



dti IFAD
Investing in rural people

R>PID
GROWTH
PROJECT

RAPID PROJECT: PROGRESS OF IMPLEMENTATION

as of 31 October 2024

Mysol G. Booc
RAPID Project Manager

IFAD - Implementation Support Mission



Presentation Outline

Part 1: Physical implementation progress

- 1.1. Progress of Reach/Targeting Strategy
- 1.2. Progress vis-à-vis OWPA and AWPA
- 1.3. Progress under Outcome 1: Collaborative action plans & commercial partnerships among VC Stakeholders (Output indicators)
- 1.4 Progress under Outcome 2 (2023 AOS): Access to producers, markets, and suitable investment finance (Output indicators)
- 1.5 Challenges and Ways Forward

Part 2. Financial Progress

IFAD - Implementation Support Mission, 15-25 Nov 2024



Physical Implementation Progress

Progress of Reach/ Targeting Strategy



IFAD - Implementation Support Mission, 15-25 Nov 2024

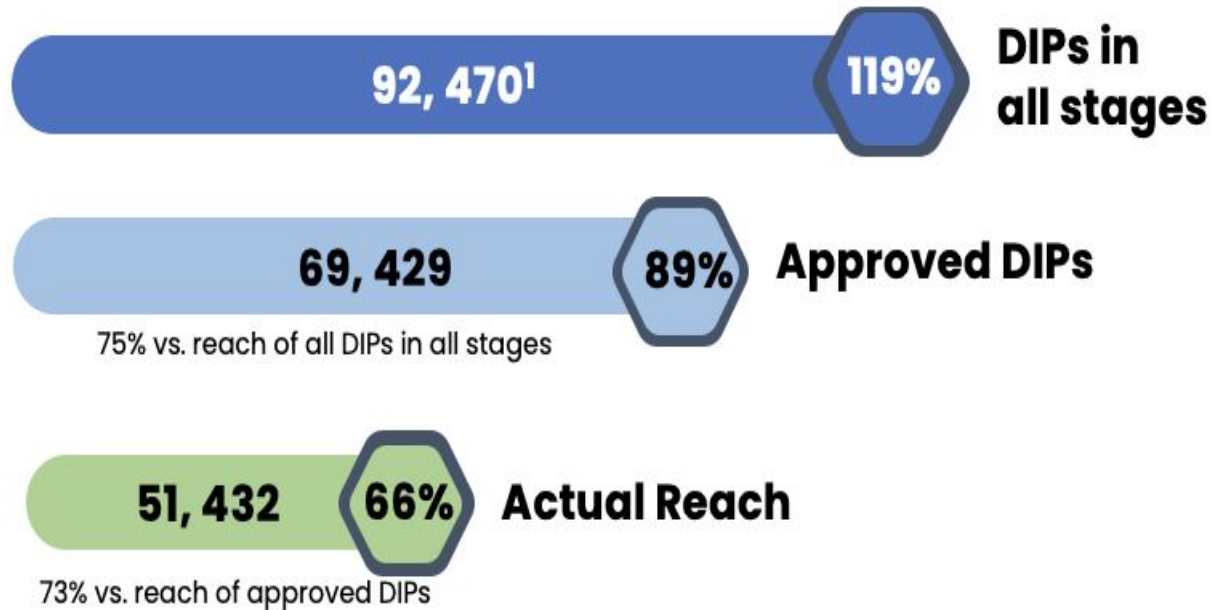


Projected Reach of Smallholder Farmers

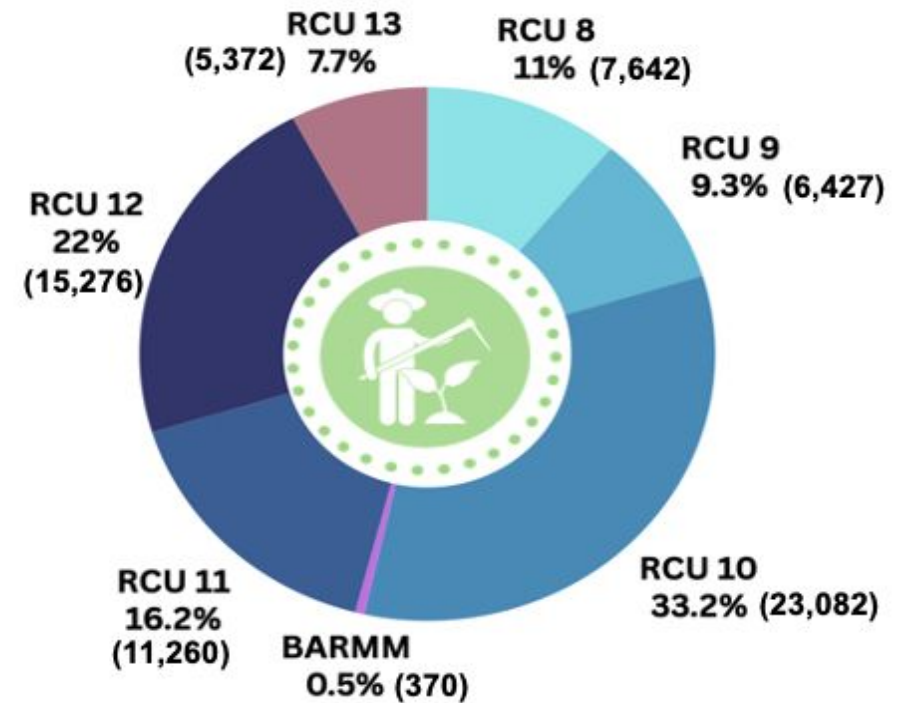


78,000
EOP Targets

Projected vs. Actual Reach



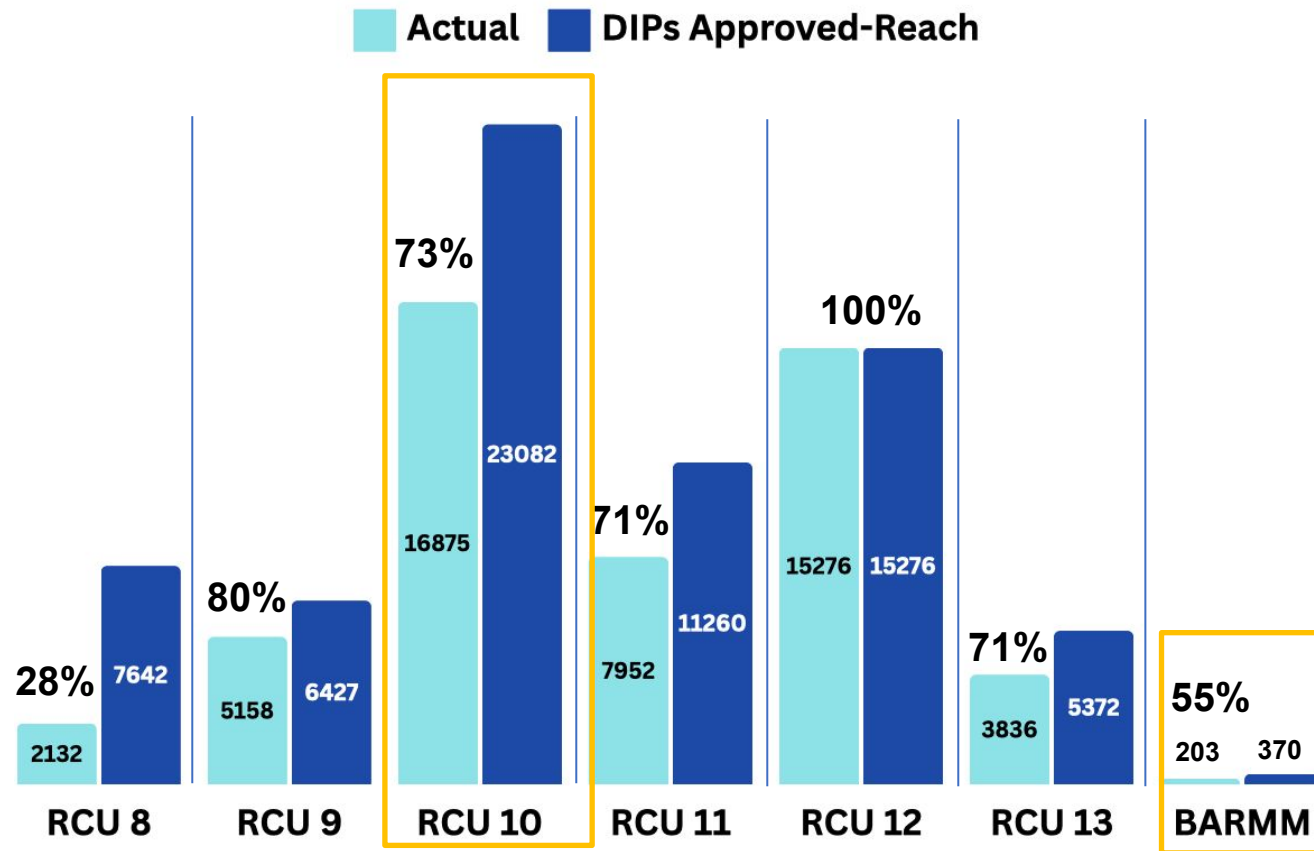
Reach Distribution by Region based on approved DIPs



