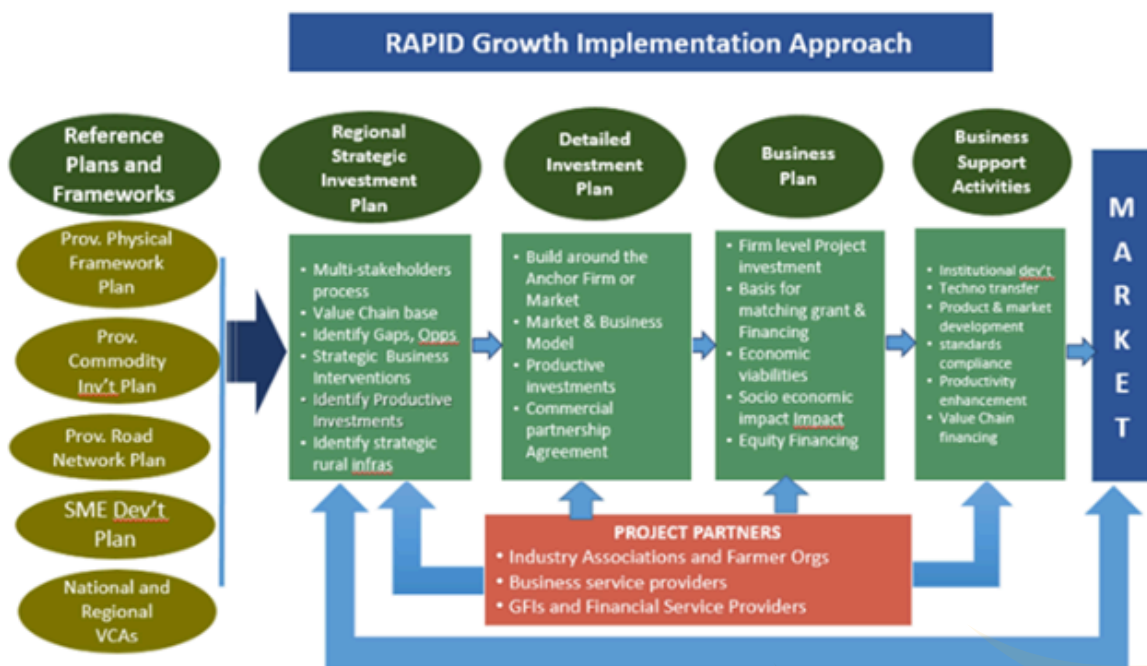


1.1 Conceptual Framework

The project will support the growth and resilience of micro, small, and medium enterprises (MSMEs) by enhancing their capacity to engage in competitive, inclusive, and sustainable value chains.

Enterprise strengthening efforts will focus on improving business management practices, access to finance, market linkages, and value addition. Special attention will be given to women- and youth-led enterprises, ensuring that support services are responsive to their specific needs and barriers.

Through targeted technical assistance, capacity building, and investment facilitation, the project will empower enterprises to scale, innovate, and contribute meaningfully to rural economic development.





1.2 Key Activities

a) Key Activity 1 – Investment Plan Preparation

This activity focuses on the preparation and approval of Detailed Investment Plans (DIPs), which serve as the blueprint for strategic productive investments, capacity building, and business development services under the Project. The process involves a series of preparatory steps—consultations, technical reviews, and alignment with project priorities—culminating in the approval of DIPs by the National Project Coordination Office (NPCO).

Importantly, progress in undertaking this activity for this performance indicator is only counted once a DIP has been formally approved, ensuring that accomplishments reflect concrete, validated outputs rather than preparatory work.

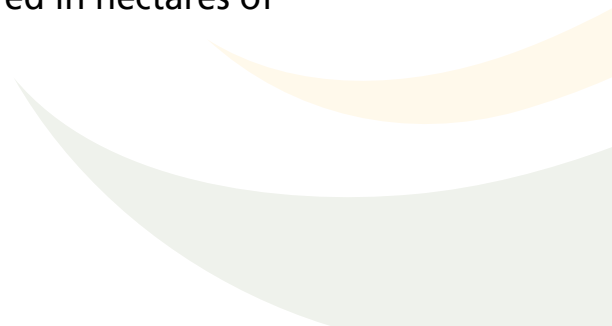
By the end of the project, 50 DIPs are expected to be developed and approved, providing the foundation for subsequent project investments and interventions.

b) Key Activity 2 – Productive Investments Facilitation

This activity supports the rollout of matching grants to Farmer Organizations (FOs), Micro, Small and Medium Enterprises (MSMEs), and farming households. Through the approval and release of Matching Grant Requests for Release (MGRRs), the Project channels financial and technical support that enables producers and enterprises to expand, rehabilitate, or establish new productive ventures.

Several streams of outputs are expected:

- Approval of MGRRs, which confirms eligibility and readiness of FOs and MSMEs to access grant resources.
- Direct fund support to FOs and MSMEs, recorded through debit advice and fund transfers.
- Assistance to FOs and MSMEs in procuring and implementing investment packages.
- Farm rehabilitation and expansion, measured in hectares of restored and newly planted areas.





By the end of the project, it is expected that:

- 70,000 farming households will be linked to markets and financial services.
- 1,050 FOs/MSMEs will have established stronger linkages and accessed financial support.
- A 10% increase in productivity among participating SMEs and cooperatives will be realized.

This activity represents the Project's main pathway for strengthening value chain actors and ensuring that smallholders and enterprises alike benefit from improved access to markets, services, and productive assets.

1.3 Investment Plan Preparation Guidelines

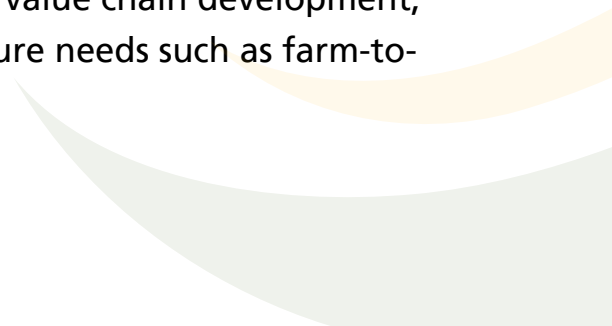
The RAPID Project seeks to promote inclusive and equitable partnerships between farmers and enterprises, with a focus on accessing profitable domestic and export markets. These partnerships will be guided by the following key processes:


- Regional Strategic Investment Plans (RSIPs)
- Detailed Investment Plans (DIPs) for specific commodity supply chains
- Business Improvement Plans (BIPs) to support financing applications of farmer organizations, cooperatives, MSMEs, and SMEs—including access to conditional matching grants and debt financing.

The following section provides a detailed explanation of each of these processes.

a) Regional Strategic Investment Plan (RSIP).

The RAPID Growth Project initially relied on the Regional Strategic Investment Plans (RSIPs) to guide investments in each target value chain. These plans provided the comprehensive value chain mapping and analysis of the opportunities and constraints related to value chain development, including market requirements and infrastructure needs such as farm-to-market roads





However, as part of ongoing improvements in implementation, the Enterprise Diagnostic Tool (EDT) developed by the National Project Coordination Office (NPCO) has since been adopted as the primary basis for identifying the most appropriate business development support—particularly in strengthening product quality standards preparedness among enterprises.

While RSIPs continue to provide valuable context for understanding value chain dynamics, the EDT results now serve as the core input for determining tailored interventions that respond to the specific needs of MSMEs, cooperatives, and farmer organizations.

General Objective. The RSIP’s general objective remains in strengthening market-driven interventions that enhance the responsiveness and competitiveness of value chain actors. These improvements are expected to lead to increased productivity, improved access to markets, and ultimately higher and more sustainable incomes for smallholder farmers, rural women, and other vulnerable groups.

To support this, Regional Coordinating Units (RCUs) may continue to engage technical experts to conduct strategic planning activities as needed, ensuring alignment with the latest tools and evidence provided through the EDT. The updated implementation processes are illustrated in the succeeding discussions.

b) Regional Value Chain Mapping Overview

Regional value chain mapping will be conducted for each of the project’s target commodities—cacao, coffee, coconut, and processed fruits & nuts—to inform inclusive and climate-resilient value chain development.

Led by the Marketing Coordinator at the Regional Coordinating Unit (RCU), in collaboration with Value Chain Facilitators (VCFs) and supported by the Value Chain Officer (VCO) at the National Project Coordination Office (NPCO), the mapping will take a gender-sensitive and climate-informed approach. It will analyze key components such as productive resources and their locations, productivity levels, environmental sustainability, and climate risks.



The activity will also assess infrastructure connectivity, market opportunities, the presence of cooperatives and farmer-owned MSMEs, and the availability of support services, including input suppliers, service providers, and migrant organizations. Particular attention will be given to gender dynamics, with a focus on the participation and specific needs of women in cooperatives, producer groups, and MSMEs.

c) RSIP Key Processes

Activity 1: Data Gathering

To initiate the value chain planning process, the Regional and Provincial Coordinating Units, with support from the relevant LGUs, will carry out data gathering from existing reports and local offices.

This activity aims to collect comprehensive secondary data on key elements such as producer profiles, productivity levels, existing cooperatives and farmer organizations, SMEs, input suppliers, value chain councils or industry associations, support institutions, and migrant organizations operating within the area.

Activity 2: Data Analysis and Reporting

Following the data collection, the PCUs, in collaboration with relevant industry stakeholders, will analyze and synthesize the information to develop the Provincial Commodity Investment Plans (PCIP), which will then be consolidated by the RCU to become the Regional Strategic Investment Plan. This report will present a consolidated overview of the value chain landscape and will serve as a foundational reference for further planning and intervention.

The final report, along with outputs from stakeholder workshops, will be uploaded to the DTI Management Information System (MIS) to support wider data sharing, transparency, and integration with the project's monitoring and planning systems.





Information from the VC mapping and analysis will be used as an input for the Regional Strategic Investment Plan as well as in identifying value chain actors, support service providers and support organizations that will be interviewed in preparing for the Regional Strategic Investment Plan (RSIP) consultations and workshops with the oversight of Value Chain Management Unit of the NPCO.

d) RSIP Sources of Information

The following are key sources of information to support the identification of farmer groups, cooperatives, and MSMEs engaged in priority value chains:

Category	Agency/Organization	Type of Information Provided
DTI	DTI Regional and Provincial Offices	MSME database, enterprise development programs, market linkage opportunities
Agencies / Organizations	DA PRDP, DAR CONVERGE, ACDI/VOCA (MinPACT, PhilCAFE), DENR INREMP	Lists of supported cooperatives, farmer groups, SMEs; project sites; equipment and training support
	Cooperative Development Authority (CDA)	National registry of cooperatives, profiles and contact information
LGUs	Provincial Agriculture Office	Agricultural production data, database of farmer groups and cooperatives, development projects
	Municipal Planning and Development Office (MPDO)	LGU-supported projects and production sites, road conditions to key production areas
	Business Permit and Licensing Office (BPLO)	List of registered MSMEs, cooperatives, and enterprises
Farmers' Groups	Farmer Federations (PAKISAMA, PKSK, Federation of Free Farmers, etc.)	Information on member cooperatives and farmer organizations involved in target value chains





e) Chain Actors Consultation

Formation of Consultation Team

A team will be formed, led by a Technical Expert (see Annex A18 for RSIP ToR) from the pool of accredited BDSPs, and assisted by the RCU and PCU. The NPCO VCMU will provide oversight.

Identification of Target Chain Actors

The team will work with the provincial LGU, CDA, DTI, industry associations, councils, and ODA projects (e.g., CONVERGE, PRDP, MinPact, and INREMP) to identify cooperatives, producer organizations, and SMEs willing to participate in the consultation process.

Initial Consultation with Chain Actors

The team will meet with identified chain actors, including cooperatives, producer groups, and SMEs, to gather detailed information on their production volumes, markets, margins, constraints, and opportunities for upgrading.

Focus Areas for Data Gathering

During the interviews, the team will cover key aspects of the organization using a set of guiding questions (see Annex XXX) focusing on the following: management/organization, market access, production/equipment, input supply, finance, policy/regulation and infrastructure/road access

Identification of Anchor Firm-Level Needs

Based on the consultations, the team will identify specific anchor firm-level needs for improvement that were not fully captured during the initial VC workshop.

Emphasis on Business Opportunities

The team will highlight the potential business opportunities for chain actors to upgrade their operations and alleviate poverty, which aligns with the project's goal.





Consultation with Support Service Providers

The team will also interview business development support service providers, such as transport providers, input suppliers, and financial service providers. Their services play a critical role in the overall performance of the value chain (see Annex A20 for guide questions).

Collaboration for Recommendations

Based on the consultations, the team will seek recommendations from the chain actors and support service providers to identify actionable steps for improving value chain performance.

f) Consultation with Industry Associations & Government Agencies

Integration with Secondary Data Gathering.

