

Part 4

Technical Assistance to Financial Service Providers (Component 3)



**Agricultural
Value Chain
Finance Program
(AVCFP)**



A. Overview

I. Introduction

The Technical Assistance (TA) component to Financial Service Providers (FSPs) is designed to strengthen the capacity and outreach of financial institutions in delivering inclusive, demand-driven financial services to farming households, micro, small, and medium enterprises (MSMEs), and farmer organizations (FOs) across the project areas.

This component supports the development and enhancement of suitable financial products and services tailored to the needs of rural stakeholders, while fostering sustainable linkages between value chain actors and formal financial systems. Through strategic partnerships and targeted capacity-building interventions, the TA aims to promote productive investments, unlock financing opportunities, and facilitate the integration of underserved communities into viable market and financing networks. Ultimately, the goal is to ensure that FSPs are better equipped to offer innovative, value-chain-based financial solutions that support inclusive rural development and long-term economic resilience.

This manual serves as a foundational reference for all stakeholders involved in the design, management, and implementation of the component.



2. Goals and Objectives

This component is designed to enhance access to affordable and appropriate financial services for value chain stakeholders through a diverse range of viable financial institutions operating in the project's target areas. It focuses on enabling farming households, micro, and small and medium enterprises (MSMEs) participating in sustainable investment programs (SIPs) to access financial services. In parallel, the project aims to strengthen a select group of both formal and informal financial service providers by expanding their outreach and building their capacity to deliver tailored financial products that meet the needs of rural households.

The table below shows the specific indicators of the RAPID Growth Project to which the component directly contributes.

Indicators	Definition	Target
Outcome Indicators and Targets		
Number of MSMEs/FOs established linkage with producers/farmers, markets, and availed financial services for productive investments	Refers to the number of MSMEs who have accessed financial services specifically supported/promoted by the Project and partner FSPs	70,000 farmers
Number of Farming HH established linkage with markets, and availed financial services for productive investments	Refers to the number of farming HHs who have accessed financial services specifically supported/promoted by the Project and partner FSPs	1,050 MSMEs/FOs
Output Indicators and Target		
Number of suitable financial products developed	Refers to the developed/ enhanced/ expanded financial products and services as a result of TA of the Project.	10 financial products
Number of FSPs extend innovative and other value-chain financial services	FSPs that have received project support in the development, enhancement, and/or expansion of appropriate/suitable financial services as well as engaged/linked by the Project with FOs/MSMEs and farmers, offering products/services fit to the needs of the rural poor and other project beneficiaries.	10 FSPs
Number of linkages to financial services established	The number of FOs and MSMEs joined financing, investment, and BDS providers forum for financing opportunities and matching.	350 linkages





3. Policy References

This section outlines the key policy references that guide the design and implementation of the component

Policy Title	Summary/Purpose (Focused on TA for FSPs)	Link/Location
Inclusive Rural Finance Policy: International Fund for Agricultural Development (IFAD), 2021	This policy provides a global framework for designing and delivering technical assistance to FSPs to improve access to inclusive, sustainable, and client-centric financial services in rural areas. It is particularly relevant to the RAPID Project’s efforts to strengthen FSPs through capacity building, product innovation, and digital financial services that respond to the needs of smallholder farmers.	IFAD – Inclusive Rural Finance Policy (2021)
Cooperative Finance System – Cooperative Development Authority (CDA)	This policy supports the development of a structured cooperative finance system in the Philippines, offering a regulatory and operational framework for capacitating cooperative-based FSPs. It aligns with the RAPID Project’s TA component by promoting institutional strengthening, inter-cooperative financing, and compliance—key areas in building the financial service capabilities of Coop-Hubs and federations.	CDA Website – Cooperative Finance System or CDA Circulars section

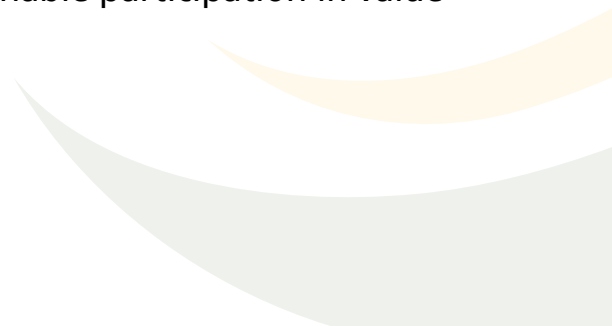
B. Agricultural Value Chain Finance Approach



1. Overview on RAPID Growth’s Financial Services (FS)

The Agricultural Value Chain Finance Program (AVCFP) of the RAPID Growth Project is a holistic financing approach that positions cooperatives as financial hubs for smallholder farmers. It goes beyond credit by offering bundled services such as loans, savings, insurance, and risk-mitigation mechanisms tailored to commodity cycles.

