

PHILIPPINE RURAL DEVELOPMENT PROJECT

Enterprise Development Component (I-REAP)

August 2016

Philippine Rural Development Project Operations Manual

I-REAP Component

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1 Introduction

1.1 Rationale and Purpose of the Manual¹

Agriculture accounts for 35% of the Philippine economy and employs about 50% of the labor force. However, its contribution to Gross Domestic Product (GDP) and total employment has declined. For many years, the country's agriculture sector has been characterized by low farmer's income, low rural employment, precarious food security, low agricultural competitiveness and high rural poverty overall. Increasing demands for agricultural output have also put pressure on natural resources. Unsustainable practices to improve yields have resulted in land degradation, decreasing water availability and marine resource depletion, which have been exacerbated by climate change. Development efforts need to focus on transforming the sector into one that is not only highly productive but also climate-resilient, environment-friendly and sustainable.

The Philippine Rural Development Project (PRDP) is designed to address this situation and contribute to achieving the national goals of inclusive growth, job creation and poverty reduction. It builds on existing policy frameworks, principles and lessons learned from past programs of the Department of Agriculture (DA). The PRDP is a six-year (2013-2018) initiative envisioned to increase farm and fishery productivity and incomes in target areas in all 16 regions of the country. The project seeks to achieve this objective by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services. Specific investments and interventions are to be implemented under four central components of the project, namely: 1) Local Planning (IPLAN); 2) Infrastructure Development (I-BUILD); 3) Enterprise Development (I-REAP); and 4) Project Support (I-SUPPORT).

Through I-REAP, PRDP will engage broad sections of the sector in the production of marketable surplus through investments in strategic segments of priority commodity value chains prioritized under the Regional Agriculture and Fishery Modernization Plan (RAFMP) and the Provincial Commodity Investment Plans (PCIPs). I-REAP is also designed to strengthen collaboration between the DA and the provincial governments. It will adopt the farm-to-table service delivery strategy being pursued under the *Agrikulturang Pilipino* (AgriPinoy) framework. It will utilize the Bureau of Soil and Water Management's (BSWM) vulnerability and suitability assessment (VSA) methodology and results and the participatory resource assessment (PRA) that will be conducted as bases for incorporating climate resiliency strategies.

The implementation of the I-REAP component, and the PRDP as a whole, involves several institutional partners at the regional, provincial, municipal and barangay levels. These include several national government agencies and the entire local government unit (LGU) community in the country. It also involves local communities, households, people's organizations, non-government organizations, private sector, academic institutions and other civil society sector. To ensure the I-REAP component's effective and efficient implementation, including that of

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¹ This section contains information taken from the PRDP Feasibility Study Main Report.

the activities to be supported by the Global Environment Facility (GEF), it is important that the stakeholders, most especially the project implementers, gain shared understanding of its operating mechanisms. This manual thus aims to ensure a common understanding of the I-REAP component by all stakeholders.

1.2 Use and Users of the Manual

This manual seeks to provide a comprehensive and step-by-step guide for the implementation of I-REAP activities – from the selection of enterprise proponents, enterprise planning and implementation, to the monitoring of the enterprises' progress and the evaluation of the immediate and final impacts of the enterprises. It also clarifies roles and relationships among implementers and prescribes measures to control the quality of outputs and to ensure optimum use of project resources.

This manual was prepared for the use of the personnel of the DA (the executing agency, including its attached agencies critical in the I-REAP implementation as well as other partneragencies, namely: Department of Environment and Natural Resources (DENR), Department of Trade and Industry (DTI), Department of Science and Technology (DOST), National Commission on Indigenous People (NCIP), and the LGUs from the provincial and municipal levels; the regional and other local units of the participating national agencies, participating schools, colleges and universities, participating non-government organizations (NGOs), and the partner producer group organizations, private sector and other stakeholders. Any proposed changes to the manual as a result of experiences in the field and lessons learned will be adopted and incorporated in subsequent editions of the manual.

1.3 Contents of the Manual

The manual contains the following major parts: I-REAP component description and objectives, which summarizes the components' interventions, the expected outputs and some of the major activities; the general conditions for implementation, which discusses the implementing agency and implementation policies that provide the policy framework for the component and its interventions; the implementation structure which describes the administrative framework and financial operations of the component; the implementation procedures at the pre-implementation, implementation and post-implementation phases of the component; financial management to include release of funds to Provincial LGU (LGU) and proponent groups (PG); the procurement process for goods, works and services in support to enterprises; social and environmental safeguards (SES); and results-based monitoring and evaluation (RBME).