During the secondary data collection phase, the consultation team will conduct interviews with relevant government agencies, particularly the Department of Agriculture (DA), Department of Trade and Industry (DTI), and Local Government Units (LGUs). These interviews will be integrated with the ongoing data gathering

Focus Areas for Interviews with Government Agencies

Key information to be gathered during these interviews includes economic infrastructure, support provided to value chain actors, policies affecting priority crops, and opportunities and constraints in the entire chain.

Consolidation of Information

The Provincial Value Chain Analysis, along with insights from the interviews, will be integrated into the Regional Value Chain Report. This will ensure that data is consolidated at both the provincial and regional levels for comprehensive analysis

Preparation for the VC Workshop

With all data gathered, the technical expert will summarize the key findings from both the consultations and secondary data. This will serve as a foundation for preparing the VC Workshop, where stakeholders will discuss the findings and collaborate on strategic actions.



fg) Value Chain Workshop

Two stakeholder workshops will be conducted for each selected value chain, engaging key participants who play critical roles in market functions, service delivery, and the legal, regulatory, and policy framework.

Detailed activity designs for Workshops 1 and 2 are provided in Annex XXX. The table below outlines the objectives and structure of the two workshops:

Aspects	Provincial Value Chain Workshop	Regional Value Chain Workshop
Preparation	<ul style="list-style-type: none"> Complete Provincial VC Mapping and consultations with key stakeholders. Consolidate secondary data into a report. 	<ul style="list-style-type: none"> Review results from the Provincial Workshop. Draft the Regional Strategic Investment Plan (RSIP).
Objectives	<ul style="list-style-type: none"> Present Findings: Share results from mapping and consultations. Identify Priorities: Discuss opportunities, constraints, and prioritize them. Develop Shared Vision: Facilitate the alignment of stakeholders on a common vision for a more competitive industry. 	<ul style="list-style-type: none"> Refine Vision: Build on the provincial outcomes. Finalize RSIP: Identify priority investments and actions. Develop Action Plans: Define next steps for implementing the RSIP.
Activities	<ul style="list-style-type: none"> Present the VC Mapping Report. Prioritize key opportunities and constraints. Facilitate group discussions to shape a shared vision. 	<ul style="list-style-type: none"> Review and refine the shared vision. Present and finalize the RSIP. Develop actionable steps for projects like infrastructure, market access, and finance.
Participants	<ul style="list-style-type: none"> Value Chain Actors (farmers, SMEs, cooperatives). Service Providers (BDSPs, financial institutions). Government Agencies (DTI, DA, LGU). 	<ul style="list-style-type: none"> Value Chain Actors Government Representatives Service Providers Industry Experts.
Outcome:	<ul style="list-style-type: none"> A shared vision and prioritized actions for improving competitiveness. 	<ul style="list-style-type: none"> A final RSIP with priority projects and action plans for implementation.
Post Workshop Follow-Up	<ul style="list-style-type: none"> Consolidate outputs and finalize RSIP with stakeholder feedback. Prepare and develop DIPs or Business Plans for priority projects. Distribute Reports and Share the RSIP and DIPs with all stakeholders. Set up and implement a monitoring system to track RSIP progress. 	

g) Regional Strategic Investment Plan (RSIP) Documentation

Using information from the VC mapping, consultations, and stakeholder workshops, the technical expert will prepare the RSIP document following the outline below:





No.	Parts	Contents
I.	List of Acronyms	
II.	Executive Summary	<ul style="list-style-type: none"> ○ Opportunities and constraints in the value chain ○ Clearly defined market development model ○ Priority investments along the value chain functions
III.	Introduction	
IV.	Synthesis of the Existing Investment Plans	
V.	Value Chain Map	<ul style="list-style-type: none"> ○ Overview of the National Sector Value Chain ○ Regional and Provincial Sector Value Chain ○ Value Chain Quantification Matrix ○ Regional/Provincial VC Stakeholders Profile ○ Current and Projected Regional Production Profile and Analysis ○ Assessment and Analysis of Current Productivity Level ○ One (1) Hectare Economic Model and Farmer Income Level Analysis ○ Value Chain Governance Interventions
VI.	Market Analysis	<ul style="list-style-type: none"> ○ Brief overview of international and national market situationer ○ Regional and Provincial Markets Situationer ○ Marketing Channels ○ Commodity Supply Chain ○ Market Summary, Challenges and Opportunities ○ Current Production versus Market Requirement ○ Quality, standards and other market related factors; ○ Cost, Price and Profitability Analysis ○ Proposed Regional Market Development Model. ○ Commercial partnership arrangement, i.e. Anchor Firms and partner farmer organizations
VII.	Analysis of Opportunities and Constraints	<ul style="list-style-type: none"> ○ Summary of constraints and opportunities ○ SWOT Analysis Regional/Provincial and relate it to the crafting of the strategic investment plan; ○ Strategic Objectives and Upscaling Strategies ○ Strategic interventions to push the development of the sector
VIII.	Regional Strategic Investment Plan	<ul style="list-style-type: none"> ○ Present the various business development interventions and investment projects of the value chain and analysis on its appropriateness in the context of business operation, over-all financial viability and socio-economic impact. ○ Expansion and Rehabilitation of Existing Production Areas. Need to identify and profile specific farmers' organizations to be assisted. This is to address supply gaps and market demand. (Refer to Form 2: Inventory of Proposed Productive Investments.) ○ Proposed Productive Investments. Based on the VC Mapping and Gap Analysis, identify productive investments, i.e. postharvest and value adding facilities and market/logistic support to increase productivity level and improve quality. (Refer to Productive Investment.)
IX.	Detailed Investment Plan	<ul style="list-style-type: none"> ○ Present Market Development Model and Profile of stakeholders, i.e. Anchor Firm/s, partner farmer organizations and support MSMEs in a specific DIP employing unique market development model. (Note: 1 Market Development Model may represent 1 DIP) ○ Specific Investments per DIP built around the anchors firm/s showing the various business development intervention, productive investment, Provision of Supply Chain Manager, FMIs, etc., for stakeholder involved in the DIP. (Refer to Form 4. Detailed Investment Plan) ○ Investment Projects Implementation Timelines
X.	Cost-Benefit Analysis	<ul style="list-style-type: none"> ○ Identification of the type of RAPID interventions that will result to benefits to project beneficiaries ○ Socio-economic Returns ○ Income Distribution - % increase in income of the target beneficiaries as a result of investments ○ Employment – number of jobs created brought about by the investment ○ Other benefits – such as access to financial services ○ Sensitivity Analysis - Identification of key variables that can influence the benefits of the project such as price fluctuations, increase in productive areas and major calamities.
XI.	Annexes	<ul style="list-style-type: none"> ○ Methodology ○ VC Stakeholders Profile (firm level) ○ Sectoral Production Profile, Production Map ○ SWOT Analysis Detail ○ Form 1: VC Stakeholders' Project Engagement Profile: ○ Form 2: Inventory of Proposed Productive Investments ○ Form 3: Inventory of Proposed Farm to Market Infrastructures ○ Inventory Business Development interventions, Training and capability ○ Production and Economic Model for a 1 Hectare Farm ○ List of References



h) Roles in RSIP Preparation

The successful preparation and implementation of the Regional Strategic Investment Plans (RSIPs) rely on the coordinated efforts of various actors across the RAPID Value Chain System.

The table below outlines the specific roles and responsibilities of each stakeholder involved in the RSIP and DIP processes—from RAPID staff and consultants to government agencies, LGUs, and value chain actors. Their collective contributions ensure that investments are well-informed, inclusive, and aligned with national and regional priorities.

Actors	Roles and Responsibilities
Consultant	Coordinate with RCU/PCU on workshop design and deliverables Lead the technical analysis and consolidation of RSIP content Review outputs of stakeholder consultations in collaboration with project units
Regional Coordinating Unit (RCU)	Coordinate field activities and stakeholders at the regional level Provide technical input and initial review of RSIP drafts- Collaborate with PCU in reviewing and finalizing the RSIP- Submit RSIP to RTWG for approval Coordinate with LGUs for project implementation
Project Coordinating Unit (PCU)	Identify, invite, and profile value chain stakeholders Review and analysis of workshop output must be undertaken in close coordination with the RCU/PCU and the consultant Provide administrative and facilitation support to technical experts Convene stakeholders and key informants for RSIP inputs Ensure alignment of RSIPs with project strategies and priorities Review RSIPs before RTWG submission Collaborate with consultants and RCU on technical review Lead planning and integration of approved investments into AWPB/APP
National Project Coordination Office (NPCO)	Monitor the overall RSIP process through its Value Chain Officer Provide oversight and quality control Upload approved RSIPs to the RAPID Portal Ensure sharing of RSIPs with other ODA projects Coordinate updates and improvements of RSIPs
Regional Technical Working Group (RTWG)	Review and approve RSIPs and Business Plans Validate proposed investments per value chain Ensure alignment with national and regional development priorities
RTWG Member Agencies (DA, DILG, DPWH, DAR, DENR, DOST, MSMED Council, PCA, NCIP, GFIs, Industry/VC Councils)	Provide technical review and policy guidance Represent sectoral interests in RSIP validation Collaborate in identifying strategic investments Participate in RTWG meetings and receive honorarium





i) Strategic Investments and Interventions

The Regional Strategic Investment Plans (RSIPs) are a core planning instrument under the RAPID Growth Project, developed through intensive stakeholder workshops and consultations. These plans are designed to guide the identification and implementation of strategic investments that directly respond to value chain-specific constraints and opportunities.

Typically, these challenges include:

- weak or fragmented links to end markets;
- an enabling environment that does not adequately support enterprise growth;
- inefficiencies in coordination among value chain actors; and
- limited access to essential business development and support services.

By grounding investment priorities in evidence and local insight, the RSIPs ensure that interventions are practical, demand-driven, and impactful for farmers, MSMEs, and industry players.

To guide implementation, the following key operational guidelines will be observed:

- **RSIP as Primary Reference:** The RSIP will serve as the main guide for designing business development and enterprise support activities across the region. All investment decisions—whether on services, infrastructure, or enterprise support—must align with the strategies outlined in the RSIP.
- **Stakeholder Coordination:** Investment implementation will be done in close coordination with key actors such as private sector proponents and Local Government Units (LGUs), especially for strategic infrastructure projects like farm-to-market roads (FMRs).





- **Integration into Project Plans:** All approved interventions will be incorporated into the Annual Work Plan and Budget (AWPB) and the Annual Procurement Plan (APP) to ensure timely resource allocation and procurement processing.
- **Transparency and Knowledge Sharing:** Finalized RSIPs will be uploaded to the RAPID Portal and shared with relevant partners, including ODA-funded projects, to promote coordination and avoid duplication.
- **Continuous Review and Updating:** RSIPs will be living documents, subject to periodic updates to reflect evolving market trends, policy shifts, and stakeholder priorities.

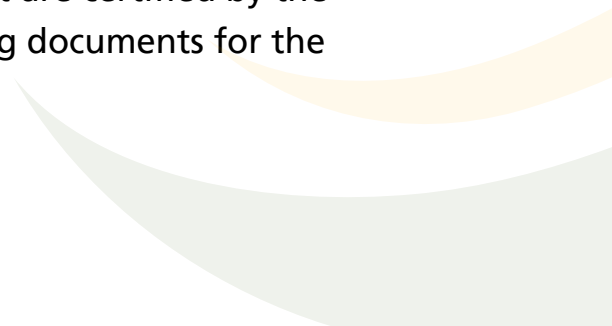
By following these guidelines, the project ensures that investments are well-prioritized, coordinated, and aligned with both local realities and broader development goals.

j) Honorarium

It is a form of monetary compensation for participating experts, rewarding them for their service and expertise in the specific field required by the project. The monetary reward does not have a fixed price and shall be subject to the following rules:

- Part-time designation
- Re-assigned or full-time employees of the project are deemed ineligible
- Honorarium payments shall be subject to the approval of the Project Director of the NPCO, who shall recognize and accept the payment of service upon the completion of tasks for the project.
- The total amount of payment for honoraria shall be identified in the Annual Working Plan and Budget for the region and the project as a whole.

A Special Order (SO) document is required and should stipulate that the SO requires the payment of honoraria for the official participating as a member of the RAPID RTWGs. Accomplishment reports that are certified by the project coordinator are also required as supporting documents for the payment of honoraria.





2. Detailed Investment Plan (DIP)

2.1 Overview

Based on the inventory of Regional Investment Projects and Implementation Timelines, Regional and Provincial Coordination Units (RCUs/PCUs), assisted by Technical Experts, will prepare a Detailed Investment Plan (DIP) for specific supply chains and actors.

Each DIP is centered around Anchor Firm(s), supported by partner Farmer Organizations (FOs) and MSMEs. A single RSIP may contain multiple DIPs, depending on the number of anchor firms, supply chains, or market development models involved.