Through partnerships with financial service providers, BDS providers, anchor firms, and support agencies, AVCFP strengthens resilience, reduces risks, and ensures farmers gain not only access to finance but also the technical and market support needed for sustainable participation in value chains.





2. Agricultural Value Chain Finance Program (AVCFP)

The AVCFP is designed to respond to the persistent financial challenges faced by FOs, cooperative hubs, and their smallholder farmer members, by embedding financial services within agricultural value chains in a way that is strategic, inclusive, and sustainable.

The Agricultural Value Chain Finance Program (AVCFP) is RAPID Growth’s cornerstone strategy for supporting Financial Services Providers (FSPs), particularly those engaged in supporting smallholder farmers and agri-based enterprises. By addressing the financial needs across agricultural value chains, the AVCFP aims to provide necessary assistance and interventions to Cooperative Hubs, that would ultimately contribute to RAPID’s overall target of enabling 70,000 smallholder farming households to access financial services under Component 3.

The program is operationalized through the following key strategic approaches:





3. Financial Service Providers (FSP) as Key Enablers

Financial Service Providers (FSPs) are critical partners in the implementation of the RAPID Growth Project, as they bridge the financing gap that often prevents smallholder farmers, farmer organizations (FOs), and micro, small, and medium enterprises (MSMEs) from fully participating in and benefitting from agricultural value chains. Their role is to deliver financial services that are not only accessible and affordable but also tailored to the realities of agriculture, where risks, seasonality, and market dynamics require more flexible solutions.

The Project's access to finance targets are pursued at two levels:

a) Level 1 (Organizational):

At least 1,050 FOs and MSMEs will access financial services to strengthen their enterprises and expand their role in the value chain. Access is facilitated primarily through the Project's conditional matching grant, which supports investments in facilities, equipment, trucks, and other productive investments identified in their approved detailed investment plans (DIPs).

Beyond the MG mechanism, organizations may also tap wholesale funds for relending to their farmer-members, enabling them to act not only as business enterprises but also as financial hubs that extend inclusive credit to smallholder farmers. In addition, access to other types of financial services, such as savings, investments, insurance, digital finance, and grants, will be counted towards this target, reflecting the broad spectrum of financial solutions that enhance organizational sustainability.

Once capacitated, these organizations serve as value chain consolidators, business anchors, and financial intermediaries, driving inclusive growth while reinforcing their linkages with markets and smallholder farmer-members.





b) Level 2 (Individual):

At least 70,000 smallholder farming households (SHFs) gain access to financial services that allow them to increase productivity, improve resilience, and enhance household incomes. This is the larger, farmer-level inclusion target of RAPID and the centerpiece of its inclusive finance strategy.

The Agricultural Value Chain Finance Program (AVCFP) plays a central role in achieving the Level 2 target by providing technical assistance (TA) to cooperative hubs. Cooperative hubs are strategically chosen as conduits for financial inclusion because they are owned and governed by farmers, making them trusted intermediaries that can tailor financial products to farmer realities. The TA strengthens their ability to design, institutionalize, and implement innovative and resilient financial products. This ensures that cooperatives are not just passive recipients of finance but active financial hubs serving their members.

In the process, the TA may also lead to direct access to finance by the cooperative themselves (Level 1), since many may need wholesale working capital for relending to their farmer-members, in addition to financing their own operations such as enterprise expansion, scaling up, or new investments in value chain activities. Thus, the AVCFP contributes to both levels of access to finance targets, directly by equipping cooperatives to access and manage credit, and indirectly by extending credit down to thousands of farmers.





5. FO and MSME’s Conditional Matching Grants

On the other hand, the Matching Grant Facility of the Project provides another pathway for achieving the Level 1 target. Through conditional matching grants, FOs and MSMEs receive support for productive investments (e.g., processing facilities, trucks, and equipment) based on their approved Detailed Investment Plans (DIPs). These grants require cash counterparts from the beneficiary organizations, which means that they will need to mobilize additional capital or credit from FSPs to fully finance their approved productive investments. In this way, the matching grant mechanism not only strengthens enterprises but also incentivizes them to engage with financial institutions and improve their credit readiness.