1.4 Scope and Limitations

This manual contains only the implementation guidelines of the I-REAP component and its GEF-supported activities at the project management level. Specific guidelines for the operation of the I-REAP supported enterprises will be contained in the Implementation

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Management Agreement (IMA), Enterprise Investment Agreement (EA), and other related documents.

1.5 Definition of Terms

The following operational terms will be used on this manual for clarity and mutual reference; thus these will be defined as follows:

Business Plan – refers to the subproject proposal or document that will be the basis for financing the proposed enterprise. The business plan should have a description of the enterprise, its composition, products and services; market analysis; competitor assessment; marketing plan; operational plan including technical assumptions, facilities and equipment, process flow and organization and management; financial plan including discussion on capital investment requirements; and financial plan including analysis and financial ratios to determine the technical, market and financial viability of the subproject or enterprise.

Business Modeling – refers to the activity that will be undertaken by the LGU and the Proponent Group with the assistance of the RPCO wherein the business concept for the proposed enterprise will be drawn. The business model should answer the questions, "What, Who, How". What are the products/services of the enterprise? Who are the suppliers and buyers? What are the problems being addressed and opportunities being pursued? What is the unique selling proposition of the enterprise? Who are the enterprise partners? What are the costs involved and revenues to be generated? How the farmers will benefit from the enterprise.

Enterprise – refers to the subproject drawn from the PCIP that will be funded by the PRDP IREAP. It is the business venture that will be undertaken by the proponent group or cluster of proponent groups.

Enterprise Investment Agreement (EA) — is an agreement between the LGU and the Proponent Group/Lead Proponent (and the cluster of proponents). The EA indicates the roles and responsibilities of the LGU and PG in the implementation and operation of the enterprise as identified in the Business Plan. It shall also identify the provisions in the fund releases and procurement of goods, works and equipment that will be used by the enterprise.

Enterprise Project Fund (EPF) - refers to the enterprise cost consisting of the loan proceeds, the GOP counterpart and the LGU counterpart which will finance the goods, small works and operational costs of the enterprise as required in the business plan.

Enterprise Support Fund – refers to the I-REAP program fund consisting of the loan proceeds and the GOP counterpart intended to finance activities to be funded under Subcomponent 3.2 in support to the commodity value chain such as training, cross visits, provision of market information, market linkage and promotion, technology development, techno demo and the like.

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Implementation Management Agreement (IMA) – is an agreement among PSO, RPCO and LGU that spells out the implementation arrangements for all I-REAP subprojects/ enterprises within a given period including the schedule of fund releases and liquidations.

Lead Proponent – is the major partner of the LGU in the enterprise and will serve as the main I-REAP subproject proponent, in the case of cluster of proponent groups.

Micro, small and medium scale enterprises – these are the subprojects that will be funded by PRDP I-REAP Sub-component 3.1 with costs falling under the following categories: Micro: not more than Php3,000,000; Small: Php3,000,001 - Php15,000,000; Medium: Php15,000,001 - Php50,000,000. This amount include the costs of the enterprise operation, equipment, facilities and civil works, net of PG equity.

Program Contract— an agreement among the PSO and/or RPCO and the partner agency or entity that covers the engagement of the partner agency to provide technical and support services related to technology, information and product and market development support. The list of technology support services shall support the commodity value chain.

Proponent Group - refers mainly to the producer groups (such as farmers/fishers groups, cooperatives, associations, RIC) engaged in the commodity value chain and have a legal personality. Proponent group could also include micro, small and medium-scale enterprises (i.e. agri-processors, consolidators, exporters, etc.) who are willing to assist producer groups in vertical clustering or joint business planning, and forge contract or formal marketing arrangement with producer groups.

Provincial Commodity Investment Plan (PCIP) — is a strategic plan that rationalizes the interventions within the various segments of the value chain of commodities that are of significance to the province and that will contribute to the national goals of the agriculture and fishery sector. It is 3-year rolling consensus plan between the DA and LGU based on the value chain analyses of these commodities conducted with strong participation of the various stakeholders. The PCIP will be the basis in identifying possible enterprises in which a province decides to make a package of investments that the DA will provide assistance, with adequate counterpart from the LGU.