The DIP aims to ensure sustainable supply and consistent product quality aligned with end-market demands. It must demonstrate sufficient volume and transaction scale to stimulate sector growth and may be anchored by a major processor, trader, or a consortium of MSMEs.

A Commercial Partnership Agreement or other instruments (Purchase Order, Supply and Marketing Contracts) that may prove the commercial transactions between the anchor firm(s) and FOs is a mandatory component of every DIP, to be facilitated by the RCU/PCU and technical consultants. This market-driven approach is intended to strengthen production systems and improve value chain efficiency.

Since value chains often cross administrative boundaries, a DIP may be regional or provincial in scope. Each supply chain within a value chain may constitute a distinct DIP. An RSIP may have more than one (1) DIP depending on the number of anchor firms engaged and extent of the market and production level.

RCU/PCU are required to prepare the following documents as a prelude to the granting of support under the conditional matching grant to wit:

- Detailed Investment Plan: Concept Note
- Detailed Investment Plan: Full Blown Narrative with attached Business Improvement Plans



2.2 Updated Process for DIP Preparation and Approval



The Detailed Investment Plan (DIP) process has been revised to align with updated guidelines and tools issued by the National Project Coordination Office (NPCO). These changes aim to streamline implementation, improve targeting of investments, and ensure readiness and relevance of participating organizations and value chains.

The process begins with the preparation of Business Improvement Plans using the project's Enterprise Diagnostic Tool (EDT), which assesses the maturity and capacity of cooperatives, farmer organizations (FOs), and MSMEs and the needed improvement investments and interventions. Only those who have undergone and passed the EDT will be eligible to participate in DIP development. This ensures that investments are aligned with real, organization-specific gaps and opportunities.

2.3 DIP Development and Requirements

Once eligible, proponents must prepare a full DIP package, which includes:

- The Detailed Investment Plan
- Business Improvement Plans of FOs or MSMEs (fully accomplished EDTs)

In the course of developing the DIPs, the RCUs must conduct the Regional Technical Working Group technical review of the draft DIP for their inputs and endorsement. The RTWG-vetted DIP will be the basis for NPCO's technical review and approval.

2.4 Review and Approval

At the regional level, the DIP is reviewed, refined, and endorsed by the Regional Coordinating Units headed by their respective DTI Regional Directors before submission to NPCO. Final approval of the DIP now rests with the NPCO, ensuring centralized quality assurance, prioritization, and consistency across regions.

The Value Chain Management Unit (VCMU) of NPCO is the assigned unit to comprehensively review the submitted DIPs, provide technical guidance in further refining the DIPs, and issue endorsement of the approval of DIPs.



2.5 Implementation of Matching Grants

RAPID Implementing Units are required to refer to the Omnibus Matching Grant Guidelines and the EDT User's Manual attached to this PIM in the annexes in the implementation of the approved productive matching grants, BDS, and capacity building programs of the DIPs.

2.6 Updates and Addendum

DIPs may be updated or modified in cases such as:

- Emergence of a new anchor firm or market opportunity
- Significant changes in market conditions or value chain strategy
- New stakeholder inclusion
- Calibration of costs of productive investments, business development services, and capacity building programs

Updates must be formally submitted to NPCO as an addendum, supported by a valid justification and other relevant documents such as new business improvement plans (accomplished EDT), quotations, and among others. The frequency and nature of such updates will be guided by a forthcoming procedural note and reflected in the revised Project Implementation Manual (PIM).

2.7 Process Guidance and Documentation

To support implementers and ensure clear understanding, a flowchart or diagram of the DIP development and approval process will be included as an annex. This visual guide will help clarify roles, required documents, and decision points across the development cycle.

All updates—such as the removal of the DIP Concept Note (CN), integration of the EDT, revised approval hierarchy, and matching grant arrangements—will be formally documented and integrated into the updated PIM, which will serve as the common reference for all project implementers.





2.8 DIP Full-Blown Narrative

To prepare the full-blown DIP narrative, RAPID implementing units must first prepare the individual business improvement plans of the DIP beneficiaries using the project's Enterprise Diagnostic Tool. After completing the BIPs, the DIP may now be crafted, consolidating all the relevant information from the BIPs. The annotated outline of the contents of the DIP is detailed in the DIP Technical Review Guidelines attached in this PIM as Annex (xx).

Refer to the DIP Technical Review Guide for the outline of the contents of the DIP.

2.9 DIP Team

The creation and membership of the DIP Teams at the regional and provincial level is entirely the prerogative of the Regional Project Heads and Technical Supervisors of the RAPID Implementing Units. The RCUs may design their DIP teams according to the varying competencies of their current roster of RAPID staff and collaborations with NC business counselors and hired consultants.

To ensure proper alignment with project objectives and technical standards, guidance and coaching in the preparation of DIPs are being provided directly by the Value Chain Management Unit (VCMU) of the NPCO.





3. Business Improvement Plan (BIP)

3.1 Purpose

The National Project Coordination Office (NPCO) of the RAPID Growth Project developed the Enterprise Diagnostic Tool (EDT) to enhance the Competency Assessment Tool of the Project's Comprehensive Capacity Building Framework and to serve as a comprehensive format and guide for the preparation of Business Improvement Plans of the project's DIP proponents, which determines the project's strategic investments and interventions to be summarized in the project's Detailed Investment Plans.

Specifically, the purposes of the EDT are as follows:

- To serve as a learning tool for RAPID Beneficiary MSMEs and Farmer Organizations in assessing the capacities, competencies, and overall maturity level of their enterprise and organization in a participatory manner.
- To accurately determine the appropriate strategic investments and interventions to be provided by the Project through its Detailed Investment Plans (DIPs) based on the results of the diagnostic process. This includes gender equality, social inclusion, and environmental sustainability and risk management practices of the enterprises.
- To harmonize the results of the EDT with the required Business Improvement Plans (BIPs) of the DIP Proponents and to set a certain uniformity of the contents of the project's BIPs. The EDT is now the enhanced structured format of the project's business improvement plans.
- To integrate a comprehensive, more accurate, and objective rating system on the enterprises' capacities, competencies, and overall maturity. The result of the EDT ratings of the enterprises shall serve as a baseline of the enterprises and shall be the basis for monitoring of the progress and outcomes of the project's business development services, capacity building activities, and productive investments. The overall enterprise maturity ratings of the MSMEs and farmer organizations will now be aligned to the Department of Trade and Industry's Enterprise Development Track.



- To prescribe the appropriate modalities and modules of the various BDS and capacity-building activities to be provided by the project to the DIP proponents based on the results of the EDT and categorization of maturity levels of the enterprises to ensure the quality, effectiveness, and uniformity of the project's interventions to ultimately achieve the project's goals and objectives.
- To capacitate all technical RAPID Staffs in the preparation of Business Improvement Plans through a structured business diagnostic process

3.2 Use of Enterprise Diagnostics Tool

Using the EDT in formulating the strategic investments and interventions of the project ensures the financial viability and the social and economic impact of the proposed productive investments and interventions. The Business Improvement Plan will be the same document that may be used by the project proponent to secure loans to finance their counterpart share in the project cost.

For complete details on the process and mechanics of EDT administration and BIP preparation, refer to the EDT User's Manual attached to this PIM as Annex (XX).





4. Conditional Matching Grant Guidelines

4.1 Overview

One of the central components of the RAPID Growth Project is the Conditional Matching Grant facility. These grants are extended to value chain actors identified and listed in the Regional Strategic Investment Plans (RSIPs) and Detailed Investment Plans (DIPs), as approved by the Regional Technical Working Group (RTWG). RSIPs are subject to annual review and updating to ensure continued relevance and alignment with evolving value chain priorities.

The primary objective of the grant support is to enhance the overall competitiveness of targeted value chains by addressing market failures and institutional deficiencies, particularly in access to financing. The grant rates vary based on the bankability level of the proponent, reflecting their capacity to attract financing independently. Additionally, the grants are intended to catalyze private sector investments and support interventions that improve agricultural production, productivity, and product quality.

4.2 Classification of Proponents and Matching Grant Levels

Matching grant percentages vary depending on the type of proponent. Proponents are classified into two main categories. Refer to the Omnibus Matching Grant Guidelines on specific matching grant percentages and counterpart requirements per category.

Category	Type of Entity	Role in Value Chain
Upstream Sector	Farmer cooperatives, farmer groups, producer associations	Production, postharvest, processing
Downstream Sector	Small and Medium Enterprises (SMEs), including single proprietors, cooperatives, partnerships, or corporations	Value-adding, processing, buying/consolidation, marketing; must source raw materials from upstream actors

4.3. Scope of Support

Grants will be awarded to each target subsector based on specific eligibility criteria set by the project, ensuring the strategic and effective allocation of resources. These criteria include:

- a clear value proposition demonstrating the additionality of the proposed services or investments;
- the number of farmers or beneficiaries to be served;
- contributions to climate resilience; and
- the nature and sustainability of the investment.

Details of the eligibility requirements are further outlined in the succeeding sections. Given the limitations of available funding and the wide geographic and sectoral scope of the project, prioritization will be applied in the provision of matching grants. Priority will be given to proposals that:

- promote green business models and address environmental and climate change concerns;
- support Overseas Filipino Workers (OFWs), Indigenous Peoples (IPs), and youth;
- advance Gender and Development (GAD) and women-led enterprises; and
- align with Corporate Social Responsibility (CSR) initiatives

4.4 Type of Supported Intervention

The Conditional Matching Grant supports two main areas of business development interventions:

- Business Consultancy and Extension Services—to improve enterprise operations, management, and market access.
- Support for Productive Investments—grants under this category are available only to existing firms and must be used to enhance or expand current facilities. Proposals must present a clear value proposition justifying the need for facility enhancement in relation to existing services.



4.5 Value Chain and Geographical Coverage

The Matching Grant under the RAPID Growth Project is accessible to stakeholders within the value chains operating in the 21 target provinces—now including Davao Occidental—across 7 regions, with the inclusion of BARMM to cover Maguindanao.

Additionally, firms located outside of the 21 provinces but within the 7 covered regions may also qualify, provided they are integral to the value chain and play a critical role in the development of the targeted commodities and market systems.

4.6 Grant Amount

(This needs updating based on the Ominibus Guidelines for Matching Grants.)

The grant amount will vary depending on the type of intervention and the capitalization level of the proponent. The business development interventions covered under the matching grant are as follows:

Type of RAPID Interventions	RAPID Grant
Conduct of Business Plan or Detailed Investment Plan	95%
Product development, market development, value adding, technology transfer, skills training, mentoring	95%
Institutional development, training and extension services	100%
Compliance to food safety & standards	40-60%
Hiring of Supply Chain Manager (subject to annual reduction of grant)	90%-30%
Investments in production inputs, equipment, facilities	20% - 100%
Seedlings & initial fertilizer (basal) requirements	
Farm and Production tools and equipment;	
Community based Nursery	
Post-harvest facilities;	
Processing equipment and facilities	
Logistics/warehouse;	





4.7 Fund Transfer to Project Proponents

The provision of matching grants for productive investments involves the transfer of project funds from the Department of Trade and Industry (DTI) to the project proponent. This transfer represents the grant's share in the total project cost, as defined in the Financing Agreement.

This direct fund transfer mechanism is used in lieu of the standard government procurement process, which is not applicable in this context since the matching grant only covers 20% to 100% of the total project cost. In many cases, proponents contribute a larger share than the project, depending on their classification and capacity.

For non-investment support activities—such as the development of business plans, consultancy services, training, seminars, and similar interventions—regular government procurement procedures will apply.

5. Amount of Matching Grants

The amount of matching grant is relative to the type of project being proposed as follows:

5.1 Consultancy Services

For consultancy services, it is based on the prevailing market rates and may increase depending on the duration, level, and scope of the studies being prepared. The business plan is pegged at P200,000.00 per BP for every VC actor, while professional services in the conduct of training and seminars would range from P10,000.00 to P15,000.00 per day depending on the BDSP accreditation level to be determined by the RCU. However, for training and seminars that require high-level technical expertise or special skills, market rates will prevail.





5.2 Procurement of Seedlings and other inputs

For matching grants intended for the procurement of seedlings with initial fertilizer requirements and for productive investments such as production tools and equipment, establishment of nurseries, post-harvest and processing facilities, and logistic support excluding transport vehicles, the amount of the matching grant will be based on the actual project cost.

Based on the project cost, the amount of the matching grant will be computed based on the percentage of the grant to be provided by the project as indicated below. It must be noted that for farmers' cooperatives that will do forward integration or will engage in processing activities, they will still be provided a matching grant, but the matching rate will be based on their capitalization; thus, the percentage rating for ME and SMEs will apply.