By engaging a broad spectrum of FSPs, RAPID ensures that appropriate financial products are made available to the diverse needs of both organizations and individual farmers.

Through these strategies, the RAPID Growth Project creates a dual pathway for financial inclusion: strengthening FOs and MSMEs as viable enterprises (Level 1), while ensuring that smallholder farmers directly benefit (Level 2) from tailored financial services delivered through cooperative hubs and value chain partnerships.

FSPs for FOs/MSMEs	FSPs for SHFs
<ul style="list-style-type: none"> • Government financial institutions (e.g., LBP, DBP, SBCorp, ACPC) • Financial Services from Partner Agencies (NGAs, LGUs) • Cooperative Federations, Private FSPs, Development Partners, and Corporate Foundations/NGOs • Digital financial service providers and fintech platforms • Buyers and Anchor Firms • RAPID Growth Project 	<ul style="list-style-type: none"> • Cooperative Hubs and other FOs (associations, cooperatives) • Microfinance institutions • Financial Services from Partner Agencies (NGAs, LGUs) • Private FSPs, Development Partners, and Corporate Foundations • Non-government financial institutions (NGFIs) • Savings and lending associations/corporations • Digital financial service providers and fintech platforms • Buyers and Anchor Firms • RAPID Growth Project





C. Implementation Mechanisms

This section presents the implementation mechanisms for delivering technical assistance (TA) to Financial Service Providers (FSPs) under the RAPID Growth Project. It outlines the processes, tools, and coordination systems for operationalizing the AVCFP strategy, including roles, partnerships, and monitoring measures to ensure effective and transparent implementation.

Rolling out the Agricultural Value Chain Finance Program (AVCFP) to cooperative hubs of the RAPID Project requires a strategic and integrated approach. By creating a holistic and integrated program that supports both the financial and agricultural operations of cooperatives, the RAPID Project can ensure that the hubs become more resilient, capable of consolidating farmers' produce effectively, and able to access larger markets, ultimately leading to better income and productivity for all stakeholders involved. The steps from the design development to the creation of a sustainable model are explained below.

1. Design Support for Innovative AVCFP for Coop Hubs and FSPs

This pertains to the provision of Technical Assistance on the Design of Innovative and Resilient Agricultural Value Chain Finance Programs for Coop-Hubs and Local FSPs.

a) Value Chain Finance Strategic Framework

The RAPID Project is utilizing **ACDI-VOCA** for value chain finance. The framework focuses on creating sustainable, inclusive, and resilient agricultural economies by addressing key components such as trends, opportunities, and financial dynamics within value chains.



Strategic framework to value chain finance



It begins with trends and opportunities, identifying market shifts and emerging possibilities for growth, such as new technology or shifts in demand that could enhance value chain efficiency.

End market segmentation is critical for understanding target markets, customizing financial products, and ensuring that financing aligns with the specific needs of various market segments.

Value chain finance analysis evaluates the flow of finance within value chains, identifying gaps and opportunities to better serve stakeholders. This is followed by risk analysis, where potential challenges, like market volatility, climate change, or operational risks, are assessed to develop effective risk mitigation strategies.

Building strong partnerships and alliances is essential to leverage resources, knowledge, and networks across multiple stakeholders, including financial institutions, BDS Providers, and various national government agencies, which will reduce identified risks.





Lastly, financial analysis is essential to quantify the financing needs of cooperatives and farmers, enabling the development of tailored financial products that address specific needs and ensure the sustainability and effectiveness of the agricultural value chain finance program. Collectively, these components form a comprehensive approach to strengthening agricultural value chains through strategic financial interventions and collaborative partnerships.

b) Agricultural Value Chain Finance Workshop

To promote inclusive finance, the RAPID Project provided technical assistance (TA) by initially clustering cooperative hubs based on commodity. Value Chain Finance Workshops were then conducted for each commodity, beginning with cacao cooperatives in September 2024, followed by coconut cooperatives in February 2025, and coffee cooperatives in the third quarter of 2025.

These workshops incorporated de-risking activities, including learning and appreciation visits to anchor firms (processors and consolidators), expert-led sessions on agronomic risks affecting productivity, and presentations from business development support providers as potential partners to help mitigate identified risks. Additionally, financial service providers presented their agricultural financial products and services, outlining application requirements, followed by a Q&A and credit matching session.