Total: 69,429

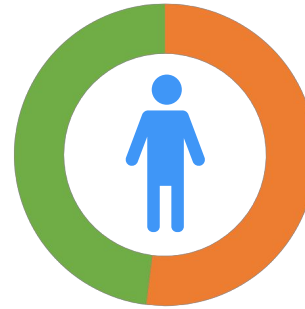
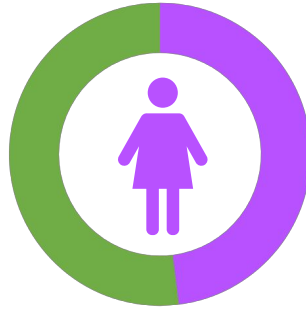
Reach of Smallholder Farmers by Region

Actual Reach vs. Approved DIPs-Reach by Region



Projected Reach of Smallholder Farmers by Sector (based on approved DIPs - 69,429 SHFs)

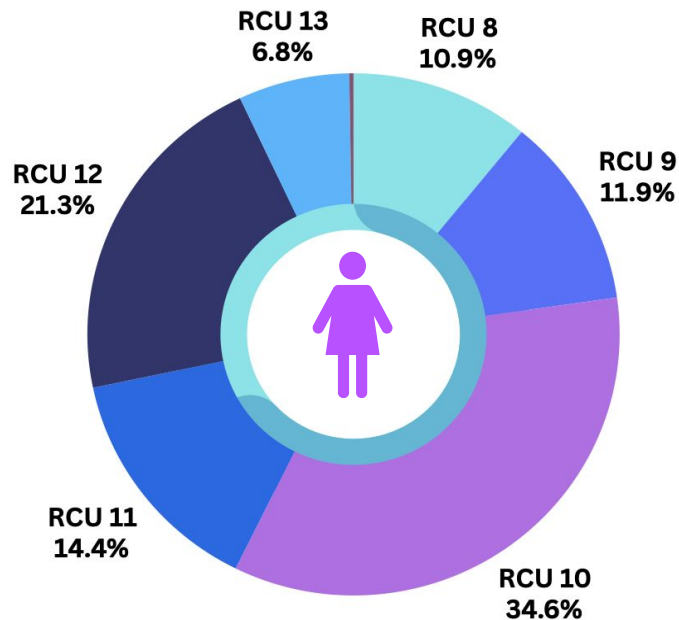
48%
33,100



52%
36,329

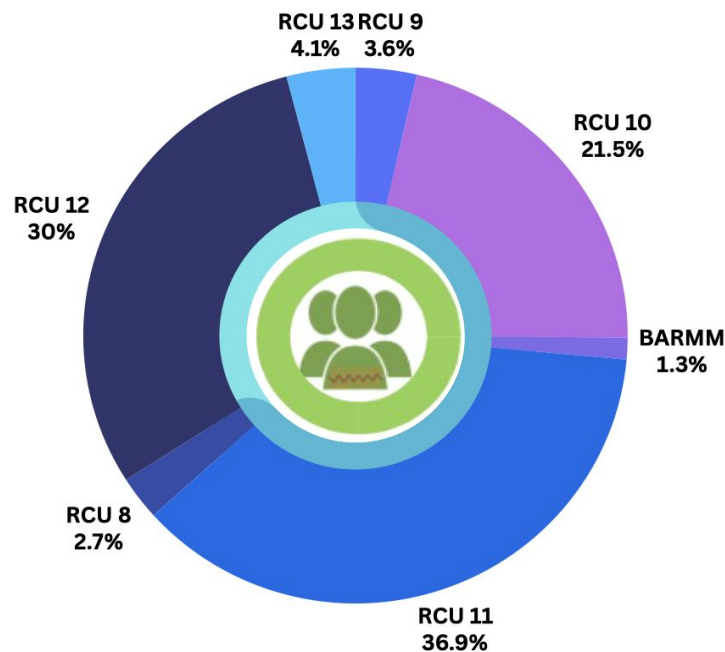
Women by Region

33,100 (48%)



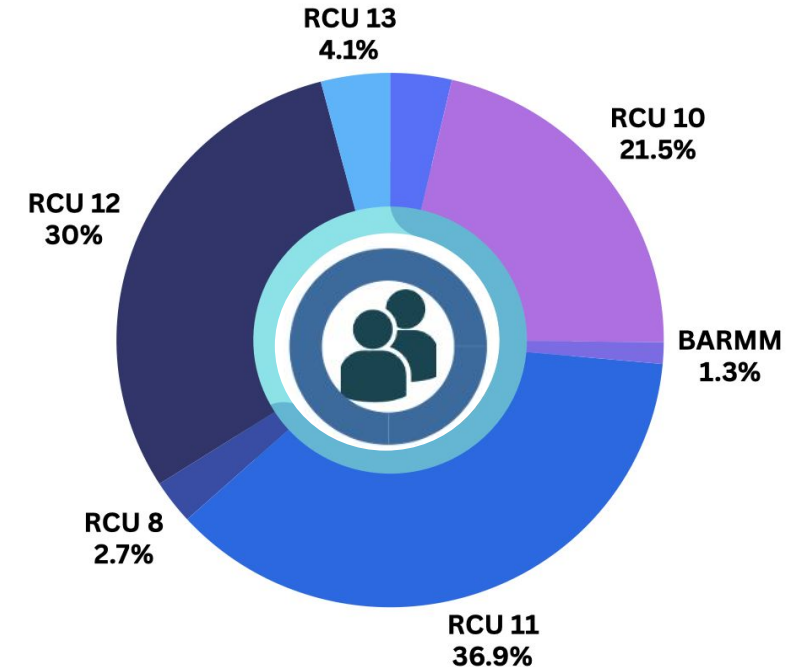
IPs by Region

9,437 (14%)