Type of Proponent	Eligible Investment or Intervention	Grant-to-Counterpart Ratio (RAPID : Proponent)
Smallholder producers in agroforestry systems, slope location	High yielding planting material and basal fertilizer	100 : 0%
Smallholder producers in mixed farming systems	High yielding planting material and basal fertilizer	60 : 40%
Farmer producer organizations, associations and cooperatives	Community Based Nursery, Post-harvest facility	60 : 40%
Micro (ME), Small Enterprises (SE), privately or collectively owned, expanding services to value chain stakeholders - ME ≤ PHP 3M assets - SE ≤ PHP 15M assets	Community Based Nursery Post-Harvest Facility Processing and Manufacturing Equipment	40 : 60% 30 : 70%
Medium enterprises ≤ PHP 50M assets, privately or collectively owned, expanding services to value chain stakeholders	As for ME/SE, with a focus on environment, climate change, OFWs, IPs, women, youth, PWDs, CSR	20 : 80%





5.3 Matching grant rates and investment caps

The table below outlines the proposed matching grant rates and investment caps under the RAPID Growth Project, based on the type and size of the enterprise applying for support.

Category	Matching Grant Rate	Matching Grant Investment Cap	Estimated Project Cost
Cooperative	60%	P 1.5M	P 2.5M
Micro	40%	P 1.0M	P 2.5M
Small	30%	P 2.0M	P 6.6M
Medium Size	20%	P 3.0M	P15.0M

5.4 Fund Control and Safeguards

To ensure accountability and protect project resources, stringent control measures will be implemented:

- The matching grant funds will be transferred to a dedicated bank account opened by the proponent exclusively for the project with a partner Government Financial Institution (GFI) or Financial Institution (FI).
- Transfer of funds will only proceed after the proponent has deposited the required cash counterpart or once the partner bank has issued a guarantee for financing the counterpart share.
- Proponents must submit to the Regional Coordinating Unit (RCU) the necessary documentary proof of the account opening and the availability of counterpart funds or guarantee.
- Under the Financing Facilitation Agreement with Financial Service Providers (FSPs), the counterpart funds cannot be withdrawn without the explicit consent and approval of the project.
- Once the full amount representing the total project cost is confirmed, the procurement process may begin. Payment for goods, equipment, or services—following delivery and acceptance by the proponent and approval by the RCU—will be processed through the FSPs upon issuance of a Notice to Proceed with Payment from the RCU.



5.5 Due Diligence

The Procurement Officer of the NPCO, in coordination with the Value Chain Officer, will do due diligence to ensure that the cost of the project is based on the actual and prevailing market price to avoid over-project costing. Likewise, FSPs that will finance proponent counterparts will do the necessary due diligence as required of them.

5.6 Proponent Counterpart or Contributions

The required proponent counterpart contribution under the Matching Grant Component will vary depending on:

- The type of support service being requested for funding, and
- The classification of the proponent (e.g., farmers' cooperative, association, or MSME).

Counterparts are computed based on the total project cost and must not include the value of existing facilities or assets procured prior to the funding request. The table below shows the details of the types of counterparts.

Type of Counterparts
<p>In-Kind Contributions</p> <p>For projects eligible for a 95–100% matching grant, proponents may contribute labor, services, or other in-kind inputs such as rental of tools and equipment. These apply primarily to the following types of interventions:</p> <ul style="list-style-type: none"> ○ Procurement of seedlings under the SALT (Sloping Agricultural Land Technology) category ○ Preparation of Business Plans (BPs) ○ Consultancy services ○ Trainings and seminars ○ Market and institutional development ○ Other extension services <p>The value of in-kind contributions must be documented and submitted to the Provincial Coordinating Unit (PCU) for evaluation by the RAPID Value Chain Facilitators (VCFs). An in-kind valuation report will be prepared and is subject to approval by the Regional Coordinating Unit (RCU). The approved valuation will be considered during the Business Plan preparation phase.</p>
<p>Cash and Capital Contributions for Productive Investments.</p> <p>For projects involving productive investments, the required counterpart contribution must take more concrete forms.</p> <p>These may include:</p> <ul style="list-style-type: none"> ○ Cash contributions, either from the proponent directly or secured through financing; ○ Purchase of new land by the proponent intended for use as the investment site; ○ Procurement of new equipment or machinery that is essential to the project; ○ Construction of new buildings or facilities specifically for the investment; ○ Installation of utilities (e.g., water, electricity) required for the operationalization of the investment. <p>These requirements apply to investments such as:</p> <ul style="list-style-type: none"> ○ Hiring of Supply Chain Managers ○ Procurement of seedlings with initial fertilizer for mixed-use or lowland/flatland areas ○ Production tools and equipment ○ Post-harvest and processing facilities ○ Logistics and marketing support infrastructure <p>Exclusions from Eligible Counterparts.</p> <p>The following will not be accepted as valid proponent counterpart contributions:</p> <ul style="list-style-type: none"> ○ Any material, input, equipment, or facility purchased prior to the submission of the proposed investment; ○ Any asset or input not directly allocated to or used for the implementation of the proposed investment.



5.7 Eligibility Criteria for MSME

To qualify for a matching grant, applicants must meet specific eligibility requirements. These criteria ensure that the funds are awarded to projects and organizations that align with the grant’s goals and guidelines. Inclusion in the Regional Strategic Investment Plans (RSIPs) and Detailed Investment Plans (DIPs), approved by the Regional Technical Working Group (RTWG), is a prerequisite for accessing the Matching Grant.

Micro, Small, and Medium Enterprises (MSMEs) with a signed commercial partnership agreement with farmer cooperatives, and that meet the specific eligibility criteria, are entitled to receive services under the Matching Grant Program.

Service for MSMEs	Eligibility Criteria	Grant Share	Proponent Contribution
Business Development Service Provider (BDSP) support for Business Plan preparation, product and market development, technical training, and mentoring	<ul style="list-style-type: none"> - Valid business license - Tax payment certificate - Availability of matching funds - Signed commercial partnership with a farmer cooperative - Minimum 175 farming HHs supported (potential to reach 350 HHs) 	95%	5%
Introduction of food safety standards (LTO, CPR, HACCP, GMP, traceability)	Same as above	40%	60%
Embedded Supply Chain Manager	Same as above, with at least 250 farmers supported (potential to reach 500 farmers) with production advisory services	Year 1: 90% Year 2: 70% Year 3: 50% Year 4: 30%	Year 1: 10% Year 2: 30% Year 3: 50% Year 4: 70% Year 5: 100%
Investments in Processing Facilities	<p><u>Micro Enterprises (≤ PHP 3M assets)</u></p> <p><u>Small Enterprises (≤ PHP 15M assets)</u></p> <ul style="list-style-type: none"> - Same eligibility as above - Minimum 150 farmers for micro/small, with potential to reach 500 farmers 	40% (Micro) 30% (Small)	60% (Micro) 70% (Small)
Medium Enterprises (≤ PHP 50M assets)	Same criteria as above, but must prioritize projects addressing environment, climate change, OFWs, IPs, women, youth, PWDs, or CSR	20%	80%





5.8 Eligibility Criteria for Farmers' Cooperatives and Associations

Cooperatives or farmer associations listed as project proponents in the RSIPs are eligible to receive support under the Matching Grant, subject to compliance with the following criteria. Under the grant for planting materials and initial fertilizer, each farmer is eligible to receive seedlings up to one (1) hectare only.

Service for Cooperatives	Eligibility Criteria	Grant Share	Proponent Contribution
Institutional Strengthening (e.g., financial literacy training, credit management, HH economic assessment)	<ul style="list-style-type: none"> - CDA/SEC/DOLE registration - Operational for at least 3 years - Valid business license - Certified list of members 	100%	Free
BDSP support for Business Plan, product and market development, training, mentoring	<ul style="list-style-type: none"> - Same as above - Tax certificate - Capable of providing counterpart or securing financing - Signed market agreement with SME - At least 175 farmers supported (potential for 350) 	95%	5%
Food Safety Standards (LTO, CPR, HACCP, GMP, traceability)	<ul style="list-style-type: none"> - Same as above - Contribution may be from equity or debt financing 	60%	40%
Embedded Supply Chain Manager	<ul style="list-style-type: none"> - Same as above - Minimum 250 farmers supported (potential for 500) - Cost may be shared among multiple cooperatives 	Year 1: 90% Year 2: 70% Year 3: 50% Year 4: 30%	Year 1: 10% Year 2: 30% Year 3: 50% Year 4: 70% Year 5: 100%
Planting Materials + Basal Fertilizer (Agroforestry Systems on Sloping Areas)	As per Table of Eligibility Criteria	100%	0%
Planting Materials + Basal Fertilizer (Mixed Farming Systems)	<ul style="list-style-type: none"> - As above - Contribution may be from equity or debt financing 	60%	40%
Investments in Production, Post-Harvest, and Processing Facilities	<ul style="list-style-type: none"> - Same as above - Minimum 250 farmers supported (potential for 500) 	60%	40%





5.9 Procurement of Seedlings under the Matching Grant

The table below outlines the steps to ensure the eligibility of the farmers to be qualified for the matching grant for the procurement of seedlings.

DETAILED STEPS	
Step 1: Confirm Intent and Inclusion in Planning Documents	<ul style="list-style-type: none"> ○ The farmer cooperative or association must express its intent to expand production areas. ○ The intent must be clearly indicated in the Regional Strategic Investment Plan (RSIP) and Detailed Investment Plan (DIP). ○ Any proposed expansion must be justified by market demand, supported by a market agreement with an anchor firm
Step 2: Prepare and Submit the Beneficiary List	<ul style="list-style-type: none"> ○ The requesting cooperative/association must submit a list of farmer-beneficiaries, including: <ul style="list-style-type: none"> – Full name – Address and contact details – Available land area (in hectares) ○ The list must comply with project eligibility requirements. ○ Submit the list to the Provincial Coordinating Unit (PCU) for verification.
Step 3: Verification by the VCF	<p>The Value Chain Facilitator (VCF) will:</p> <ul style="list-style-type: none"> ○ Verify the list of farmer-members ○ Assess their compliance with eligibility criteria
Step 4: Submit Matching Grant Application Form	<ul style="list-style-type: none"> ○ The cooperative or association must complete the Matching Grant Application Form and submit it to the PCU. ○ Eligibility requirement: At least 50 farming households (HHs) must benefit from the seedling support.
Step 5: Site Eligibility and Classification	<ul style="list-style-type: none"> ○ Proposed planting areas should be preferably contiguous to ensure efficiency in land preparation, planting, monitoring, and provision of extension services. ○ The Value Chain Facilitator (VCF) will evaluate the proposed area and determine its classification under one of the two categories below:



Site Eligibility and Classification under the Matching Grant

Area Type	Description	Matching Grant (RAPID : Farmer)
Sloping/Degraded Upland Areas	Agroforestry/sustainable upland agriculture practice such as SALT practices	100% : 0% (Labor/in-kind only)
Mixed-Use/Open Flat Lands	With or without existing crops (such as coconut banana and fruit trees); intercropping (with cacao, coffee, others)	60% : 40% (Cash or in-kind counterpart)

Eligibility Criteria for Applicants with Farms Classified as Mixed-use Areas

Eligibility criteria	Grant	Own Contribution
Active Member of a cooperative or other legal farmers associations within the project provinces	60%	40%
Actual landowner and actual tiller		
Members HH has the financial capability to provide counterpart and finance production maintenance		
Agreement by financial institution with requesting cooperative to finance the remaining investment		
Willing and able to provide family labour to undertake the investment		
Undergone basic training in crop production protocol on the identified crops		

Matching Grant Eligibility Criteria for Agroforestry System Planting Material

Eligibility criteria	Grant	Farmer's Contribution
Active Member of a cooperative or other farmer organization within the project provinces	Cost of planting material 100%	Labor for planting and establish the conservation measure
Undergone Agroforestry and other soil and water conservation system (SALT Training) and crop related production training		
Landowner and an actual tiller		
Members HH has the financial capability to provide counterpart and finance production maintenance		
Available household members in the establishment of the SALT		
Willing and able to provide family labour to undertake the investment		





Step 6: Comply with Training Requirements	<ul style="list-style-type: none">○ A strict "No Training – No Seedling" policy shall apply. Only farmers who have completed the required trainings will be eligible to receive planting materials.○ Training sessions on proper planting protocols and crop maintenance must be:<ul style="list-style-type: none">– Facilitated by the Supply Chain Manager (SCM) in coordination with the Value Chain Facilitator (VCF)– Conducted in collaboration with the Negosyo Center or other accredited training providers○ These trainings are essential to ensure proper crop establishment, maximize survival rates, and promote long-term productivity.
Step 7: Seedling Sourcing	<ul style="list-style-type: none">○ Seedlings must meet the following quality standards to be eligible under the matching grant program:<ul style="list-style-type: none">– High genetic and physical quality– Well-developed, strong root systems with a straight taproot– Sourced exclusively from a Bureau of Plant Industry (BPI)-accredited nursery○ As an alternative to external sourcing, proponents may establish Community-Based Nurseries (CBNs) to supply seedlings locally.○ CBNs are encouraged to follow quality protocols to ensure the consistent production of healthy, high-survival planting materials. CBN Operators, such as farmer cooperatives or MSMEs, may apply for a matching grant to support the following eligible costs:<ul style="list-style-type: none">– Construction of nursery sheds– Procurement of bagging and potting materials– Acquisition of ready-to-sow seeds or cuttings– Grafting tools, materials, and nursery equipment
Step 8: Oversight and Reporting	<ul style="list-style-type: none">○ A designated Supply Chain Manager (SCM) will be responsible for the overall coordination and oversight of seedling deployment. Specifically, the SCM will:<ul style="list-style-type: none">– Supervise the distribution and proper planting of seedlings in compliance with approved protocols– Prepare and submit regular planting reports to the Value Chain Facilitator (VCF)○ The VCF will conduct on-site verification to confirm that planting activities have been carried out as reported and in accordance with project guidelines.