On the other hand, the value chain training-workshop covered cooperative-based value chain approaches, risk assessments where participants identified risks and developed mitigation strategies, financial analysis to assess financing needs, and the drafting of agricultural value chain financing programs.





c) Selection of Cooperative Hubs and Local FSPs for TA

This outlines the criteria for selecting Cooperative Hubs and local Financial Service Providers (FSPs) eligible to receive technical assistance under the Agricultural Value Chain Finance Program (AVCFP). The selection process ensures that support is directed toward institutions with the capacity, commitment, and strategic alignment to effectively implement and sustain value chain finance initiatives.

Selection Criteria for FSPs	
a)	Must have at least 300 farmer-members engaged in any of the following crops: cacao, coffee, coconut, calamansi, and Cardava banana).
a)	Must offer the following products and services (for coop hubs): a. Savings and Loans b. Consolidation/Marketing/Trading
a)	Additional services (preferred but not required): <ul style="list-style-type: none">• Technical support to farmer-members (e.g., agri-technicians, assistance with product aggregation/clustering)• Training programs for farmer-members (e.g., GAP, financial literacy)• Processing services
a)	Must have available working capital for relending or credit lines for any of the following purposes: <ul style="list-style-type: none">○ Loans for new plantation○ Loans for farm management○ Loans for rehabilitation○ Loans for expansion (agri-business, value-adding tools and equipment)
a)	Must have existing affiliations or partnerships with: (for coop hubs) <ul style="list-style-type: none">○ Cooperative federations (e.g., MASS-SPECC, NATCCO, AgriCOOPh, FPSDC, VICTO National)○ Government agencies (e.g., DTI, DA, DAR)
a)	Must have existing buyers or anchor firms (for coop hubs)
a)	Must have full-time/on-call Agri-Technicians or a Business Development Services (BDS) unit. (for coop hubs)





As part of this effort, the Project will also consider providing support and technical assistance to specialized FSPs such as Al Amanah Islamic Bank, particularly for areas within the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), to provide Shariah-compliant financing solutions like Murabaha (cost-plus financing) and Qard al-Hasan (benevolent loans). This inclusion recognizes the importance of culturally and religiously appropriate financial products in promoting financial inclusion among Muslim farming communities.

d) Developing a comprehensive value chain finance program

The development of an Innovative and Resilient Value Chain Finance Program and Services by cooperatives for their smallholder farmer-members is far more impactful and sustainable than simply creating a standalone credit facility. While a credit facility can provide immediate financial support, it often does not address the broader and interconnected challenges smallholder farmers face.

A holistic, value chain finance program that integrates various components, including financial services, risk mitigation strategies, and extension services, is essential for long-term success and resilience.

Firstly, a holistic approach ensures that farmers not only have access to financing but also receive critical support in improving their farming practices. Extension services, such as training on good agricultural practices, crop diversification, sustainable farming techniques, postharvest handling and processing, and climate-resilient strategies, are vital in enhancing productivity and mitigating risks.

When cooperatives pair financial services with extension work, they empower farmers with knowledge and tools that help them make the most of the credit they receive, leading to better crop yields and more sustainable farming practices. This integrated support system creates a multiplier effect, where the financial products available are used more effectively and result in better outcomes for the farmer, ensuring repayment as well.





Moreover, a value chain finance program embedded within the value chain creates a more resilient ecosystem. By addressing multiple stages of the value chain, cooperatives can support farmers not just in accessing capital but also in improving their supply chains, market access, and post-harvest practices.

This can involve linking farmers to processors, consolidators, and other value chain actors, which enhances the efficiency and profitability of the entire system. With access to appropriate financial products tailored to each phase of the value chain, farmers can smooth cash flow fluctuations, invest in critical inputs, and manage risks more effectively.

e) Risk management and other advantages of a holistic value chain finance Cooperatives.

This develop an innovative and resilient value chain finance program, comprising not only financial services but also extension work and risk management, create a more robust support system for their smallholder farmer-members.

This integrated approach leads to greater productivity, resilience, and sustainability, ensuring that farmers are not just receiving loans, but are empowered to grow their businesses and improve their livelihoods over the long term.

Integrating risk management activities. Risk management is a key advantage of a holistic value chain finance approach. By incorporating risk analysis and derisking activities, such as weather insurance, price stabilization mechanisms, or access to climate-resilient technologies, cooperatives can help mitigate the unpredictable nature of farming.