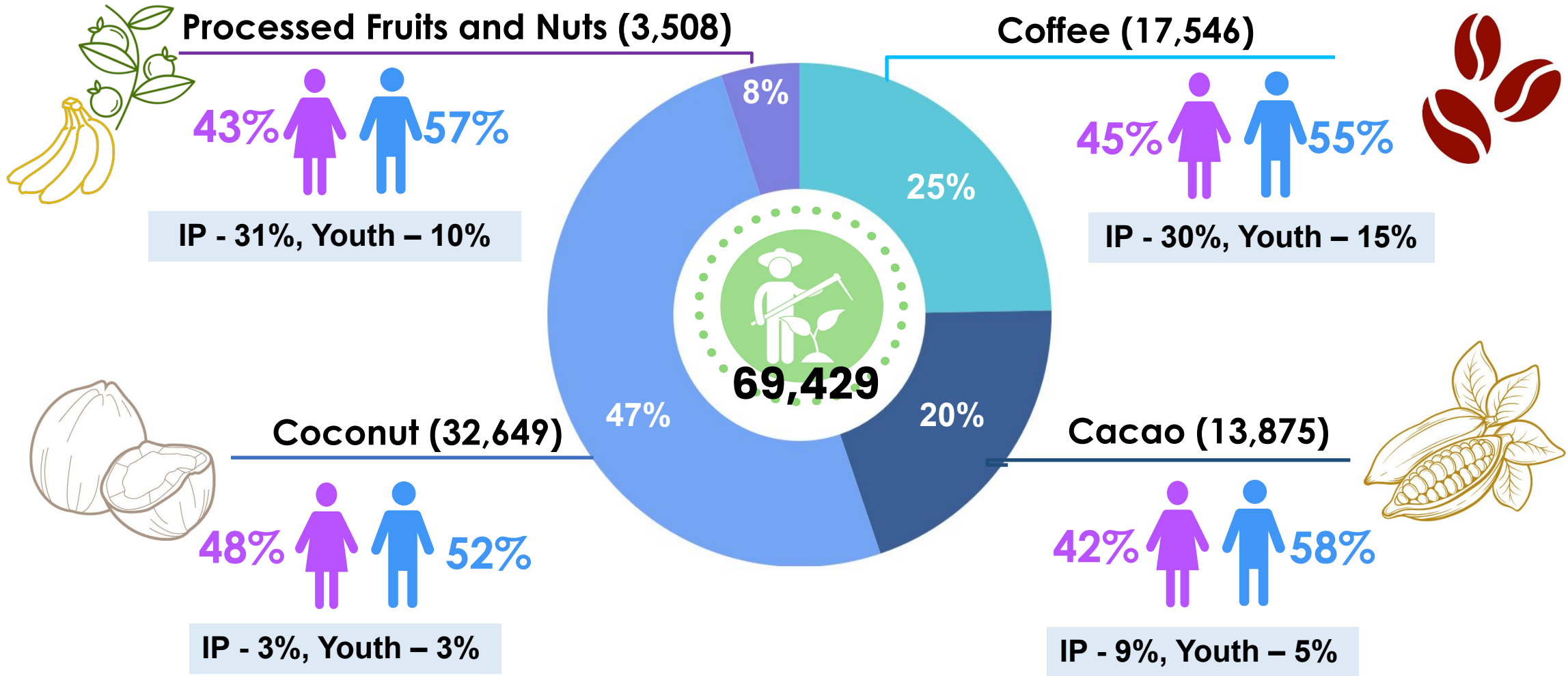


Youth by Region

5,370 (8%)



Projected Reach of Smallholder Farmers by Commodity (approved DIPs)



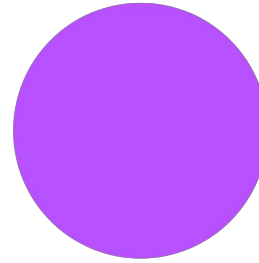
Projected Reach of Smallholder Farmers by Sector vs EOP

Approved DIPs Projected Reach vs. EOP

48

%

33,100



Women

8%

5,370



Youth

12%

9,437



IP

Actual vs. EOP Targets

32%

25,193



5%

3,876

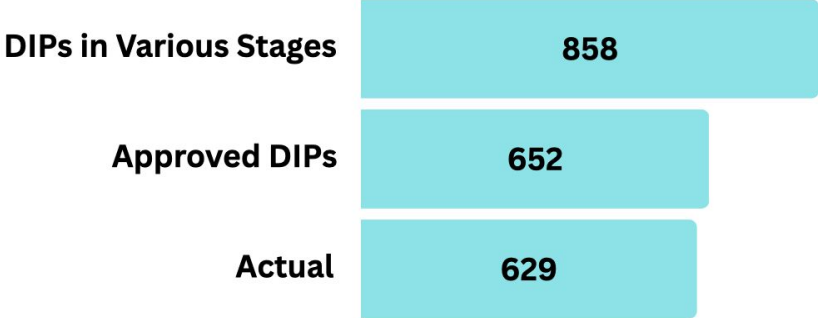


10%

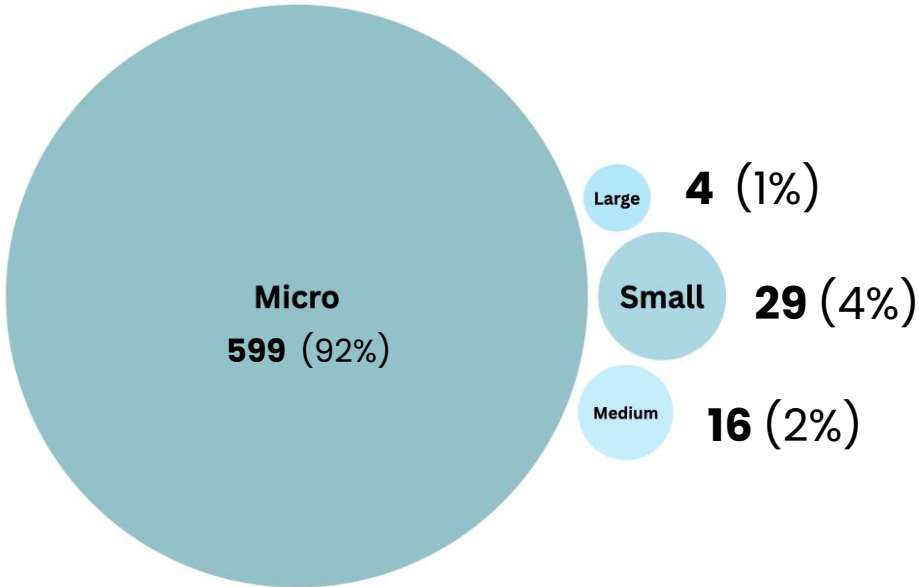
7,613



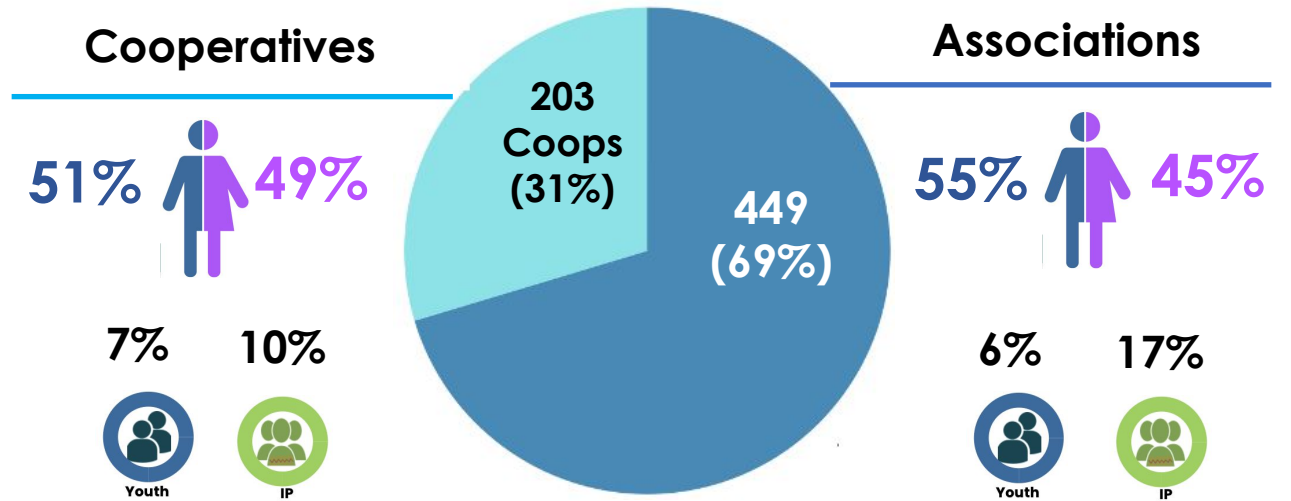
Projected Reach of Farmer Organizations



FOs by Asset Size (Approved DIPs)



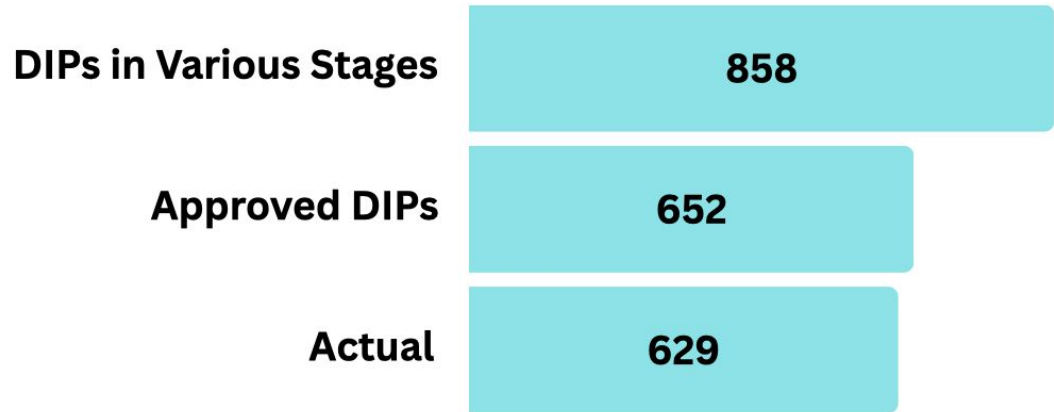
of members per type of FO (652 FOs of Approved DIPs)