<p><i>Step 9: Determine Seedling Requirements per Hectare</i></p>	<ul style="list-style-type: none"> ○ The number of seedlings per hectare will be based on: Site conditions Crop-specific protocols (e.g., cacao, coffee) ○ Expert recommendations will guide the: <ul style="list-style-type: none"> • Preparation of the Farm Plan • Procurement of planting materials ○ The table below will serve as reference for the Planting Materials to be released under the Matching Grant.
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Seedling Requirement per Hectare

Type of Areas	Planting Density Per Hectare				
	Number of Seedlings per Hectare				
	Cacao	Coffee	Coconut	Calamansi	Mango
Mixed Used (with existing crops) intended for intercropping	600	600	100		
Open Areas, lowland and relatively flat lands	1100	1667	100	400	100
Sloping agroforestry and using the SALT	600	500	100		
Cost per Seedling	30	35	60	50	50
Planting Distance	3 x 3	2 x 3	10 x 10	5 x 5	10 x 10

<p>Step 10: Procurement and Distribution of Planting Materials and Inputs</p>	<ul style="list-style-type: none"> ○ The procurement of planting materials and inputs shall be initiated by the proponent farmer organizations (FOs), with technical and procedural support from the Value Chain Facilitators (VCFs). ○ The procurement request will undergo validation by the Procurement Officer at the National Project Coordination Office (NPCO) to ensure compliance with project guidelines. ○ The "No Training – No Seedling" policy shall be strictly enforced. Only trained farmers will be eligible to receive planting materials. ○ All farmer-beneficiaries of the matching grant must accomplish and sign an Acknowledgment Receipt upon receiving the planting materials and basal fertilizer. The signed receipts shall be collected and submitted to the FOs as part of the documentation and accountability process. ○ In addition to the planting materials, each beneficiary will receive technical guides in the form of brochures and pamphlets. These materials will provide step-by-step production protocols for various stages of crop development to ensure proper crop management and improved productivity. ○ For detailed guidelines on procurement, refer to the Matching Grant Procurement Guidelines as Annex (XX)
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C. Farm to Market Infrastructure (Sub-Component 1.3)

1. Overview



These Implementation Guidelines and Procedures will serve as a source book for Farm to Market Infrastructure (FMI) sub-project identification, selection and prioritization, validation, preparation of Feasibility Studies (FS) and Detailed Engineering Design (DED), evaluation, approval, and implementation until its Operation and Maintenance (O&M).

1.1 Purpose

The guideline aims to ensure the attainment of the overall objective of the FMI subcomponent in support of the rest of the 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 project implementers at various levels, in the different stages of implementation;*
- *Provision of clear guidelines in sub-project Identification and Prioritization, Validation, Preparation and Packaging of FS and DED, Review, Evaluation and Approval, Implementation, and sub-project O&M.*

1.2 Scope of FMI Guideline and Procedure

These Implementation Guidelines and Procedures shall apply only to sub-project types such as farm-to-market roads (FMR), drainage facilities, slope stabilization works, and small-scale access infrastructure that qualify for implementation under RAPID Growth, which covers the following:

- *General Implementation Arrangement*
- *FMI Design Standards and Specifications*
- *Eligibility Procedures and Financing Arrangement*
- *Sub-project Identification and Prioritization*
- *Sub-project Validation*
- *Sub-project Preparation of FS and DED*
- *Sub-project Evaluation, Review and Approval*
- *Procurement Procedures and IFAD Prior Review*
- *Sub-project Implementation, Completion and turnover*
- *Sustainability Mechanism and O&M*
- *Capacity Building Program*



2. Organization and Management of FMI

This section outlines the multi-tiered institutional structure established for the effective management and implementation of the project. It highlights the key agencies involved, their respective roles and responsibilities, and the coordination mechanisms at the national, regional, provincial, and local levels. This structured approach ensures alignment with existing government mandates, promotes inter-agency collaboration, and supports efficient delivery of project components—particularly the Farm to Market Infrastructure (FMI) sub-component.

2.1 General Implementation Arrangement

National Level Institutional Structures	Regional and Provincial Level Institutional Structures
<p>1. Department of Trade and Industry (DTI)</p> <ul style="list-style-type: none"> ○ Serves as the lead agency. ○ Holds overall responsibility for the management and implementation of the project. <p>2. Project Steering Committee (PSC)</p> <ul style="list-style-type: none"> ○ Chaired by DTI. ○ Composed of key stakeholders: DILG, DA, OWWA, DAR, DOST, TESDA, and NCIP. ○ Provides strategic guidance and oversight for project implementation. <p>3. National Project Coordination Office (NPCO)</p> <ul style="list-style-type: none"> ○ Headed by a Project Director, under the supervision of the DTI Regional Operations Group (ROG). ○ Responsible for the day-to-day implementation of the project at the national level. <p>4. Rural Infrastructure Officer (National Level)</p> <ul style="list-style-type: none"> ○ Supports the NPCO in technical aspects of project implementation, particularly on infrastructure components. <p>5. Rural Infrastructure Officer Consultant</p> <ul style="list-style-type: none"> ○ Assists the NPCO by conducting the final review of technical documents related to rural infrastructure, prior to their approval. 	<p>1. Regional Coordination Units (RCUs)</p> <ul style="list-style-type: none"> ○ Headed by: DTI Regional Director ○ Supports the National Project Coordination Office (NPCO) in implementing the project across the target regions. ○ Operates under the authority of the DTI SME Development Service Division and/or Industry Development Services. <p>2. Regional Technical Working Group (RTWG)</p> <ul style="list-style-type: none"> ○ Established in each region to support the RCU. ○ Composed of two (2) Sub-Working Groups (SWGs) : Value chain & development productive investments and Financial & Market Infrastructure <p>3. Regional Sub-Working Group (SWG) on Value Chain Development and Productive Investments</p> <ul style="list-style-type: none"> ○ Chaired by: DTI ○ Supports interventions related to value chains and productive investments. <p>4. Regional Sub-Working Group (SWG) on Financial and Market Infrastructure (FMI) SWG</p> <ul style="list-style-type: none"> ○ Chaired by: DILG ○ Supports planning, coordination, and review of FMI-related sub-projects at the regional level. <p>5. Provincial Coordination Units (PCUs)</p> <ul style="list-style-type: none"> ○ Headed by: DTI Provincial Director ○ Provides assistance in implementing the project at the provincial level. ○ Works closely with the DTI-led provincial networks of Negosyo Centers in the target provinces to deliver project interventions.

2.2 Institutional Collaboration for FMI Sub-Projects



a) LGU and DTI Partnership

Considering that Local Government Units (LGUs) are under the supervision of the Department of the Interior and Local Government (DILG), the Department of Trade and Industry (DTI) seeks a strong partnership with DILG to ensure the effective implementation of the RAPID Growth Project's Financial and Market Inclusion (FMI) sub-component. This collaboration is essential to help project beneficiaries access and benefit from the FMI subprojects aligned with local development and investment plans.

DILG, through its offices at the national, regional, provincial, city, and municipal levels, provides capacity building and technical support to LGUs in planning, designing, procuring, and implementing rural infrastructure projects.

To address observed confusion in the roles of stakeholders, clearly defined institutional arrangements have been established:

- A Memorandum of Agreement (MoA) between DTI and DILG outlines roles, responsibilities, accountability, and reporting obligations.
- For each sub-project, a Sub-Project Agreement (SPA) is signed by the DTI Regional Director, DILG Regional Director, and the participating LGU (Annex A43), defining their respective responsibilities and technical inputs.

b) Key Roles and Responsibilities

- LGUs are responsible for implementing their respective FMI sub-projects. This includes preparing sub-project proposals, Detailed Engineering Design (DED), procurement (bidding and award), contract administration, and operations and maintenance (O&M).
- DTI Regional Coordinating Units (RCUs) oversee the overall project implementation and coordination, supported by the Regional Technical Working Group (RTWG) chaired by DTI.





- The RTWG-FMI, a sub-working group chaired by DILG (preferably the PDMU Head), supports the RTWG by:
 - o *Reviewing and endorsing sub-projects for approval and funding*
 - o *Coordinating regional-level infrastructure development processes*
 - o *Acting as the regional operations arm for implementation*
- DILG assigns a Rural Infrastructure Engineer (RIE) at the regional level—funded by RAPID—to provide technical assistance to LGUs throughout sub-project implementation.
- Negosyo Centers, established by DTI within LGUs, will play a complementary role by supporting MSMEs—the primary beneficiaries of the infrastructure investments. These Centers will assist in business development, access to financing, market linkages, and entrepreneurial capacity building to ensure that MSMEs can fully benefit from the improved infrastructure and participate in strengthened value chains.

Project implementation follows a multi-tiered supervision arrangement, involving DTI for overall oversight, DILG for technical support, and LGUs for execution. Procurement of contractors by LGUs must follow the Government Procurement Reform Act (RA 9184) and IFAD Procurement Guidelines to ensure transparency and competitiveness.

Note:

This arrangement is not applicable to BARMM, which operates under an autonomous governance structure. Implementation in BARMM will follow region-specific mechanisms consistent with the mandates of the Bangsamoro Government and its relevant ministries.





3. Farm to Market Infrastructure Design Specifications

3.1 Basis for FMI Design Specifications

RAPID Growth will facilitate market access for farmers' produce by rehabilitation or improvement of FMIs in the form of standard FMRs, small scale access infrastructure to facilitate the transport of basic commodities and services, farm inputs and produce to and from rural communities involved in Regional Strategic Investment Plan (RSIP) 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 conditions. 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 use of bioengineering solutions such as coco-nets is encouraged to promote environmentally sustainable infrastructure. However, to ensure appropriate and effective application, technical criteria should be developed to guide when bioengineering methods are required, optional, or not suitable—based on terrain, soil type, risk classification, and environmental considerations.[1]

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 A44.





3.2 Geometrical Features and Technical Specifications of FMI

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

FMI Types	Technical Specifications
<ul style="list-style-type: none"> • Tire Tracks or Tire Paths 	<ul style="list-style-type: none"> ➤ 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 ➤
<ul style="list-style-type: none"> • Motorcycle or Tricycle Roads 	<ul style="list-style-type: none"> ➤ 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
<ul style="list-style-type: none"> • Well-defined animal or animal drawn sledge trails and Foot Paths 	<ul style="list-style-type: none"> ➤ 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

4. Scope, Eligibility Criteria and Financing Arrangement



4.1 Basic Requirements and Scope

FMI sub-project proposals will be identified in RSIPs, aligned with the corresponding LGU Development Plans (DP) and Annual Investment Plans (AIP) through a LGU Development Council (DC) resolutions and endorsed by a Sangguniang Bayan/Sangguniang Panglungsod (SB/SP) resolution. In line with national standards, FMIs for FMRs will be concreted, which will contribute to lower maintenance costs and enhanced sustainability even under difficult weather conditions. The overall target for FMI under the RAPID Growth is 140kilometers.

As there would possibly be a few requirements for connecting bridges along proposed identified FMRs, the limited budget for FMIs may not be enough to support this hence, this should be a pre-condition for the proponent LGU 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 FMI requirements have to be validated during the conduct of supervision missions and decided on its inclusion when necessary.

4.2 Eligibility Criteria and Financing Arrangement

The identification, selection, and financing of Farm-to-Market Infrastructure (FMI) sub-projects under the RAPID Growth Project shall be guided by the following eligibility criteria and financing arrangements to ensure alignment with project objectives, maximize development impact, and safeguard the efficient use of project funds. Only proposed FMIs that meet the following criteria will be considered for funding:

a) Eligibility Criteria

- **Stakeholder-Driven Identification.** FMIs must be identified by value chain stakeholders during the formulation of the Regional Strategic Investment Plan (RSIP) and the Detailed Implementation Plan (DIP) under Component 1. These should contribute to the development of a model that enhances local connectivity to promote inclusive development.