This holistic approach can build resilience to external shocks, such as fluctuating commodity prices or climate-related disruptions, which are often major challenges for smallholder farmers.





Resilience to systemic risks. In contrast, a standalone credit facility typically only addresses the immediate need for capital but doesn't provide the ongoing support needed to manage and overcome these external challenges. Without the added dimension of extension services and a broader value chain strategy, smallholder farmers may find it difficult to utilize loans effectively, and may remain vulnerable to the same systemic risks.

Sustainable relationships with FSPs and enablers. Furthermore, by developing a comprehensive value chain finance program, cooperatives can build stronger, more sustainable relationships with financial service providers and other stakeholders. Financial institutions are more likely to engage with cooperatives that are not just offering loans but are also working holistically to improve farmers' livelihoods, reduce risks, and increase profitability. This approach demonstrates the cooperative's commitment to the long-term success of its members, attracting more partners, investors, and funding opportunities.

2. Manualization of the AVCFP

a) AVCFP Manual Consultant

The RAPID Project through the NCPO will engage a consultant to spearhead the manualization process for the Agricultural Value Chain Financing Program. This consultant will be responsible for creating a comprehensive manual that standardizes processes, boosts efficiency, and ensures the program's scalability. This crucial step will lay the foundation for the program's long-term sustainability and overall success.





The manualization of the Innovative and Resilient Agricultural Value Chain Finance Program is vital for ensuring consistency, efficiency, and scalability. By formalizing the program's processes in a comprehensive manual, operations can be standardized across the RAPID Implementing Units in seven (7) regions, ensuring that all stakeholders, from farmers, cooperative hubs, BDS providers, financial service providers (FSPs), and other partner enablers of the Project will have a clear understanding of their roles, responsibilities, and expectations.

b) Manual Documentation

This formal documentation will streamline decision-making, improve operational efficiency, and serve as a key tool for training, monitoring, and evaluation, ensuring transparency and accountability. A well-structured manual will also provide a solid framework for risk management and resilience, allowing the program to adapt to diverse local contexts while maintaining a cohesive approach.

Ultimately, the manual will enable the program to scale more effectively, promote the sharing of best practices, and ensure long-term sustainability by building stakeholder trust and encouraging active, informed engagement.

3. Cooperatives Capacity Building and Institutionalization

a) Partnerships for value chain integration and harmonization of intervention plans

The RAPID Project will establish strategic partnerships with cooperative federations to foster value chain integration and ensure the sustainability of support to cooperatives. To formalize this partnership, the Project will draft a memorandum of understanding (MOU) with the federations, recognizing their mandated role in supporting cooperatives.





For primary cooperatives that are not yet members of federations, the Project will encourage them to join, as the Cooperative Development Authority (CDA) requires federation membership, and doing so provides access to essential resources and support. The RAPID Project and cooperative federations will also work to harmonize their intervention plans, ensuring synergy in supporting agricultural cooperatives within the RAPID priority value chains. Coordinated efforts will be crucial to maximize impact, avoid duplication, and leverage resources effectively.

In the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), this includes exploring partnerships with Al Amanah Islamic Bank, the country's only Islamic bank, to offer Murabaha (cost-plus financing) and Qard al-Hasan (benevolent loans). These Shariah-compliant financial products are highly relevant to the cultural and religious context of BARMM and can play a vital role in expanding financial access to Muslim farmers and cooperatives.

b) Institutionalization and Capacity Building

The RAPID Project, in collaboration with the cooperative federation, will present and orient cooperative hubs on the developed agricultural value chain finance program, allowing for feedback and further enhancement. Each cooperative hub will produce an action plan as an output, which will guide the Project's interventions. Follow-up activities for institutionalizing the program will include drafting revised loan policies that integrate risk mitigation strategies, launching updated or expanded financial products and services, and introducing and automating essential tools and systems to support the program's effective implementation.

To ensure long-term sustainability, the Project will provide capacity-building initiatives for cooperative leaders and staff, focusing on managing both financial and agricultural value chains. Training will cover critical topics such as enterprise and credit management, risk management, and market dynamics.





Additionally, the Project will offer a training-of-trainers (TOT) program on financial literacy for farmer-members, enabling cooperatives to independently conduct training as part of their service offerings. To further enhance digital capabilities, cooperatives will be trained in digital literacy, equipping them to use mobile banking platforms, digital payment systems, and traceability tools in the value chain, leveraging existing platforms from the cooperative federations.