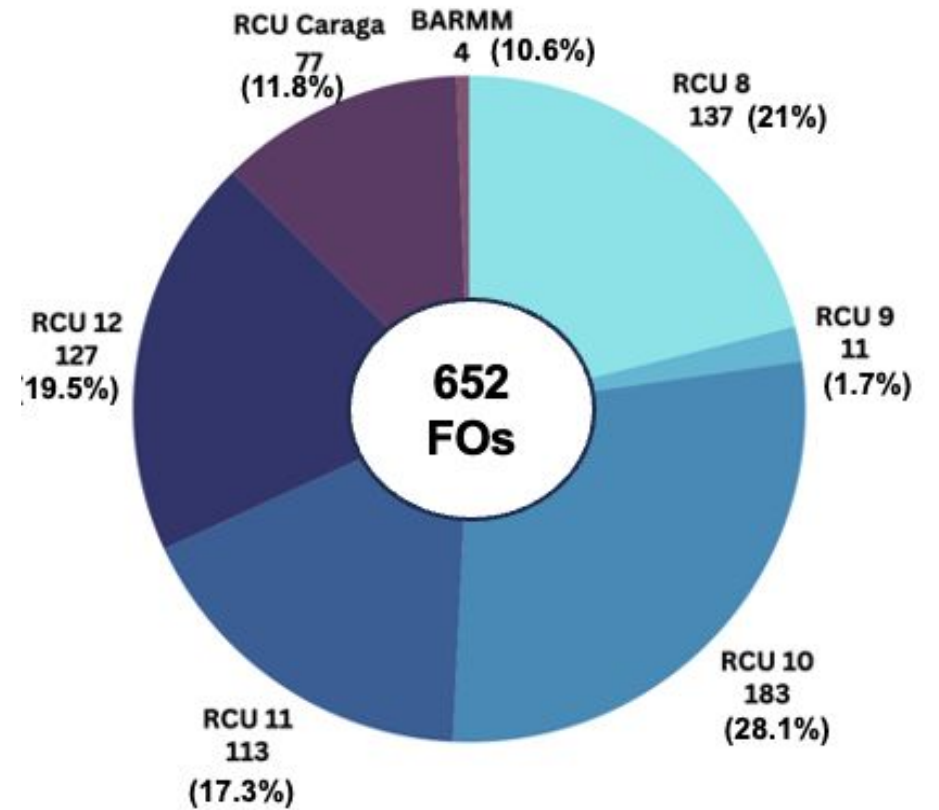
Projected Reach of Farmer Organizations



FOs in various DIP Stages

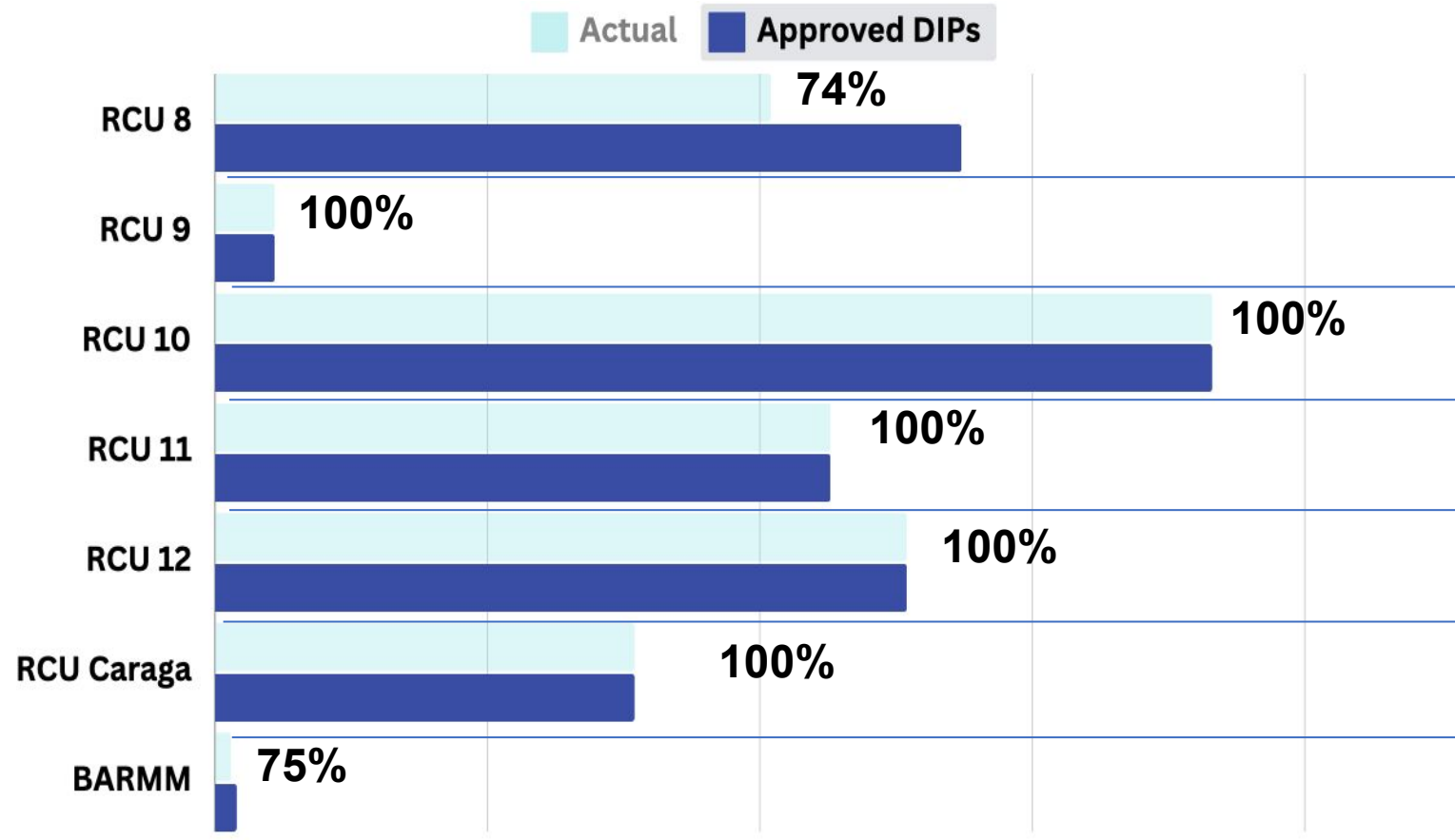


Projected Reach by Region based on approved DIPs



Projected Reach of Farmer Organizations

Actual vs. DIP Approved Reach by Region

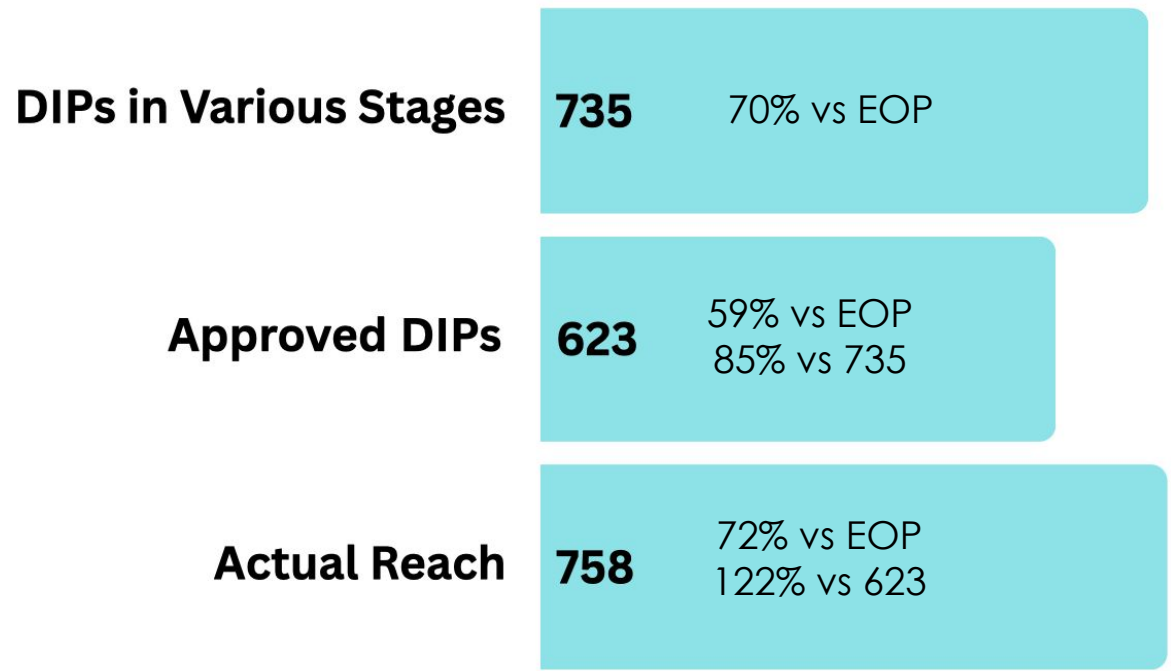


Projected Reach for MSMEs



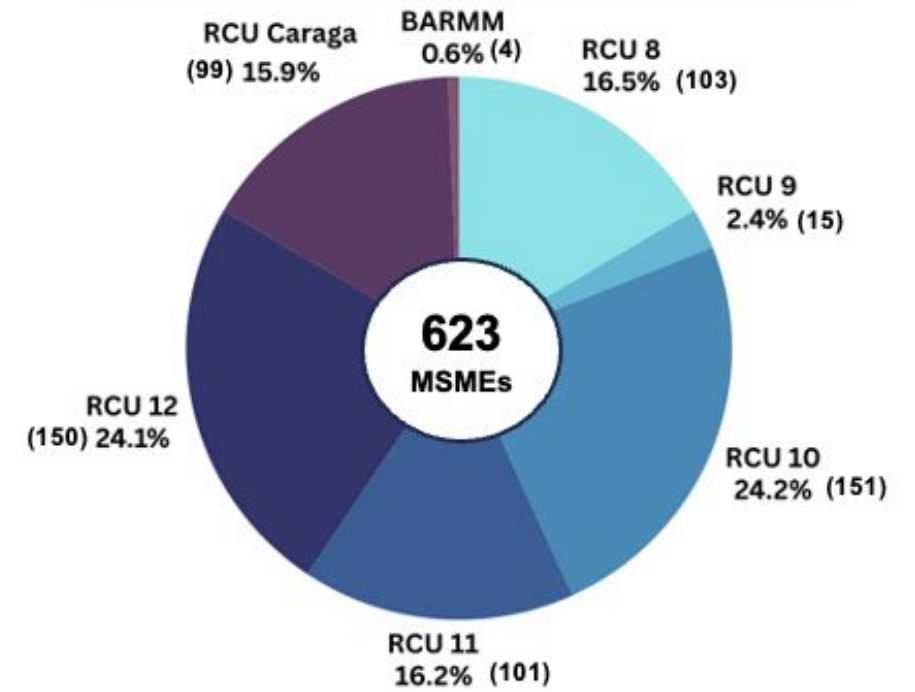
1,050 L/MSMEs
EOP Targets

MSMEs in various DIP Stages



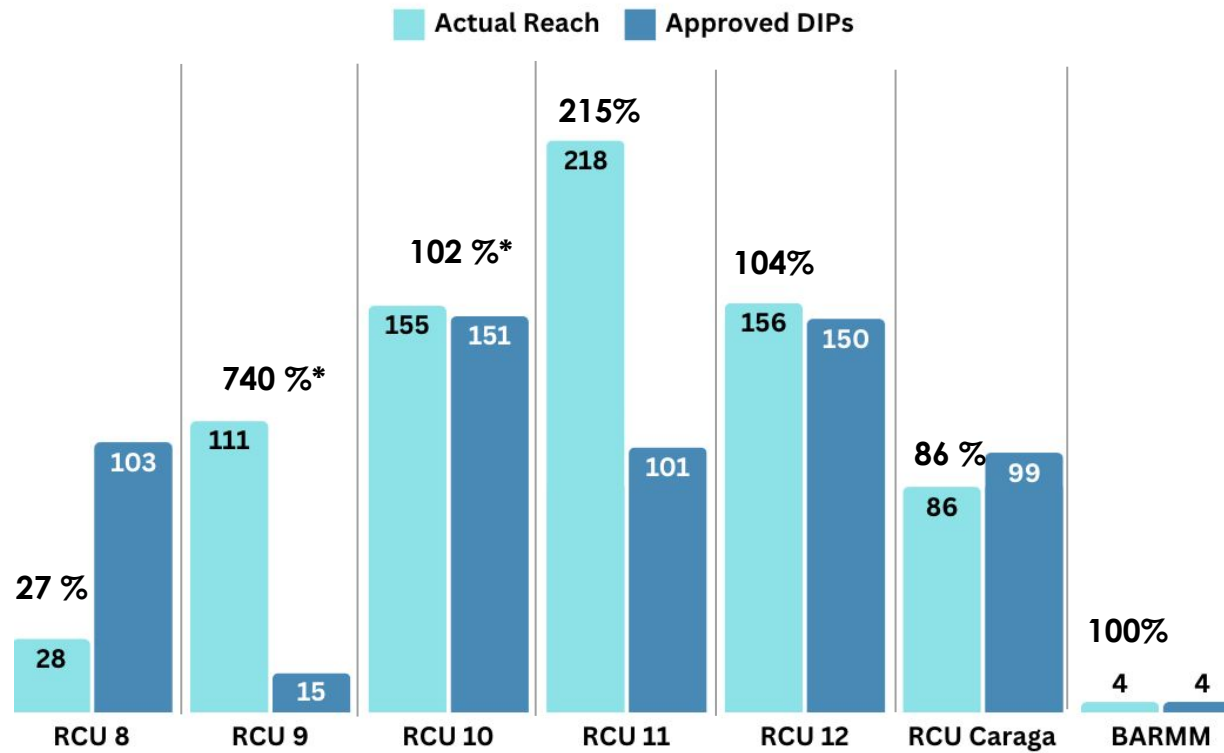
Projected Reach by Region

based on approved DIPs



Projected vs. Actual Reach of MSMEs

Actual Reach vs. Approved-DIPs Reach by Region



**includes MSMEs who are not part of the DIPs but have received various interventions through the Project*

Other Updates: GEWE and Social Inclusion

On Youth Targeting

- The Project's definition and targets for youth based on the logframe were reviewed and updated to recognize the critical roles of youth in other functions of the value chains and increase youth participation. (SISM AM Appendix 5)

Proposed youth definition/selection criteria (for IFAD review/approval): *Those who qualify the operational definition of youth and qualify any of the conditions : (i) Those who qualify under the operational definitions of smallholder farming households* and MSMEs; (ii) With specific functions/roles in the operations of the FOs or MSMEs identified in the DIPs***

** Youth farmers with parents already pre-identified/profiled as SFHs will be accounted as indirect beneficiaries.*

***A separate profiling form will be prepared*

Reduction of youth's end-of-project outreach targets to 7,800 (from 20%) – for IFAD Approval and focus more on implementing strategic interventions that shall address the needs and bottlenecks of youth in scaling up within the identified value chains of the project.