Start-up Enterprises – refers to financing of I-REAP subproject that is a new business undertaking of the selected proponent group. This will also finance proposed subprojects of PGs that fall within Level I and Level II of the value chain ladder. The total enterprise project cost that will be provided shall not exceed PhP15 Million.

Total Enterprise Project Cost – is the total cost of the I-REAP subproject that will be funded by the Loan Proceeds, GOP counterpart, LGU counterpart including the cost of the civil works component, net of PG equity.

Total Investment Cost - is the total amount of the business plan which include cost of the enterprise operation, equipment, facilities, civil works and PG equity in cash and/or in kind.

Upgrading/Expansion of Enterprises – financing of I-REAP subproject that aims to expand or upgrade existing business activity of the PG. Expansion and upgrading could be in terms of equipment, facilities and product lines (such as development of new products, development of new markets or increase in production capacity of the PG). Some examples include: a PG with existing business on flavored milk processing will be proposing subproject for PRDP on cheese and yoghurt processing; existing PG producing geonet will expanding operation by buying wholenut from coconut farmers to produce copra and use the husk to increase volume of production of geonets; existing PG producing cassava granules will increase volume of production by expanding source of raw materials thru increase in farmer members and consolidating volume of output of other cooperatives or associations thru enterprise clustering. The total enterprise project cost that will be provided shall not exceed PhP50 Million.

2. Component Description and Objectives

2.1 Background of the I-REAP Component²

The conceptualization of PRDP and the I-REAP component, in particular, considered the experiences, lessons and approaches drawn from DA's implementation of two Mindanao Rural Development Projects (MRDP1 & MRDP2). Such lessons include feasible institutional arrangements with LGUs and community-based approaches to ensure that project interventions are responsive to the needs of LGUs and stakeholders.

Underpinning PRDP's approach is building a stronger partnership and engagement between the DA (at the national and regional levels), and the various development stakeholders at the local level (e.g., LGUs, farmers and fishers, private sector, academe, etc.) in investing in priority commodity value chains. All Regional Field Units (RFUs) will undergo the process of enhancing their regional AFMPs that identify how regional plans will contribute to achieving national AFMP goals. This is designed to ensure better congruence in the sector investments being financed at the local levels while fulfilling the national AFMP targets.

The LGUs will be supported in building their capacities to identify and invest in infrastructure and support services needed to develop priority value chains and a more market-oriented agriculture and fishery sector in their areas. Complementing this, community entrepreneurial activities would be supported to help producer groups raise incomes through better linkages and access to markets. This approach has already been pilot tested and adopted in those regions and LGUs implementing MRDP2. While MRDP2 was designed to support community livelihood activities, the focus of PRDP I-REAP Component would be more on building and supporting agricultural and fisheries-based enterprises. One of the key features of I-REAP is the integration of natural resource management (NRM) in the enterprises. There will also be

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² PRDP Feasibility Study Main Report

a greater focus in ensuring a more systematic provision of technology and market support services for all enterprises.

2.2 I-REAP Objectives

The general objective of the I-REAP component is to strengthen and develop viable agrifishery based enterprises through efficient value chains of key agricultural and fishery products in targeted program areas³. Its specific objectives are as follows:

- a. To increase productivity and marketability of agriculture and fishery products through increased access to information and support services;
- b. To increase farm and fishery household incomes through engagement in value-adding activities; and
- c. To improve the protection and conservation of the natural resource base of identified enterprises through alternative livelihoods and support facilities.

2.3 I-REAP Component Goals, Objectives, Outcomes and Outputs⁴

The contribution of the I-REAP component to the overall PRDP goal of increasing farmers' income and marketable surplus in the agri-fishery sector is to strengthen and develop viable agri-fishery based enterprises through efficient value chains of key agricultural and fishery products in targeted project areas.

To achieve the objective of creating a climate resilient and adaptive strategy for enhancing the value chain needs of the priority commodity, GEF support would be provided in target areas in Central Philippines. The Global Environment Objective (GEO) of the GEF support would be to contribute to the conservation of biodiversity and strengthening the coastal and marine resources base in targeted project areas. This would be achieved through (i) enhancing institutional and planning capacities of LGUs and communities, (ii) providing support to Marine Protected Areas (MPAs) in particular areas of global biodiversity significance and select fishery co-management arrangements, and (iii) sharing of knowledge and best practices. By integrating the GEF support with the institutional reforms being "rolled—out" under the PRDP, the mainstreaming of innovations and best practices for sustainable ecosystem management would be enhanced.