- **Scope of Eligible Infrastructure.** Only the rehabilitation or improvement of FMIs—typically farm-to-market roads (FMRs), barangay roads, or alternative access infrastructure including selected critical municipal roads—are eligible for RAPID Growth funding. Provincial roads are excluded and should instead be sourced from other national government programs or projects.
- **No Overlapping Funding.** Proposed FMIs must not already be covered by, nor have pending funding commitments from, other local or foreign sources to avoid duplication.
- **Connectivity to Existing Road Networks.** FMIs must connect to an existing all-weather road network (i.e., national, provincial, or municipal/city roads in good condition) to ensure continuity and access.
- **Bridges with Committed Funding.** Proposed FMRs that require connecting bridges may only be considered if there is confirmed and committed funding from other sources for the bridge components, and implementation is within the RAPID Growth Project's timeline. Otherwise, such proposals will be deferred.

b) Production and Beneficiary Thresholds

- FMIs must serve substantial production areas of the project's priority commodities (cacao, coffee, fruits and nuts, coconut), covering at least 100 hectares or benefiting not fewer than 100 farmers per kilometer of road.
- The six criteria above are classified as "Must Criteria"—each of which must be met prior to the inclusion of the proposed FMI in the Feasibility Study (FS) preparation. Failure to comply with any of these results in automatic disqualification of the proposal.





Additional conditions include:

- **Environmental and Social Acceptability.** Sub-projects must be free from unresolved social or environmental issues. If issues exist, feasible mitigation measures must be identified and validated through the Social and Environmental Assessment Guide Questions found in Part IV of the Project Implementation Manual (PIM) on Safeguards and Procedures.[1]
- **Social Safeguards Compliance.** LGU proponents must address all social safeguard requirements, including compensation for right-of-way (RROW) acquisition, structural impacts, and crop damage, when necessary.
- **Indigenous Peoples (IP) Areas.** FMIs proposed in areas inhabited or claimed by Indigenous Peoples shall be subject to the Field-Based Investigation (FBI) conducted by the National Commission on Indigenous Peoples (NCIP) and must secure Free, Prior, and Informed Consent (FPIC) or a Certificate of Pre-condition, as appropriate.

Integrating these eligibility criteria into the selection process minimizes environmental and social risks and ensures that FMIs contribute to the objectives of inclusive, sustainable, and value chain-linked rural development.

The process of environmental and social screening shall be conducted by the proponent LGU using the Guide Questions in Part IV of the PIM, with technical assistance from DILG and oversight by the DTI RCU. The results shall be reviewed and validated by the DTI PCU before a sub-project is cleared for FS preparation.



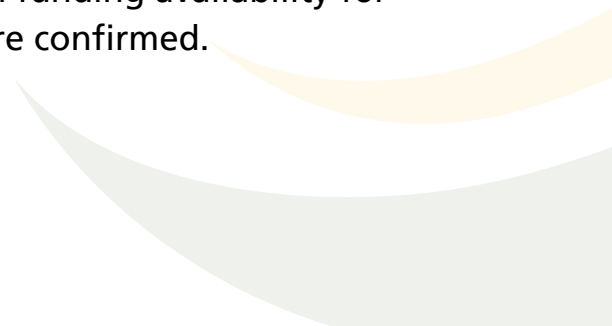


4.3 Financing Arrangement

a) Application

Under the RAPID Growth Project, the following financing arrangements shall apply:

- The Project will fund the following:
 - *rehabilitation/improvement works for qualified FMIs;*
 - *technical assistance and operational costs of DILG in supporting implementation at national, regional, and local levels;*
 - *capacity-building support to LGUs.*
- Proponent LGUs are required to:
 - *Provide a minimum cash contribution of 5% of the total sub project cost;*
 - *Shoulder the cost of preparing the Feasibility Study (FS) and Detailed Engineering Design (DED).*
- Funds for civil works will be downloaded to LGUs in tranches, with payments based on validated Statements of Work Accomplished (SWA) submitted by contractors and jointly reviewed by the LGU Project Implementation Team (PIT), DTI Provincial Coordinating Unit (PCU), and DILG Local Government Operations Officer (LGOO).
- DILG will receive funds directly from DTI for the purposes of monitoring, evaluation, and technical assistance to participating LGUs.
- Exceptions to the standard investment cap may be considered for proposals that demonstrate strong technical justification, cost-efficiency, and significant value chain impact, subject to validation by the DTI PCU and RCU.[1]
- As of the latest memo dated May 6, 2025, the allocated budget for FMRs has been fully utilized. The Project is actively exploring alternative funding sources to accommodate additional endorsed FMR sub-projects. [2] LGUs and stakeholders will be notified on funding availability for additional FMRs once additional resources are confirmed.





- Note: The provisions of the latest Omnibus Guidelines on the selection, procurement, implementation, and monitoring and evaluation of FMI sub-projects should be integrated into this manual and shall serve as reference for all implementing units.

b) Implementation Processes and Procedures

Identification, Selection, and Prioritization Guidelines. To ensure that RAPID Growth funds are allocated efficiently and effectively, the identification, selection, and prioritization of Farm-to-Market Infrastructure (FMI) projects follow a structured process. This process is grounded on approved development plans and strict eligibility criteria, while addressing the reality of limited funding.

The following procedural steps and prioritization criteria guide the systematic evaluation and ranking of FMIs to maximize project impact and support sustainable local development.

Step	Action	Details / Criteria	Responsible Unit(s)	Notes
1	Base Identification	Select FMIs based on approved RSIPs and DIPs. Confirm eligibility per Section C2.	LGUs, Value Chain Stakeholders	FMIs include Farm-to-Market Roads (FMRs) identified under Component 1.
2	Anticipate Demand	Expect demand to exceed available funding. Prepare to prioritize FMIs accordingly.	DTI PCU, RCU	Only FMIs passing eligibility criteria proceed to prioritization.
3	Apply Prioritization Criteria	Rank FMIs by priority: a) Critical main road access to production areas. b) Support for active production areas with producers' groups (≥ 100 ha or ≥ 100 farmers/km). c) Economic Internal Rate of Return (EIRR) $\geq 10\%$. d) LGU financial commitment $\geq 5\%$ equity contribution. e) LGU technical capacity and readiness (DED, Plans, POW). f) LGU commitment to secure clearances/permits. g) LGU commitment to RROW acquisition and compensation.	DTI PCU, LGUs	Ranking per criteria is mandatory. Technical tasks and preparation are charged to LGU accounts. LGU commitments are expected to be immediate to facilitate timely implementation.
4	Prioritization & Approval	Prepare prioritized list of FMIs per province. Submit to RCU for review and approval.	DTI PCU, RCU	Prioritization applies to FMIs including FMRs.
5	Field Validation & Technical Assistance	Conduct field validation of prioritized FMIs. Provide technical assistance as needed.	DILG PDMU, Rural Infrastructure Engineer (RIE), DILG Provincial Engineers, LGOO, LGUs	DILG engineers and LGOO assist LGUs during validation and monitoring.



Validation and Appraisal Procedures. The validation and appraisal of prioritized Farm-to-Market Infrastructure (FMI) projects under RAPID Growth follow a structured process to ensure technical soundness and alignment with local development plans.

Preparation of Road Network Plans and Profiles. The proponent LGU prepares a municipal/city and provincial road network plan that shows the location, alignment, and brief profiles of all prioritized FMIs within their jurisdiction. This plan reflects the connectivity with existing road networks and is submitted to the Project Coordination Unit (PCU).

Compilation and Submission of Prioritized FMIs. The PCU compiles a list of prioritized FMIs for the entire province, including the submitted road network plans and brief profiles. This package is forwarded to the Regional Coordination Unit (RCU).

Scheduling of Field Validation and Appraisal. The RCU acknowledges receipt of documents and notifies the LGUs of the schedule for field validation and appraisal activities, which will be conducted through the Regional Technical Working Group on FMI (RTWG FMI).

Field Validation and Appraisal Under the instruction of the RTWG FMI, the DILG Project Development and Management Unit (PDMU) hires a Rural Infrastructure Engineer (RIE) who leads the field validation and appraisal of the prioritized sub-projects. This activity is done in coordination with representatives from the PCU and LGUs.





Validation Report Preparation and Review. The hired RIE prepares a detailed validation and appraisal report using a prescribed template (Annex 59). This report forms the basis for the RTWG FMI's review, evaluation, and approval of shortlisted sub-projects.

Endorsement to the RCU. The RTWG FMI endorses the approved shortlisted FMIs to the RCU for further review.

Evaluation and Final Approval. The RCU reviews the merits of the recommended FMIs and forwards the list to the National Project Coordination Office (NPCO). The NPCO, together with the DTI-NPCO and DILG-PMU joint committee, conducts the final evaluation and approval before submitting to IFAD for clearance or no objection.

Issuance of IFAD Clearance. Upon receiving clearance or no objection from IFAD, the NPCO informs the RCU to proceed with the preparation of the Feasibility Study (FS) and Detailed Engineering Design (DED).

Activation of LGU Technical Working Group. Upon notice to proceed, the LGU activates its Technical Working Group (TWG) to begin the FS and DED preparation process.

Integration with Local Plans. All prioritized and validated FMIs must be endorsed by the Barangay Development Council (BDC) to the City/Municipal Development Council (C/MDC). These projects are then integrated into the Municipal Development Plan (MDP) and concurred by the Sangguniang Bayan (SB) or Sangguniang Panglungsod (SP).





c) Feasibility Study Preparation

The table shows the general procedures in the preparation of the feasibility study:

Step	Activity	Responsible Entity	Details / Requirements
1	Establish FS Requirement	LGU, PCU, RCU	All sub-projects must be technically feasible, economically viable (EIRR \geq 10% or CBR \geq 1), socially acceptable, and environmentally sound.
2	Issue Notice to Proceed	RCU through PCU	RCU sends formal notice to the LGU authorizing the start of FS preparation.
3	Assign LGU Focal Units	C/MPDO (Lead), C/MEO (Support)	C/MPDO leads FS preparation; C/MEO supports technical aspects such as engineering data and drawings.
4	Start FS Preparation	C/MPDO	Upon receipt of notice, the LGU begins sub-project data collection and drafting of the FS using current average cost parameters based on past FMI projects.
5	Provide Technical Assistance	DILG PDMU-hired RIE, DTI PCU, DILG PO Engineers	Technical guidance is provided throughout FS preparation to ensure alignment with project standards.
6	Option to Outsource	LGU	LGU may outsource FS preparation, but costs must be covered by the LGU.
7	Use Standard FS Format	LGU (C/MPDO)	FS should follow the annotated format provided in Annex 61, which outlines major sections for analysis.

Additional Notes:

- Only SPs that pass the FS requirement will be considered for RAPID Growth financing.
- FS is a prerequisite for funding and approval.
- All technical and financial assumptions must be well-documented in the FS report.

Integration of Cross Cutting Concerns in FS Preparation. The Feasibility Study (FS) must include a dedicated section on Social Safeguards and Environmental Considerations, aligned with national laws and IFAD policies. Both social and environmental aspects must be assessed to ensure the sub-project: a) minimizes adverse impacts on people and the environment and b) promotes inclusiveness, sustainability, and compliance with legal and policy frameworks. [1] The following are the key processes to be considered in the integration in the feasibility study.





Process	Social Safeguards	Environmental Considerations
Assessment / Analysis	<ul style="list-style-type: none"> ● Assess the sub-project’s impact on stakeholders, especially vulnerable groups such as Indigenous Peoples (IPs) and women. ● Ensure compliance with: <ul style="list-style-type: none"> ○ RA 8371 (Indigenous Peoples Rights Act - IPRA) ○ RA 7192 (Women in Development and Nation Building Act) ○ IFAD policies on IPs and GAD 	<ul style="list-style-type: none"> ● Analyze environmental impacts, including risks and mitigation measures ● Include climate change adaptation and associated cost implications ● Align with: <ul style="list-style-type: none"> ○ IFAD’s Environmental Policy (SECAP) ○ Philippine Environmental Impact Statement System (PEISS)
Guiding Questions for Analysis	<p>The FS must address the following:</p> <ul style="list-style-type: none"> ● What are the likely social and environmental impacts of the sub-project? ● What mitigation measures are needed, and what are their costs? ● What residual impacts may remain, and who will be affected? 	
Compliance and Documentation	<ul style="list-style-type: none"> ● Most RAPID Growth sub-projects are expected to fall under Category C of the PEISS, requiring a Certificate of Non-Coverage (CNC) from DENR. <ul style="list-style-type: none"> ○ A simple sub-project description will be required (see Part IV of the PIM). ● For sub-projects with potential minor impacts, an Environmental and Social Management and Monitoring Plan (ESMMP) must be prepared. <ul style="list-style-type: none"> ○ A template for the ESMMP is provided in Part IV of the RAPID Growth PIM. ● Mitigating measures must be integrated into the sub-project design and budget. 	