Other Updates: GEWE and Social Inclusion

□ The Project conducted Initial data collection (ao of 15 Sep) to **establish the baseline data of women, including youth, in leadership and management positions and FOs with existing women/youth committees or plans (SISM AM par. 33)**. Data from 509 FOs gathered the following results:

- 885 Women in Leadership Positions
- 707 Women in Management Positions
- 32 Youths in leadership positions
- 77 Youths in management positions
- 77 (15%) out of the 509 FOs with existing GAD Committees
- (3.7%) out of the 509 FOs with existing Youth Committees

Another round of data gathering (online) was cascaded to update initial data. Data to be integrated into upcoming project monitoring tools/surveys.



Other Updates: GEWE and Social Inclusion

- Partnerships with the Youth Entrepreneurship Program for 19 RAPID Project Activities initiated by the implementing units. During the Youth Forum last August 7-8, 2024, DA ATI presented their youth-related programs that the RAPID Growth beneficiaries may avail. (SISM par.74)
- Youth Forum last August 7-8, 2024, DA ATI was able to present their youth-related programs that the RAPID Growth beneficiaries may avail.
- The revised Omnibus Guidelines of the Matching Grant of the RAPID Project (for review/approval) proposes a special Matching Grant to Counterpart Ratio of 95%:5% for organizations with significant memberships from Women, Youth, Indigenous Peoples, qualified Farmer Cooperatives, and Associations¹.