4. Access to Funding

a) Access to funding and financial support

If the cooperative hubs lack sufficient internal capital to extend loans to their farmer-members and support their operations, it is crucial to mobilize funding from various sources, such as government financial institutions (GFIs), government grants, cooperative federation, and other FSIs with friendly terms and cheaper rates. These funds can provide low-interest loans or grants that will enable cooperatives to grow and expand. In addition, it is essential to encourage cooperatives to develop a comprehensive business plan or financial forecast that outlines how the funds from the Agricultural Value Chain Financing Program (AVCFP) will be utilized. This plan should focus on enhancing agricultural production, promoting consolidation, and improving market access, ensuring that the financial resources are effectively channeled towards fostering long-term sustainability and growth.

To operationalize the Agricultural Value Chain Finance Program (AVCFP), cooperative hubs must have access to sustainable and affordable funding sources that will allow them to extend loans, working capital, and bundled financial services to their farmer-members. While internal capital build-up (CBU) and savings mobilization remain critical foundations, many cooperative hubs lack sufficient capital to meet the financing needs of their value chain operations. Therefore, external wholesale financing is essential to bridge this gap.





b) Sources of Wholesale Funds

RAPID, through its networks and partnerships, will assist cooperatives in linking with impact investors – Institutions that provide financing not only for financial returns but also to generate measurable social impact, such as improved farmer incomes, climate resilience, and inclusive growth. In the AVCFP context, impact investors can take the form of government financial institutions, development funds, cooperative federations, private lenders, and foundations that are willing to invest in agricultural value chains while managing risks through guarantees, insurance, and bundled services.

The following are the primary sources of wholesale funds for cooperative hubs under AVCFP:

- **Government Financial Institutions (GFIs)** Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP) remain the largest sources of wholesale credit for agricultural cooperatives. They provide rediscounting facilities, concessional credit windows, and term loans tailored for agriculture and agri-enterprises. These institutions are strategic partners for scaling AVCFP because of their mandate to support inclusive agri-finance nationwide.
- **Government Programs and Grants.** Programs managed by the Agricultural Credit Policy Council (ACPC), Small Business Corporation (SBCorp) through its RAPID P3 wholesale loan (and other credit windows) and equity financing (Innovation Fund under Component 4), and financing or grant support from LGUs, DA, DTI, and other NGAs, that provide catalytic funding to enhance agricultural lending. These programs help cooperatives manage risks by offering flexible terms, lower interest rates, or partial subsidies.
- **Cooperative Federations.** Federations such as MASS-SPECC, AgriCOOPh, NATCCO, and regional cooperative federations mobilize pooled funds from their member cooperatives and provide wholesale financing at competitive terms. Beyond credit, these federations also deliver technical assistance, digital finance solutions, and institutional strengthening, making them natural allies for implementing AVCFP.



- **Development Partners and Corporate Foundations.**

Institutions such as PEF, FSSI, PBSP, and corporate foundations provide catalytic capital, guarantee mechanisms, or concessional credit lines that expand cooperative access to finance. These partners often combine funding with technical assistance, capacity building, and social inclusion strategies, amplifying both financial and developmental impacts.

c) Process for Engaging Wholesale FSPs

Securing wholesale funds requires a structured engagement process:

- **Profiling and Mapping of Potential FSPs.** RAPID R/PCUs, together with cooperative hubs and cooperative federations, will identify wholesale lenders and investors aligned with cooperative needs.
- **Initial Engagement and Dialogue.** Cooperative hubs will conduct exploratory meetings with potential FSPs to discuss eligibility, loan products, and requirements. RAPID will facilitate introductions and provide technical backstopping.
- **Submission of Cooperative Profile and Business Plan.** FSPs typically require the cooperative's organizational profile, audited financial statements, membership base, governance track record, and details of loan purposes. A strong business plan and financial forecast is critical to demonstrate repayment capacity and alignment with value chain financing.
- **Loan Application and Due Diligence.** Once initial requirements are met, cooperatives file loan applications. The FSP conducts due diligence, including on-site visits, evaluation of governance systems, assessment of capitalization, and review of risk management practices.
- **Loan Approval and Agreement.** Approved loans result in formal agreements outlining interest rates, repayment schedules, collateral/security arrangements (if required), and reporting obligations.
- **Capacity Support and Monitoring.** RAPID, federations, and FSPs may provide additional technical assistance to ensure cooperatives can responsibly manage wholesale loans and re-lending operations.