Key Integration Cross-Cutting Concerns integrated in the FS. During the preparation of the Feasibility Study (FS), the LGU shall secure all required clearances and certifications from relevant government regulatory agencies, as detailed in Part IV of the PIM. These documents must be attached to the FS report and will be subject to review by the RTWG FMI, recommendation by the RTWG Chair, and approval by the RCU Head.

In addition, the FS must incorporate essential cross-cutting concerns to ensure that sub-projects are socially inclusive, environmentally sound, and climate resilient. These include the integration of:





- Gender Perspectives
- Indigenous Peoples’ Rights and Participation
- Environmental and Social Safeguards
- Climate Change Adaptation Measures

Below briefly highlights key perspective in the integration. However, further details and templates to support these requirements are provided in the corresponding annexes.

Key Area	Required Actions / Considerations	Reference / Notes
1. Gender Integration	<ul style="list-style-type: none"> • Incorporate gender analysis in FS • Ensure women’s participation in all project stages • Assess project impact on women’s roles and activities • Promote equal opportunity for women in implementation, O&M, and decision-making 	Detailed checklist and guidance in Annex __
2. Indigenous Peoples (IP) Inclusion	Applicable if sub-project is in IP/ancestral domain: <ul style="list-style-type: none"> • Secure Free, Prior, and Informed Consent (FPIC) • Respect traditional practices and rituals • Ensure IP representation and participation in O&M and decision-making 	Follow RA 8371 (IPRA) and IFAD IP Policy; see Annex __
3. Environmental and Social Safeguards	<ul style="list-style-type: none"> • Conduct environmental and social screening • Identify impacts and propose mitigation • Prepare ESMMP if applicable • Most FMIs fall under PEISS Category C and require a CNC 	Screening process and ESMMP template in Part IV of PIM
4. Climate Change Considerations	<ul style="list-style-type: none"> • Use updated local data on flooding and climate risks • Integrate climate-resilient design (e.g., bioengineering, drainage, slope protection) • Avoid erosion-prone alignments; adopt proper infrastructure sizing 	Engineering guidance in Annex __ and Table 5

All required permits, clearances, and certifications must be secured by the proponent LGU during sub-project feasibility study preparation. These documents shall be compiled and attached to the FS report and will undergo review by the RTWG-FMI. Upon satisfactory evaluation, the RTWG Chair shall recommend the FS for approval by the RCU Head. The complete list of regulatory documents and procedures is provided in Part IV of the PIM.





d.) SP Detailed Engineering Design Preparation

DILG, DTI and IFAD Standard Requirements. DED, Plans and Program of Works preparation shall be under the full responsibility of the proponent LGU. The RTWG through the DILG regional PDMU hired RIE, DILG PO engineers, and the DTI PCU shall provide technical assistance and guidance to the concern Engineering Office in the preparation of the 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 62 and Section B.2 of this document. DED, Plans and POWs preparation shall be under the full responsibility of the proponent LGU with technical assistance and guidance of the RTWG through the DILG regional PDMU hired RIE, DILG PO engineers, and the DTI PCU.

The design shall follow the standard requirements agreed with DILG, DTI, and IFAD in Annex 62 and Section B.2 -The Basic Geometric and Design Specifications and shall also include the following details:

- *a city, 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 with 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.).*





DPWH Standard Design and Specifications for Roads. In addition to these details, the plans shall also be accompanied by general specifications based on the latest DPWH “Blue Book” on standard design and specifications for Roads.

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:

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
VAT = 5% of the sum of the EDC, OCM and PROFIT			

While LGUs 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 63.





e) Review and Approval

The specific process for Sub-Project review and approval shall be according to the following procedures:

- LGU submits complete DED, Plans and POW to the DTI PCU;
- PCU undertakes initial review on completeness of documentary requirements and if found incomplete, advises LGU to immediately submit the lacking document; then to RCU
- RCU through the RTWG FMI with assistance from PDMU hired RIE reviews documents, evaluates the merits of the proposed sub-project, and makes recommendation to the RCU;
- RCU head approves proposed sub-projects costing PhP10.00 million and below concurred by the DTI-NPCO and DILG-PMU
- USEC ROG approves proposed sub-projects costing over PhP10.00 million as recommended by RCU head through the DTI-NPCO and DILG-PMU after final joint review and endorse to IFAD for NO letter
- RCU issues a "Notice to Proceed" with procurement to the LGU.

f) Procurement Procedures and IFAD Prior Review

Procurement of "Civil Works" and "Goods" for approved SPs will be the main responsibility of the LGU 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 LGU tripartite Sub-Project Agreement (SPA) in Annex 57. RAPID Growth shall assign 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” (NO) shall be reviewed by the RTWG FMI/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.

4.4 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:

a) Certificate of Availability of Funds (CAF)

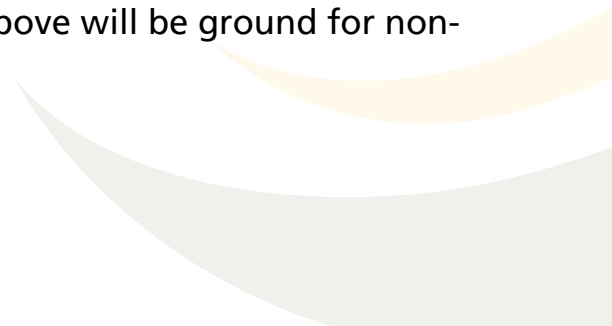
The release of CAF to the LGU will be according to compliance of the following submissions:

- *Letter request for CAF from the LGU to the DTI RCU cc NPCO through the PCU;*
- *LGU BAC resolution of award to winning bidder with supporting documents;*
- *Draft Contract of work between the LGU and winning bidder;*
- *LGU signed SPA;*
- *Certification from the bank stipulating separate trust fund accounts opened for the Project;*
- *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:

- *Approved FS, DED, Plans and POW;*
- *Compliance to Social Safeguard requirements i.e. acquisition and proof of compensation of Road Right of Way (RROW) and crop damages if any;*
- *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.



b) Initial Fund Release (30%)

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

- *Letter request for initial fund release from the LGU to the DTI RCU cc NPCO through the PCU;*
- *Notice of Award from the LGU to Contractor and Contractor's Conformance thereto;*
- *Notarized Contract including all annexes between the Municipality/City and the Contractor;*
- *Notice to Proceed (NTP) from LGU to Contractor;*
- *Certificate of LGU 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;*
- *Signed and approved SPA.*

c) Subsequent Fund Releases

For contracts costing PhP10.0 million and below, a single subsequent release is recommended prior to final release while for contracts of more than PhP10.0 million, two (2) more subsequent releases will be appropriate.

Documents needed to effect subsequent releases are as follows:

- *Letter request for release of funds by the LGU to DTI RCU cc NPCO through the PCU;*
- *Certificate of Status of Funds (CSF) signed by the LGU accountant;*
- *Statement of Receipts and Disbursements (SORD) duly certified by the LGU treasurer and verified by the COA auditor;*
- *A copy of the Contractor's Statements of Work Accomplished (SWA);*
- *Duly authenticated photocopy of disbursement vouchers;*
- *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, LGOO, and LGU PMT*
- *Physical progress report;*
- *Pictorials of sub-project implementation progress; and*
- *Summary report on Materials Quality Control (MQC) test results conducted.*



d) Final Release (10%)

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

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

All fund releases shall be according to the allowable threshold of DTI approving authorities i.e. PhP10.00 million and below by the DTI Regional Director and above PhP10.00 million by the DTI Undersecretary for ROG.





4.5 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 FMI through the participating LGUs 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 SP implementation, monitoring and evaluation, including the provision of technical assistance and capacity development for municipalities/cities in close coordination with DILG Regional and Provincial Offices (R/POs) and active involvement of the Local Government Operations Officers (LGOOs) stationed at the LGU offices. SP Implementation shall be according to the following systems and procedures:

a) Implementation Mode

Approved FMI shall be implemented by participating LGUs 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. [1]

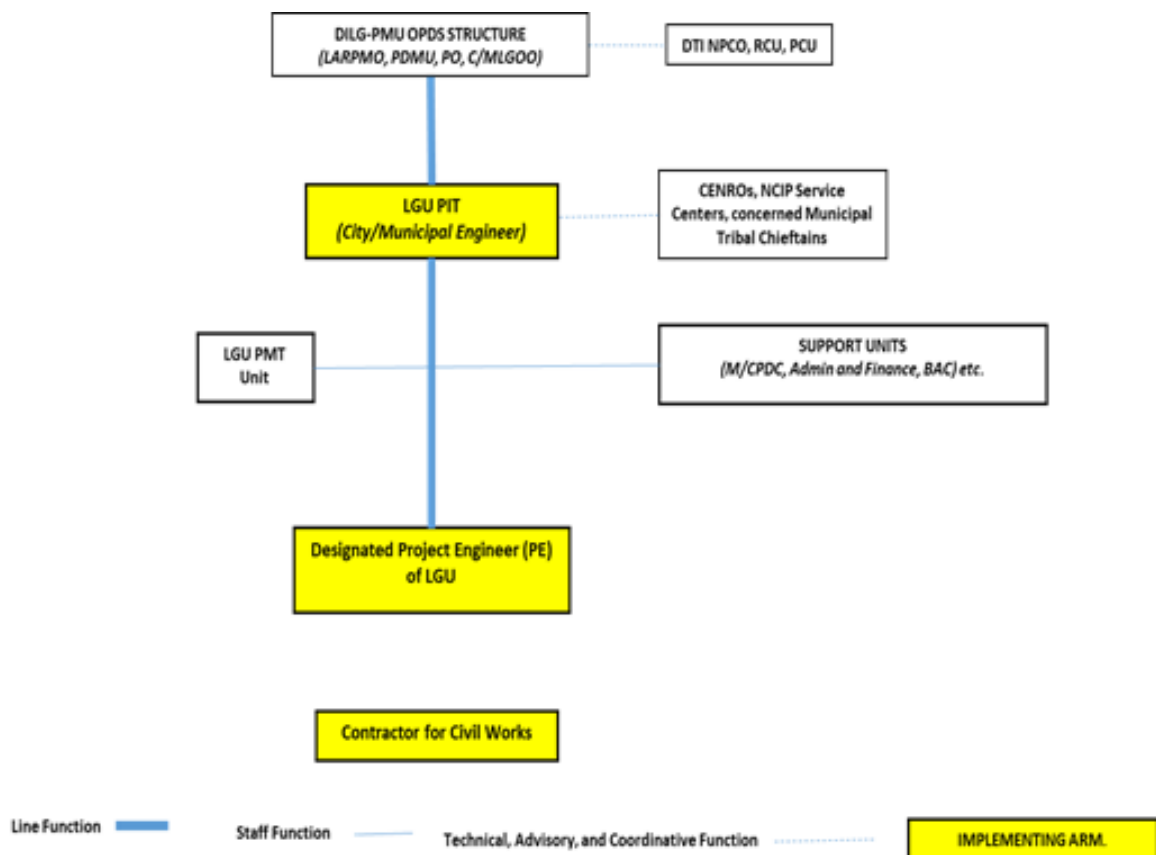
5. SP Execution, Supervision, Quality Control, and Periodic Reporting

5.1 Implementing Structure

Implementation of FMI sub-projects will require full attention from the LGUs and shall establish a Project Implementation Team (PIT) under the leadership of the City/Municipal Engineer (C/ME). 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-PMU Office of Project Development Services (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 Local Government Operations Officer (LGOO) usually holding office in the LGU.

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/; the circular is 102 in the archive). The proposed implementing structure is in Figure 7 below.



5.2 Role of the Project Implementation Team (PIT)

Specifically, the PIT shall:

- *be responsible for accomplishing the requirements and preparing the documents necessary prior to sub-project mobilization as specified in the Sub-Project Agreement;*
- *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;*
- *be responsible for the over-all coordination, management and monitoring of sub-projects implementation;*
- *ensure the efficient implementation, quality standards, and timely completion of sub-projects in accordance to the approved plans and specifications;*



- *be responsible for ensuring the conduct of work and materials quality control tests as specified in sub-project documents;*
- *recommend for approval of payment for all requests of progress billing by contractors;*
- *recommend for review and approval by DILG and DTI, all requests for sub-project variation orders and price escalations;*
- *be responsible for the consolidation and timely submission of periodic status reports of sub-project implementation to DILG and DTI;*
- *ensure the establishment of O&M organizations prior to sub-project completion; and*
- *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 64.

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 A65. 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 A66.