¹At least one of the following criteria is satisfied: (1) At least 45% of the farming members are women; (2) At least 18% of the farming members are youth (18yo-30yo); (3) At least 15% of the farming members are IPs

Emerging Gains/Good Practices on Targeting/Reach

- FO fallouts seeking re-consideration after witnessing the roll-out of RAPID assistance and the market's positive response.
- New/interested FOs and MSMEs expressed interest in being part of the Project.
- Partners helping identify other potential SHFs/FOs for possible inclusion in the DIP
- Close coordination with LGUs/local agency partners in identifying new FOs for replacement/additional potential reach.
- Participation of non-RAPID beneficiaries during capdev sessions and modeling of RAPID beneficiaries' farms to non-RAPID beneficiaries – encouraged the involvement of more farmers in the Project.
- Incorporation of GESI during basic organizational management training workshops in each FO.

**Overall Weighted Physical
Accomplishment (OWPA)**
As of 31 October 2024

OWPA – 72.76
with a slippage of 4.35

Time Elapse at 66%
(ending in June 2027)

**Overall Annual Weighted Physical
Accomplishment (AWPA)**
As of 31 October 2024

**CY 2024 AWPA –
53.03**

Component	Weighted Target	Weighted Actual	Weighted Slippage
Component 1	88.758	43.598	-45.160
Component 2	2.344	2.103	-0.241
Component 3	0.252	0.092	-0.161
Component 4	0.522	1.043	0.522
Component 5	8.125	6.197	-1.928
Total	100.000	53.032	-46.968

Physical Implementation Progress

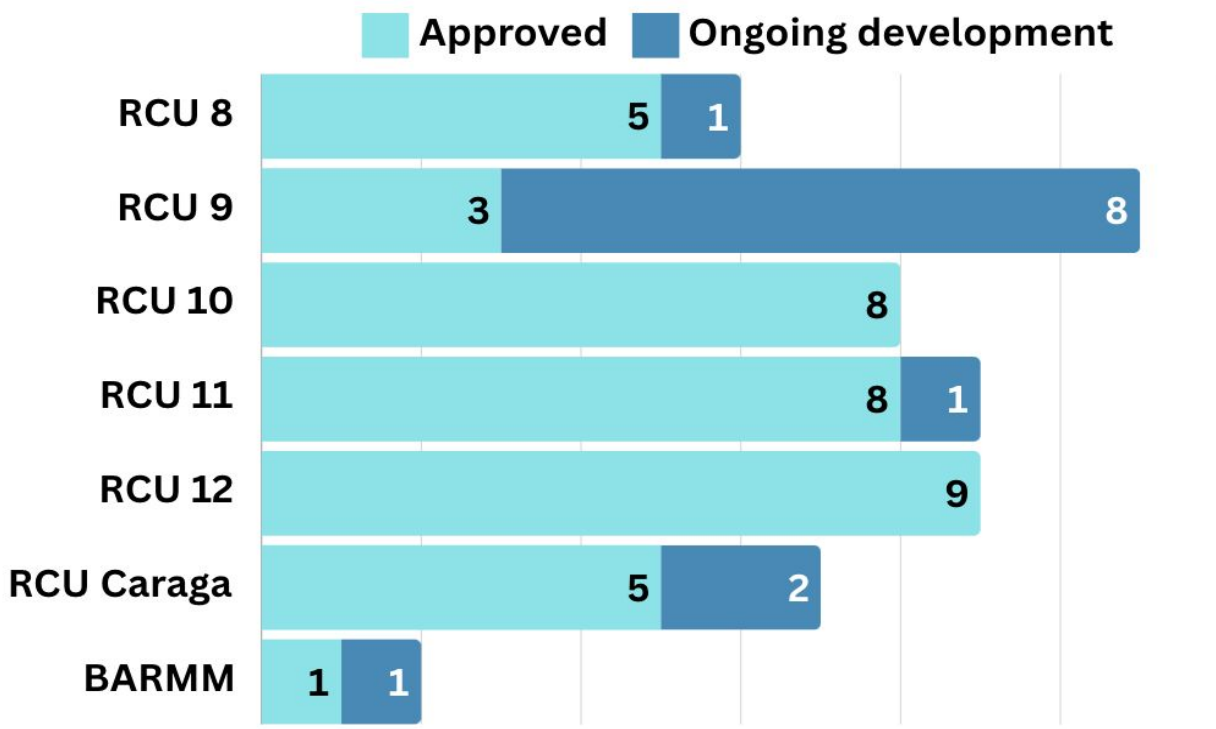
**Progress contributing to Outcome 1:
Collaborative action plans &
commercial partnerships among VC
Stakeholders**

IFAD - Implementation Support Mission, 15-25 Nov 2024



Progress of Detailed Investment Plans (DIPs)

Total of 52 DIPs in various stages
(39 Approved, 13 Ongoing Development)

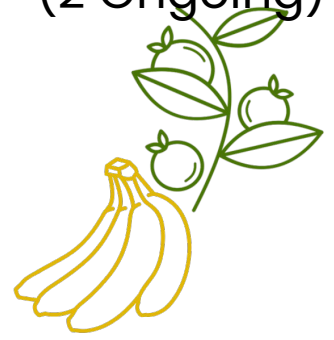


of DIPs by Commodity

10 Coffee (Approved)



6 PFN (Approved)
(2 Ongoing)



12 Cacao (Approved)
(1 ongoing)



11 Coconut (Approved)
(2 ongoing)



Outcome 1: Collaborative action plans & commercial partnerships among VC Stakeholders



21/21 (100%) networks of Negosyo Centers supported RAPID Project activities; **10,850** beneficiaries assisted (Male-50%; Female-50%)

- **Administrative and logistical support** in the conduct of project activities (Majority of existing support/role)
- **Complementation with RAPID Project interventions** through the provision of additional access to NC-based capacity-building activities and services



WAY FORWARD

Defining and strengthening NC's role as one of the extension services providers

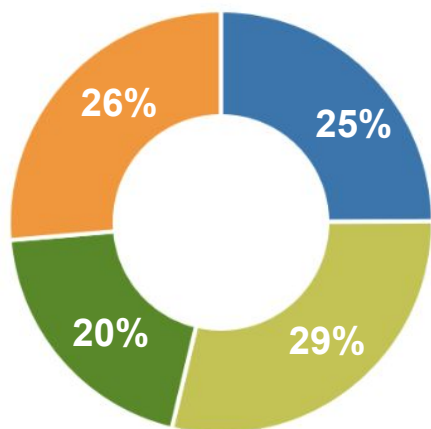
- NCs will be an integral part of the RAPID Project's extension services framework and sustainability mechanism

Outcome 1: Collaborative action plans & commercial partnerships among VC Stakeholders



21/21 (100%) pool of qualified **service providers per province** set up

Type of BDSP expertise



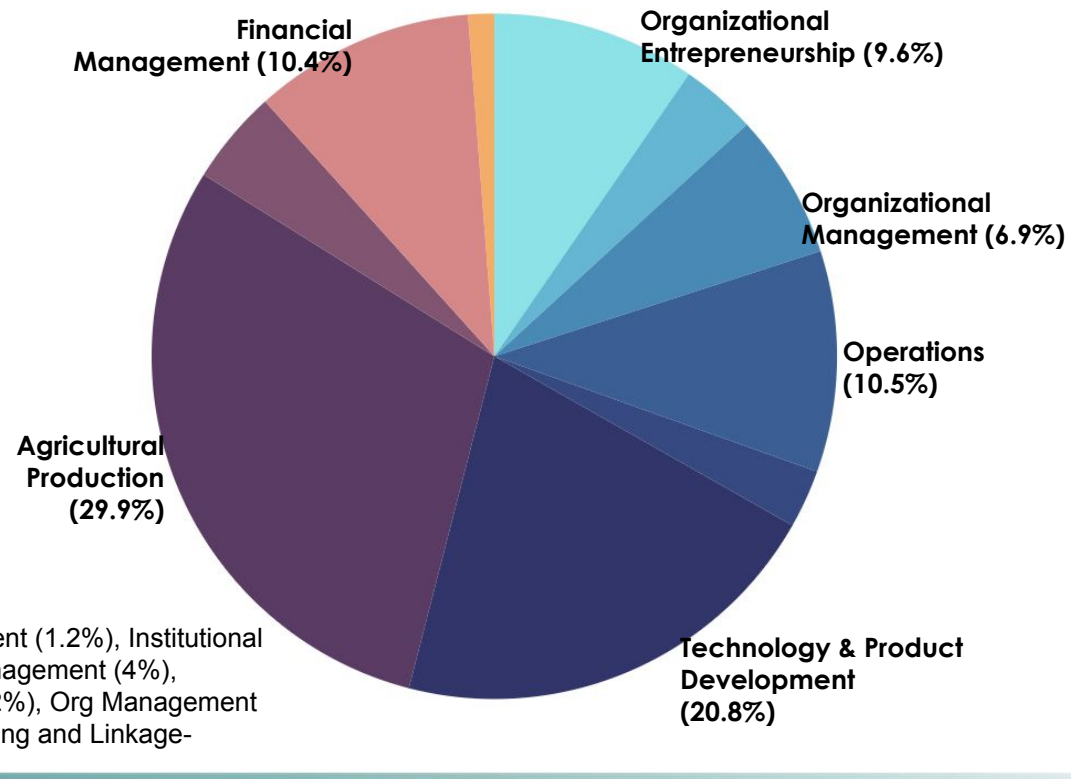
- Entrepreneurial
- Agri-technical
- Extension Service
- Organizational