d) Requirements for Accessing Wholesale Funds

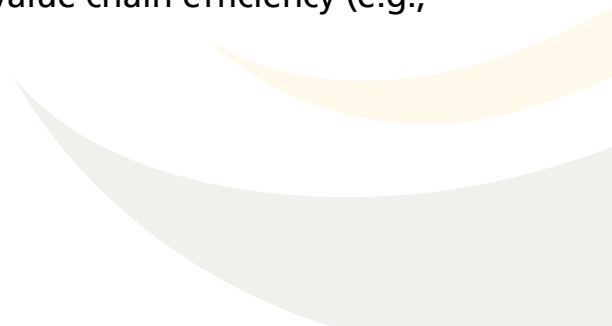
Typical requirements for cooperative hubs include:

- Updated registration and compliance with CDA, BIR, and other regulatory agencies.
- Audited financial statements for at least 2–3 years (or unaudited FS for smaller/newer coops with board certification).
- Board resolution authorizing the loan application.
- Detailed business plan and financial forecast showing how the funds will be used (e.g., input loans, bulking/marketing finance, working capital for processing).
- Policies on loan management, internal controls, and risk mitigation (including insurance or guarantee coverage).
- Documented governance and credit committee structures to assure accountability.

e) Access to Working Capital

Working capital is a central need for cooperatives to support input distribution, aggregation, bulking, processing, and marketing activities. Through AVCFP, cooperatives can structure working capital loans by aligning repayment schedules with commodity cycles and buyers' payment terms. To ensure liquidity and reduce repayment risks, cooperatives are encouraged to:

- Bundle risk management mechanisms such as crop insurance and guarantee coverage.
- Establish forward contracts or marketing agreements with anchor firms to secure revenues.
- Maintain savings mobilization and CBU programs to strengthen internal capitalization.
- Use proceeds from wholesale funds not only for re-lending but also for investments in operations that increase value chain efficiency (e.g., storage, logistics, processing).





f) Role of RAPID Implementing Units

RAPID's role in this stage is to:

- Facilitate introductions and partnerships between cooperative hubs and wholesale FSPs.
- Provide coaching in business planning, financial forecasting, and loan application preparation.
- Monitor and track cooperative access to wholesale funds and their utilization.
- Advocate for concessional terms and risk-sharing mechanisms to make agricultural credit more accessible and sustainable.

By systematically linking cooperative hubs to wholesale funding sources and embedding strong governance, risk management, and financial planning practices, the AVCFP ensures that cooperatives can provide continuous, reliable, and affordable financial services to smallholder farmers. This access to funding transforms cooperatives into resilient financial hubs that drive inclusive growth and market participation in their value chains.

D. Management Structure



This section outlines the key implementing structures responsible for executing the strategies and initiatives outlined in this manual. It defines their specific roles, mandates, and inter-agency coordination mechanisms to ensure effective implementation, monitoring, and alignment with national innovation goals and policies.

1) Roles and Responsibilities in Facilitating Access to Financial Services

The implementation of financial service interventions under the RAPID Growth Project involves coordinated responsibilities between the National Project Coordination Office (NPCO) and the Regional/Provincial Coordination Units (R/PCUs), aligned with key LogFrame and AWPB indicators.





The R/PCUs are primarily responsible for the facilitation and tracking of linkages between MSMEs, farmer organizations (FOs), and farming households with financial service providers (FSPs), markets, and producers.

They lead the groundwork in identifying eligible beneficiaries, coordinating with local FSPs, and monitoring the uptake of financial products and services across the value chain. This includes the facilitation of financing-related activities and capacity-building initiatives aimed at improving access to finance.

The NPCO, on the other hand, takes the lead in supporting the development of suitable and innovative financial products in collaboration with FSPs and relevant partners. This ensures that financial solutions are aligned with the unique needs of agri-based enterprises and value chain actors.

2) Contribution to Logframe Targets

Together, these units contribute to achieving the project's outcome targets, including expanded access to finance, improved financial inclusion, and strengthened value chain linkages.