5.3 Advance Payment and Progress Billing Payment Procedures

Fund releases to the LGU shall be in tranches. An initial amount equivalent to 30% of the contract cost shall be released to the LGU inclusive of the advance payment of 15% mobilization fee of the contractor. Subsequent fund releases to the LGU shall be according to the schedule in Section 7 of this guideline while payments of LGU to contractor shall be based on progress billing supported by a Statement of Work Accomplished (SWA) adopting the template in Annex 67. The SWA shall be validated and evaluated by a team composed of DTI PCU, LGOO, and LGU PMT, and approved by the Mayor. Pictorials of work sites before, during, and after work completion shall be taken as part of supporting documents for the SWA.

5.4 Quality Control

The contractor's Materials Quality Engineer (MQE) shall prepare a quality control program (Annex A66) for each SP to be reviewed by the LGU PIT Project Engineer, approved by the City/Municipal Engineer as PIT head, and noted by the C/MLGOO. Quality control procedures shall be done according to the schedule of minimum test requirements as adopted by the DPWH provided in Annex 69. 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 Annex A67.

5.5 Periodic Reporting

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

- *monthly and cumulative physical progress report (including problems, issues, and concerns) using the template;*
- *summary report of field tests;*
- *status of tests;*
- *daily weather report;*
- *pictorials of work sites before, during, and after work completion; and*
- *copies of Statement of Work Accomplished.*





5.6 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 LGU through the PIT copy furnished DTI and DILG at all levels. Payment for variations shall be charged to the account of the LGU as additional equity counterpart hence the LGU shall exercise due diligence in the preparation of DED, Plans and POW to avoid incurring variation orders.

6. Monitoring and Evaluation (M&E)

The DILG has an established and existing monitoring and evaluation systems and procedures for its SubbayBAYAN enrolled projects by virtue of the DILG Memorandum Circular (MC) 2024-134 dated September 12, 2024: Omnibus Guidelines for the Monitoring and Evaluation of Subbaybayan-Enrolled Project , hence there is no need to establish a separate M&E system and procedure for the RAPID Growth FMIs.

In this regard, monitoring and evaluation of sub-projects implementation under RAPID Growth shall follow the existing guidelines of DILG MC 2024-134. As such, all applicable provisions and monitoring and evaluation processes and procedures shall be according to the MC.

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 OPDS shall be responsible in overseeing the overall FMI sub-component of RAPID Growth implementation, monitoring and evaluation, including the provision of technical assistance and capacity development for LGUs in close coordination with DILG Regional Offices (ROs). For this sub-component, the Project Monitoring and Evaluation Division (PMED) under the OPDS shall represent the DILG Central Office.





At the regional level, the monitoring and evaluation arm of DILG is the PDMU where the hired Rural Infrastructure Engineer (RIE) is lodged. The PDMU shall take the lead in progress monitoring and evaluation and be 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 if necessary in the discharge of their duties and responsibilities. [1]

7. Completion and Turn-Over of FMIs

Consistent with DPWH Department Order 40, the process of completing and turning over FMIs ensures that facilities are formally accepted, inspected, and transferred to the LGU for operation and maintenance. The procedure involves contractor notification, inspection and documentation by the LGU and relevant project teams, and final authorization for turn-over by the designated Regional Directors. Required documents such as Sub-Project Completion Reports, inspection findings, and as-built plans form part of the package that validates project completion.

In line with this, completed facilities are officially accepted by the Mayor on behalf of the LGU, with the support of the inspectorate team and oversight of NPCO, RCU, DTI, and DILG representatives. Once turned over, the LGU assumes responsibility for sustaining operations as stipulated in the SPA.

It should also be noted that all projects remain subject to the contractor's liability period under RA 9184, ensuring quality standards are met and remedial works are undertaken when necessary.

For the detailed flow of completion, inspection, and turn-over—including the issuance of Certificates of Completion and Final Acceptance—reference should be made to DPWH Department Order 40, Section B.11.[1]





8. Contractor's Liability Period

All completed FMI 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 LGU for the purpose.

9. Sustainability Mechanism

9.1 General Concept of Operation and Maintenance (O&M)

After completion and acceptance of FMIs under RAPID Growth, participating LGUs shall immediately put the facility into regular operation and maintenance being under their mandate by virtue of the Local Government Code.

Proper maintenance of FMIs is the main responsibility of the LGUs in collaboration with barangay officials as well as active involvement of the local community members as end users. Timely maintenance is critical to ensure the usefulness of a facility within its economic lifespan and inclusion of O&M Monitoring and Evaluation (M&E) procedures within the LGU structure has to be established.

There are existing systems and procedures on O&M of FMI, effective and currently use by different national line agencies, provincial city and municipal LGUs, which can also be adopted with slight modifications to fit the requirements of FMIs in RAPID Growth areas.





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

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

9.2 Basic Types of Maintenance

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





Type	Description	Purpose	Execution	Frequency
1. Routine Maintenance	Regular, scheduled upkeep performed throughout the year to preserve the facility's original condition.	Prevent early deterioration and maintain functionality.	Labor-intensive; typically done by community members with LGU technical guidance.	Varies by activity; guided by standard operating procedures and periodic inspection.
2. Periodic Maintenance	Restoration of the facility after years of use, addressing wear and tear even with routine maintenance in place.	Restore the facility to optimal condition after long-term use.	Joint effort of LGU and community; requires heavy equipment and material replacement.	Typically annual to every 5 years, depending on usage and weather exposure.
3. Special Maintenance	Unplanned interventions due to natural events (e.g., floods, landslides) that cause damage to infrastructure.	Restore functionality after unexpected damage.	Undertaken by the LGU with community support; usually requires heavy equipment and emergency funds.	As needed; triggered by force majeure or disaster-related incidents.

9.3 Responsible Entities and Support Mechanisms

The general Operation and Maintenance (O&M) arrangement for completed Farm-to-Market Infrastructure (FMI) sub-projects under RAPID Growth shall follow defined policies, strategies, and support mechanisms to ensure long-term functionality and sustainability.

To support this, Local Government Units (LGUs) are encouraged to establish Community-based O&M Committees (OMC) to regularly monitor the condition of completed facilities and recommend immediate interventions where needed. Timely repair and maintenance help prevent further deterioration and reduce future costs.

The following are the key strategies for O&M Implementation:

- **Formation and Capacity Building.** *The LGU, through the Provincial Implementation Team (PIT), shall organize, train, and operationalize the O&M Committee at the community level.*
- **Regular Budget Allocation.** *The LGU shall allocate an annual routine maintenance fund as part of their local development planning.*
- **Augmented Funding through Road User Fees.** *The maintenance fund may be supplemented through the collection of road user fees, particularly for FMRs. This must be supported by Barangay and Municipality/City ordinances to provide legal basis.*





- **Annual Maintenance Program.** The OMC and Barangay Officials, with guidance from the PIT, shall develop and implement an annual maintenance program.
- **Community-Based Implementation.** The LGU shall engage “pakyaw” groups (task-based community laborers), adopting the “lengthman” system, wherein residents along road sections are responsible for their respective segments.
- **Use of Traditional Systems.** Periodic maintenance activities may utilize the “Bayanihan” or “Pintakasi” system, a voluntary community-driven approach practiced in rural areas.

In addition, LGUs are strongly encouraged to articulate their Sustainability and Continuity Plans in the DIPs at the time of FMI endorsement. These plans should outline how the LGU intends to maintain and expand the reach and utility of the infrastructure, especially considering limitations in project funding and sub-project scope. Highlighting additional LGU initiatives or investments to complement RAPID-funded FMIs can help demonstrate long-term viability and developmental impact.

9.4 Recommended Maintenance Implementation Schemes

The RAPID Growth Project recognizes the importance of sustainable and responsive maintenance mechanisms for completed Farm-to-Market Infrastructures (FMIs). LGUs may adopt any of the following recommended schemes based on local capacity, community engagement, and resource availability:





Scheme	Description	Key Features	Responsible Entities
a) Force Account (By Administration)	LGU directly implements maintenance activities, usually through the Municipal/City Engineer's Office (M/CEO).	<ul style="list-style-type: none"> Funded via 20% DF of the IRA Community labor (unskilled) hired and paid weekly Skilled LGU personnel (e.g., foremen, masons) paid monthly Supervised by LGU technical staff May adopt the "Lengthman System" 	M/CEO / Barangay Officials
b) By Contract	LGU contracts individuals or community groups to carry out maintenance through a "Pakyaw Agreement."	<ul style="list-style-type: none"> Uses the template in Annex 78 May include "Lengthman System" Payments based on agreed work volume or schedule "Pakyaw Leader" represents the group LGU ensures quality through supervision 	LGU (Contract Manager), Community/Pakyaw Group
c) Combination of Force Account and Contract	A flexible approach combining both direct LGU implementation and contracted community labor depending on project needs.	<ul style="list-style-type: none"> Routine maintenance by LGU staff Periodic or specialized works contracted Allows resource and labor optimization 	LGU, Community Groups
d) Community-Based ("Bayanihan" / "Pintakasi")	Community volunteerism-based scheme where local residents work together during scheduled maintenance activities.	<ul style="list-style-type: none"> Labor usually voluntary Sometimes incentivized with food/snacks Suitable for both periodic and urgent routine maintenance - Encourages community ownership and participation 	Barangay LGU, Community Members

The selection of the maintenance scheme depends on the LGU's capacity, community involvement, and available funding. Regardless of the method used, all maintenance efforts should adhere to the standards of quality, sustainability, and community ownership encouraged by RAPID Growth.

9.5 Guidelines in Proper Maintenance of Completed Facilities

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

- Significant routine maintenance program (O&M Plan) shall be incorporated by the LGU 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;
- 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;



- In case the LGU 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;
- Interested “pakyaw” groups shall apply for registration to the LGU thru the PIT and shall be evaluated in terms of accuracy of information provided and its base proximity to the completed facility/ies;
- 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 LGUs’ program on maintenance in general;
- In case of two or more qualified “pakyaw” groups, the LGU 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;
- PIT shall finalize arrangements and prepare the modified “pakyaw agreement” for awarding; and
- 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.





9.6 Capacity Building Program

This section forms part of the sustainability mechanisms of the Project, particularly through capacity building of key implementers. It will cover procedures in FMI development from planning to O&M and is intended for the technical staff of participating LGUs.

The DILG has existing in-house capacity to conduct technical trainings for LGUs, and if necessary, supplemental trainings may be provided under RAPID Growth. These may also extend to technical staff of DILG, who will serve as the pool of trainers to deliver the training modules to LGUs. DTI may likewise avail of the technical trainings under RAPID Growth to enhance their knowledge and capacity in infrastructure development.

The training modules and recommended target participants are as follows:

Training Modules	Target Participants
FMI Feasibility Study (FS) and DED, Plans and POW Preparation	✓ City/Municipal Planning and Development Officer ✓ City/Municipal Engineer ✓ City/Municipal Environment and Natural Resources Officer
APCPI - Training Workshop on the 2016 Revised IRR of R.A. 9184 and on the use of 2017 APCPI System/Procurement of Works and Goods (RA 9184 and IFAD Procurement Guidelines)	✓ LGU Bids and Awards Committee (BAC) Chairperson ✓ LGU BAC Technical Working Group and Secretariat ✓ City/Municipal Engineer
QAQC / CMCS - Seminar Workshop on Quality Assurance and Quality Control with Contract Management and Construction Supervision	✓ City/Municipal Engineer and PIT Members ✓ Project Engineer
SPMC - Seminar Workshop on the Strengthening of the Project Monitoring Committees in the Local Government Units	✓ City/Municipal Engineer and PIT Members ✓ Project Engineer ✓ C/MPDO and PMT Members
FMR Operation and Maintenance (O&M) Systems and Procedures	✓ City/Municipal Engineer and PIT Members





The full and active participation of the community is essential to the success and sustainability of any development initiative, particularly in maximizing the benefits of completed farm-to-market infrastructure (FMI) projects. However, given the general profile of rural communities, it is expected that most community members may have limited technical knowledge and experience in infrastructure development.

While communities are often willing and eager to participate, their involvement typically focuses on the following areas:

- Supporting LGU technical staff during detailed surveys;
- Providing labor during construction;
- Engaging in “Pakyaw” or community labor contracts for simple infrastructure works;
- Assisting with on-site monitoring activities;
- Helping maintain peace and order at construction sites;
- Participating in operation and maintenance (O&M) of completed facilities; and
- Contributing to monitoring and evaluation activities related to O&M.

To strengthen and sustain this community engagement, RAPID Growth will support capacity building by training selected community leaders and barangay officials in basic procedures related to the implementation, monitoring, and O&M of FMIs.

These training activities, outlined in the table below, will be delivered by trained technical staff from DTI and DILG through the PDMU, with support from external resource persons. Trainings will be scheduled and conducted during the implementation period of the RAPID Growth Project.

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