BDSPs by Type



1,727 (59%)
Implemented

2,913
Total Target



Other Updates on Capbuild Activities

- Set up of the Extension Services Delivery System
 - Training of Coffee Mentors
 - Training of Cacao Mentors/Masters/Ambassadors

- EDT finalized integrating comments from the Consultant. EDTs are operational in complementation with the DIP Implementation Review Process (SISM AM par.22)

- Partnerships with other organizations for capbuild of special Sectors. (SISM AM par. 20) (i) Blue Green Economy Training for Youth with the Education Development Center conducted; (ii) Activities for youth with YEP

Other Updates on Capbuild Activities

- Capacity-building interventions to mitigate the negative impacts of climate change were conducted (SISM AM par.24)
 - (i) SECAP Orientation with Project staff, which developed Action Plans to mainstream/implement SECAP;
 - (ii) Agricultural production capbuild activities introducing practices that address soil degradation and climate change (e.g. use of organic fertilizers, SALT)



Emerging Gains on Capbuild

- Improved quality of farmers' produce that meets/conforms with the market standards
 - Higher price offer

- Indications of the adoption/application of the cap build by the beneficiaries as observed/reported by beneficiaries :
 - More organized and effective financial management practices.
 - Changes in their practices or improvements in their management approaches
 - Reduced post-harvest losses
 - Standards in planting distance, holing depth, and standard care and maintenance practices observed (as validated in the field)

Emerging Good Practices on Capbuild

- Convergence with partners in the implementation of capbuild with project beneficiaries (e.g., Academes, NGOs, NGAs, LGUs)
 - Resources of partners tapped in the implementation of project activities (while awaiting release of project funds)
- Partnership with Negosyo Centers in the implementation of activities
- Mentoring Sessions with/handholding FOs to graduate to Cooperatives.

Challenges

- Delays in fund transfer resulting in delays in the conduct of cap build activities and unavailability (schedules) of competent BDSPs.

Outcome 1: Collaborative action plans & commercial partnerships among VC Stakeholders



302/100 (302%) Commercial Partnership Agreements (CPAs) Signed

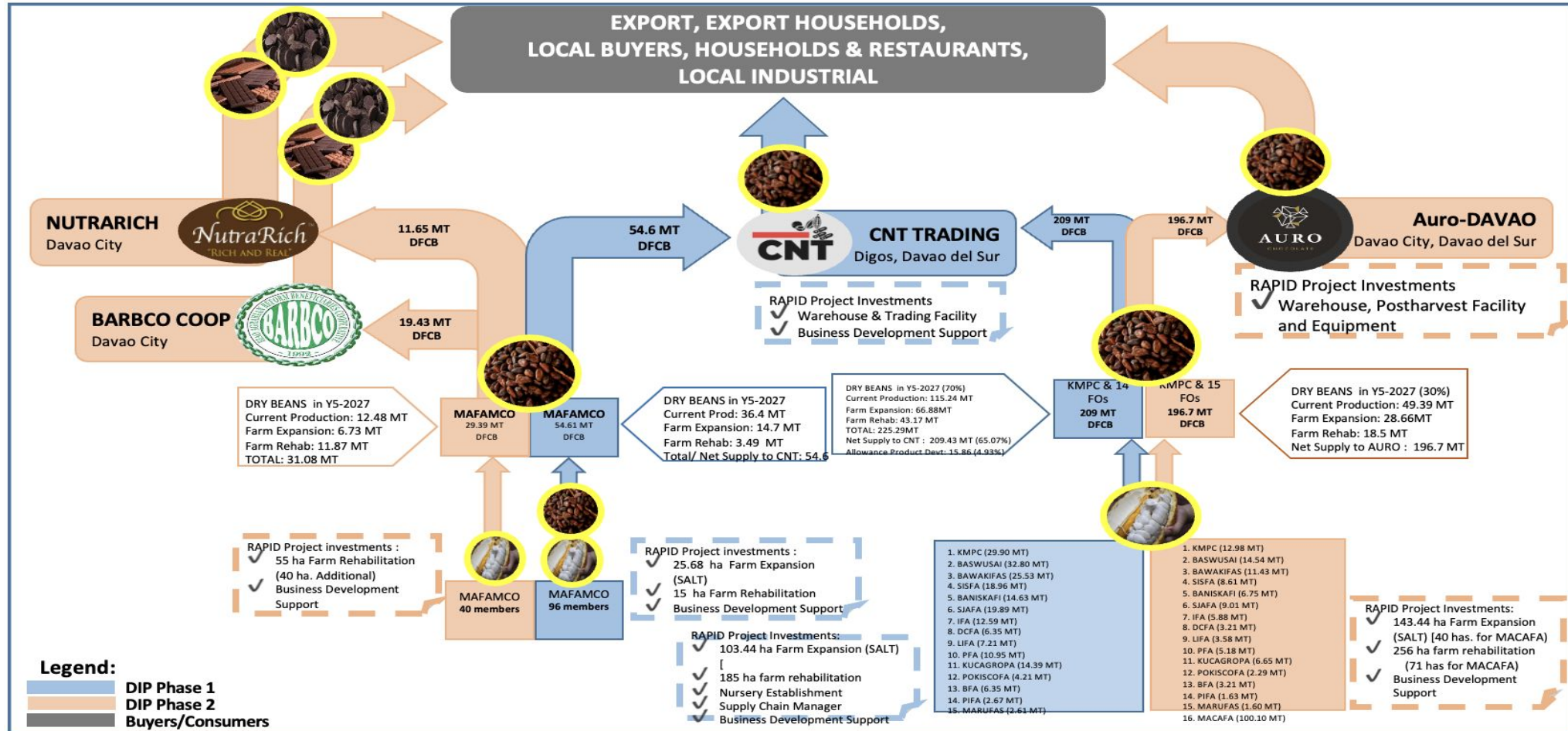
- **Integration of better CPA incentives such as:**
 - Technical assistance/capbuild (e.g. product quality)
 - Technology transfer
 - Access to financing (e.g., cash advances, credit)
 - Favorable/higher farm gate price and provision of premium
 - Priority lanes/schedules (e.g., delivery)



Evolution of the Market Development Models is observed/ongoing due to the dynamics within the value chain; and other factors such as pricing and incentives scheme, new product trends, and technology

Outcome 1: Collaborative action plans & commercial partnerships among VC Stakeholders

Evolution of Market Model



Credit to RCU 11 for developing the diagram

Emerging Gains

- The multi-anchor firm approach has provided multiple market opportunities for the FOs and, at the same time, for the individual farmers. With this approach, they can avail themselves of competitive price offers from several markets and ensure the absorption of their supply. (R9 – Granex Plus)
- Better prices and terms for the FOs and its members
- Increase in the delivery of goods to anchor firms, making FOs significant suppliers of anchor firms.
- FOs provided direct access to markets.
- FOs initiative of working together and assigning FO as the main consolidator.

Emerging Good Practices

- Conducted a comprehensive market analysis to identify growth opportunities and consumer trends, enabling businesses to tailor their products and services to meet market demands effectively.
- Digital Marketing Support in adopting digital marketing tools and platforms, enabling them to reach a broader audience and increase sales through online channels.