LogFrame Indicator	AWPB Indicator	Responsible
2.b Number of MSMEs/FOs established linkage with producers/farmers, markets, and availed financial services for productive investments	3.1.1 Number of MSMEs availed of Financial services and products	R/PCUs
	3.1.2 Number of FOs availed of Financial Services	R/PCUs
2.a Number of Farming HH established linkage with markets, and availed financial services for productive investments	3.1.3 Number of Farming Households availed of Financial Services	R/PCUs
2.3.a Number of FSPs extend innovative and other value-chain financial services	3.1.4 Number of FSPs extend innovative/suitable and other VC Financial Services	R/PCUs
2.3.b Number of suitable financial products developed	3.1.5 Number of Suitable Financial Products Developed	NPCO
2.3.c Number of linkages to financial services established	3.1.6 Number of Financing related activities conducted or facilitated	R/PCUs
	3.1.7 Number of FOs linked to financial services	R/PCUs
	3.1.8 Number of MSMEs linked to financial services	R/PCUs



The R/PCUs are primarily responsible for the facilitation and tracking of linkages between MSMEs, farmer organizations (FOs), and farming households with financial service providers (FSPs), markets, and producers.

They lead the groundwork in identifying eligible beneficiaries, coordinating with local FSPs, and monitoring the uptake of financial products and services across the value chain. This includes the facilitation of financing-related activities and capacity-building initiatives aimed at improving access to finance.

The NPCO, on the other hand, takes the lead in supporting the development of suitable and innovative financial products in collaboration with FSPs and relevant partners. This ensures that financial solutions are aligned with the unique needs of agri-based enterprises and value chain actors.

2) Contribution to Logframe Targets

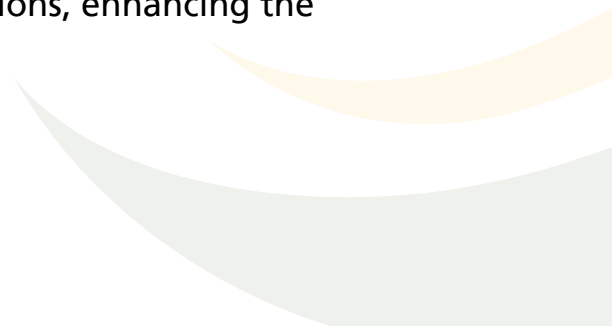
Together, these units contribute to achieving the project's outcome targets, including expanded access to finance, improved financial inclusion, and strengthened value chain linkages.

E. Monitoring & Evaluation



Establishing a robust monitoring and evaluation (M&E) system is crucial for tracking the progress of the program, measuring outputs and outcomes. Regular feedback from the implementing units and farmers and cooperatives beneficiaries should be collected to make any necessary adjustments to the program, ensuring it meets their evolving needs.

Furthermore, the data gathered through the M&E system should be analyzed to refine and improve future interventions, enhancing the effectiveness of the program in the long run.





Based on the updated definitions of the Project's Logical Framework indicators of Component 3, please be guided on what reports to gather and where to source the data as presented below.

Indicators	Target	Accomplishments	Source of Financial Service
Number of farming households availed financial services and products	70,000 farmers	<ul style="list-style-type: none"> Cacao, coffee, and banana farmers received matching grant for expansion & rehabilitation from RAPID; and cacao, coffee, coconut, and PFN farmers who were able to use productive investments of coops from RAPID 	RAPID MG
		<ul style="list-style-type: none"> Farmers availed loan and/or cash advances from their FO, other FSP, and/or buyers 	From their own FO, other FSP, buyers
		<ul style="list-style-type: none"> Farmers who put up additional savings to their coop, other FSP 	From their own FO
		<ul style="list-style-type: none"> Farmers who put up additional paid-up capital to their FO 	From their own FO
		<ul style="list-style-type: none"> Farmers who availed insurance 	PCIC, CLIMBs, their coop, etc.
		<ul style="list-style-type: none"> Farmers who received remittances 	From OFW or local remittance
		<ul style="list-style-type: none"> Farmers who received grants & in-kind products like farm inputs, tools, and cash for work support 	From other enablers (LGU, DA, DAR), or their own FO
Number of MSMEs availed financial services and products	1,050 MSMEs/ FOs	<ul style="list-style-type: none"> FOs/MSMEs received matching grant for productive investments 	RAPID MG
		<ul style="list-style-type: none"> FOs/MSMEs availed credit (either for equity counterpart for MG, working capital, credit line/ wholesale fund) 	From FSPs, other coop, and enablers (LGU, NGAs, etc.)
		<ul style="list-style-type: none"> FOs who availed cash advance/ bridge financing as buying fund for consolidation of product 	Buyers, FSPs
		<ul style="list-style-type: none"> FOs/MSMEs availed insurance and guarantee funds 	PCIC, CLIMBS, AGFP, FSPs, etc.