Challenges

- The limited ability of the lead FO to finance the buying operations from members, hinders the delivery of the expected volumes.
- Other farmers sell their produce to other buyers to secure immediate cash.
- The emergence of other small groups (within the FO), acting as mini-consolidators of their co-members to supply with another buyer (due to commitment) other than the identified main consolidator.
- Continuing presence of traditional traders in the locality willing to buy in cash at better prices
- Change/increase of the monthly volume requirement to attain price incentives from GRANEXPORT not achievable for Hubs due to limitations of working capital

Physical Implementation Progress

Progress contributing to Outcome 2:
**MSMEs secure the necessary access to
producers, markets and suitable
investment finance**

IFAD - Implementation Support Mission, 15-25 Nov 2024



Outcome 2: Access to producers, markets, and suitable investment finance



160/250 (58%) market linkages established through trade promotion activities participated by **266 MSMEs**;

UPDATE

Strategic B2B activities /negotiations are pursued to further improve the efficiency in using budget for trade promotions

The Project recently signed MOU with the European Chamber of Commerce of the Philippines for collaborative efforts in linking RAPID beneficiaries with more competitive buyers (ECCCP member companies and potential exports to Europe)

Outcome 2: Access to producers, markets, and suitable investment finance



10 /10 (100%) FSPs extend suitable VC financial services

FSPs extending VC Financial services to project beneficiaries:

- **Government Financial Institutions (GFIs)** – 3 (Agricultural Credit Policy Council (ACPC), Small Business Corporation (SBC), Landbank of the Philippines (LBP))
- **Insurance** – 2 (Philippine Crop Insurance Corporation (PCIC), CLIMBS Life and General Insurance Cooperative)
- **Coops** – 5 (BARCO, FACOMA, SVARBEMCO, ALNEMPCO, KAMADA)

Outcome 2: Access to producers, markets, and suitable investment finance



22/10 (220%) FSPs extend suitable VC financial services

Financial Products were developed to provide farmers and enterprises with access to financial services¹ that will support them in improving their productivity, managing risks (including those related to climate change), and building resilience during challenging times.

- **Cooperatives** – 19 Cacao FOs²
- **Government Financial Institutions (GFIs)** : LBP, Development Bank of the Philippines, SBCorp

¹Financial services include credit, savings, additional paid-up capital, insurance and supporting initiatives for financial inclusion such as grants and in-kind products like inputs and cash for work support.

²i. RCU 8 - Lamac MPC (1), ii. RCU 9 - MIFAMCO, FACOMA, PIMCO (3) ;iii. RCU 10 - OIC, BAFAI (2); iv. RCU 11 - BARBCO, MAGSIGE, MAGROW, Kapalong Coop, LAMPCO, BCS MPC, MIDIECO, MAMPCO (8); v. RCU 12 - Sta. Cat MPC, Tibud SKMPC, LSOAMPC (3); vi. RCU 13 – NGPI MPC, BCBMPC (2)

Outcome 2: Access to producers, markets, and suitable investment finance



19,331/70,000 (28%) Farming households availed financial services

- The Project facilitated access of project beneficiaries to the following financial services:

Type of Financial Services	# of smallholder farmers who availed services
Matching Grant Funds	18,608
Loans	2,708
Insurance Services	402
Savings	1,076
Paid-up capital	120
Farm inputs	216

Outcome 2: Access to producers, markets, and suitable investment finance



7/40 (18%) enterprises benefitting from equity financing

Seven firms approved to avail the equity financing. Four SMEs accessed 20.7 million in equity investments. Equity investments of three companies pending for release.

Two firms approved (approved in principle) to avail 10.5 million.

Eight firms in the pipeline – ongoing review and evaluation, compliance to requirements

Updates on Joint Venture for Innovation Fund

1. Meeting with NEDA was initiated in consultation with the joint venture guidelines last April 2024
2. From OGCC opinion, SBCorp may undertake joint ventures with MSMEs/Cooperatives upon approval of BSMED Council ; SBCorp to draft JV Guidelines
3. Review of Join Venture Guidelines with NEDA
4. SBCorp is allowed by GCG to enter into a JV agreement with a private entity.
5. Challenge: JV guidelines are for large corporations and government agencies.

Other Updates

- ❑ **Enhanced Access to Finance Tracker** utilized to gather data on financial services accessed by project beneficiaries (SISM AM par. 45) .
- ❑ **Collaboration with ACDI-VOCA in providing technical assistance to FSPs.** The Cacao Value Chain Finance workshop was conducted in September. The session identified challenges and opportunities in agricultural value chain financing and developed/enhanced/expanded FOs' financial service offerings integrating risk mitigating measures among other features.
- ❑ 2 more value chain finance workshops for coffee and coconut to be conducted early next year.



MG Implementation Updates

- **Omnibus MG Guidelines updated** (SISM AM par.30). The major updates are: (1) Across-the-board increase of MG Rates and Cap; (2) Opening of MGs to other VC Actors; (3) Use of MGs for SECAP Investments; (4) Policy on Changing of Productive Investments; and (5) Policy on utilization of excess MG amount.
- The updated guidelines target to maximize the funds allocated under Matching Grants Category

MG Funds Status

	Expansion	Equipment/Facilities (Productive Investments)	Total
Matching Grants based on Approved DIPs	334,498,788.00	98,429,404.13	432,928,192.13
Released MGs	119,614,433.00	21,537,336.89	141,151,769.89
Pending MGs for Release	147,929,300.00	32,738,593.00	180,667,893.00
Proposed MG Amount in Ongoing DIPs	50,232,140.00	84,207,242.36	134,439,382.36

MG Implementation Challenges, Actions Taken

CHALLENGES/ HINDERING FACTORS	Actions Taken / Recommendations	Lessons Learned
<ul style="list-style-type: none"> • Fallout and disengaged beneficiaries due to the following: <ul style="list-style-type: none"> - FO incapability to provide the 40% counterpart - Smallholder farmers' financial capacity to fund its production • Various delays at the FO Level <ul style="list-style-type: none"> - MG request by FOs due to delayed opening of bank account - Release of loan (for equity counterpart) due to unavailability of loan conduit in the province - Long process of loan application from conduit 	<p>Tap big cooperatives who are extending assistance to smaller groups in their funding requirements for Marketing and lending to its members</p> <p>PCU assisted the FOs in preparing required documents for its loan application from an ACPC conduit</p>	<p>In-depth Assessment on the Maturity Level and Financial Capacities of Farmers Organizations and MSMEs for Productive Investments (upstream and downstream) as early as investment planning stage is very vital</p>

MG Implementation Challenges, Actions Taken

CHALLENGES/ HINDERING FACTORS	Actions Taken / Recommended Action Plan
<ul style="list-style-type: none"> • Some of the DIP proponents opted to avail from other govt funded projects which are fully grants • High mortality rate of seedlings due to El Nino • Difficulties in procurement <ul style="list-style-type: none"> - Unavailability of suppliers or fabricator of productive investment - Timely procurement of seedlings 	<p>Proposed Review of the Equity Counterparting and Investment Cap of Matching Grants</p> <p>Negotiation with suppliers to allocate % for mortality rate</p> <p>Scanning of potential suppliers at planning stage to avoid delays in procurement</p> <p>Seedlings procurement needs right timing in terms of available supply, right time for planting, availability of labor, etc.</p>

Estimated MG Fund to be utilized by EOP:

Regions	# of MSMEs+FOs (Regional Commitment)	% Share	Proposed MG Allocation by EOP (in addition to the already downloaded and pipelined MGs)
Region 8	150	12.25%	49,019,607.84
Region 9	160	13.07%	52,287,581.70
Region 10	279	22.79%	91,176,470.59
Region 11	246	20.10%	80,392,156.86
Region 12	180	14.71%	58,823,529.41
Caraga	169	13.81%	55,228,758.17
BARMM	40	3.27%	13,071,895.42
Total	1224	100.00%	400,000,000.00

Outcome 2: Access to producers, markets, and suitable investment finance



8 FMRs completed with 16.33 kms.

**4 PILOT FMRs @ 11.17
KMs worth Php 173.87
Million**

- **4 PILOT FMRs completed with 11.14 kms of**

**7 FMRs for 2ND BATCH @
8.8 KMs worth Php 168.9
Million**

- **2 FMRs completed with 2.61 kms**
- 4 FMRs are ongoing with 2.55 kms completed
- 1 FMR is suspended, which completed .48 kms

15 FMIs for 3RD BATCH

- **2 FMRs completed with 2.58 kms**
- 3 FMRs are ongoing with 3.22 kms
- 6 FMRs ongoing procurement
- 4 FMRs with ongoing preparation and submission of technical documents

Outcome 2: Access to producers, markets, and suitable investment finance



8 FMRs completed with 16.33 kms.

FMRs are expected to ease farmers' transportation of goods from the production site to the markets and reduce their logistics, marketing, transportation costs, and time.

Estimated **4,010 farmers** engaged in coconut, coffee, cacao, and calamansi commodities within the road influence area shall benefit from this intervention.