³ PRDP Feasibility Study Volume 3: I-REAP Component

⁴ PRDP Feasibility Study Volume 3: I-REAP Component

2.4 I-REAP Desired Outcomes and Expected Outputs

The goal or intended impact of I-REAP is increased farmer's income in agri-fishery sector (Figure 2-1). The desired outcomes are: a) increased producer groups operating viable enterprises; b) enhanced producer groups' productivity through formalized arrangements for marketing and/or technical services; and c) increased producer and fisher groups' resilience to climate change and adverse weather conditions.

I-REAP activities can be categorized into two sub-components: 1) rural agri-fishery enterprise and productivity enhancement and 2) technology and information for enterprise and market development). The expected outputs for sub-component 1 are: 1) enterprises upgraded, upscaled or established at the appropriate commodity value chain segment, 2) production and market support facilities established, and 3) LGU investments in the agri-fishery sector increased. On the other hand, outputs for sub-component 2 are: 1) capacity of farmer and fisher groups enhanced in adopting appropriate productivity enhancement technologies, 2) technology extension and business development service delivery standardized to suit priority commodities; 3) capacity of producer and fisher groups to manage and operate agri-fishery enterprise enhanced; and 4) farm to market links established.

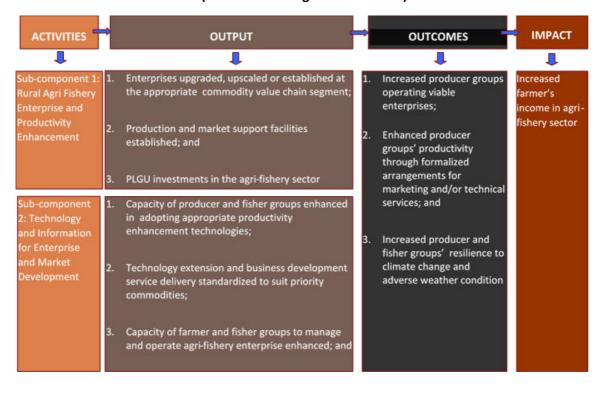


Figure 2-1. I-REAP Component Conceptual Framework (Based on the Logical Framework)

2.5 I-REAP Linkage with other PRDP Components

Although each major investment component – I-PLAN, I-REAP, and I-BUILD – have separate and distinct objectives, they are all designed to contribute to the accomplishment of the project's development objective. Thus, it is imperative that component processes and

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outputs are in sync with each other (See Figure 2-2). Ensuring this synchronicity and articulating the common element and the thread that ties key features across each component is the PCIP. This mainly contains the strategic areas of product segments in the value chain of the priority commodities of the provinces that could be supported under I-REAP and I-BUILD. The development of the PCIP is the primary responsibility of the I-PLAN component, but with substantial contributions from the I-REAP and I-BUILD components during the PCIP development process.

Specifically for the I-REAP component, assistance to I-PLAN's PCIP procedures will involve the application of the value-chain analysis and focusing on the proper application of the criteria for identifying the priority enterprises that will be included in the PCIP for potential funding under I-REAP's Subcomponent 3.1. I-REAP's working relationship with the I-BUILD component is linked with the infrastructure investments supporting the priority enterprises, also contained in the PCIP.

I-SUPPORT is programmed to provide the strategic administrative, logistical, and operational assistance to the various components in implementing their activities.

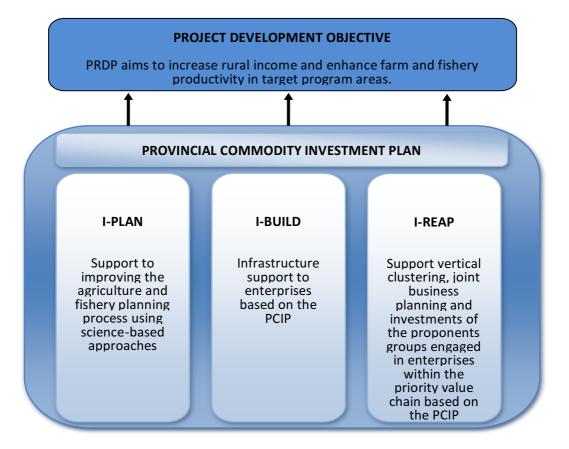


Figure 2-2. Inter-Component Linkages

2.6 I-REAP Operational Strategies⁵

In consonance with the abovementioned policies and projects, the following key strategies will guide the implementation of the I-REAP component:

- Broad-based and inclusive enterprise development through clustering of proponents which engages farmer and fisher groups in surplus generation and value-adding activities;
- Graduated market access to match production capacities and market requirements through joint business planning;
- Value chain-determined product segments and interventions for enterprise engagement;
- Equity investments to be put up by the government with the private sector;
- Farm-to-table service delivery, i.e., interventions and investments to improve efficiency of value chains from production to the end consumer;
- Integration of natural resource management into community enterprise projects to ensure sustainability of investments, preserve the natural resource base and develop climate-resilient enterprises;
- Institutionalization of technical support services in DA Regional Field Units aimed at improving productivity, market linkages and entrepreneurship skills among participating producer groups; and
- Local ownership and synergistic partnership. One of the lessons learned from previous rural development projects such as the MRDP, Infrastructure for Rural Productivity Enhancement Sector (InFRES), Agrarian Reform Community Development Project (ARCDP2), etc. is the critical role played by LGUs in implementing rural development projects. I-REAP project interventions/components should have a clear link to local economic development priorities and agenda to ensure local ownership and community "buy-ins".

2.7 I-REAP Component Scope of Interventions⁶

This component would support the development, implementation and sustainability of agricultural, livestock or fishery-based entrepreneurial activities, based on the analysis of priority value chains being supported under AFMPs, and as reflected in the PCIPs. The types of intervention to be supported would need to be tailored to the level of development and capacity of the producers. Annex 1.A shows the sample menu of enterprises to be supported by I-REAP Sub-component 3.1 while Annex 1.B presents the sample of activities/sub-projects to be supported by I-REAP Sub-component 3.2. Annex 2.A presents the menu of possible NRM On-the-Ground Investment (OGIs) per commodity value chain. Annex 2.B contains the GEF supported activities and Annex 3 contains the negative list of enterprises or activities that cannot be supported by I-REAP.

⁵PRDP Feasibility Study Volume 3: I-REAP Component

⁶PRDP Feasibility Study Volume 3: I-REAP Component

For planning purposes, three levels could be considered, as summarized in Figure 2-3, with vertical linkage between proponents of enterprises through clustering, which would involve forward, and backward contracting/arrangements. The vertical convergence of proponents engaged in enterprises identified at different levels of the agri-fishery development ladder is guided by the proper conduct and result of the value chain analysis. The value chain analysis should show at the very least the critical segment(s) in the product flow chart that require support that will determine appropriate clustering of proponents in identified enterprises. Small farmers and fishers who have the capacity to produce marketable surplus will be capacitated through clustering or integrating with more organized groups. Producers group could also be clustered or integrated with markets to achieve full market integration.

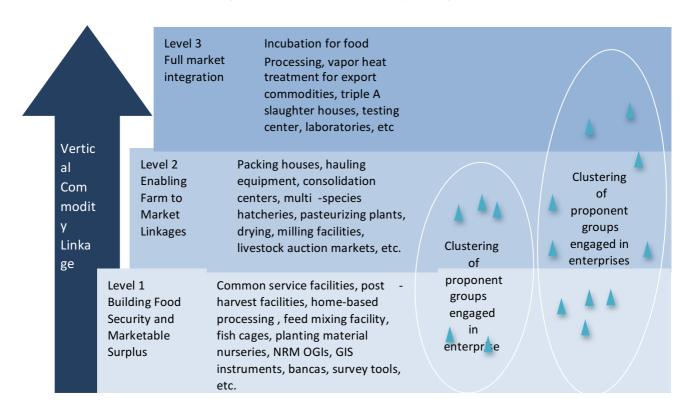


Figure 2-3. Vertical Commodity Linkages

2.8 I-REAP Possible Proponent Group

The possible proponent groups for I-REAP enterprises are the following:

- a. Existing producer groups with members producing commodities which are included in the priority value chains and have potential to increase their marketable surplus;
- b. Smallholder (farmers and fishers) groups which have potential to produce marketable surplus and demonstrate willingness to voluntarily adopt clustering with other groups and forge contracts or formal marketing agreements with buyers or private intermediaries;

I-REAP Component

- c. Producer groups or cluster of growers should be either operational and/or show a willingness to undergo capacity building on enterprise development and management; and
- d. Micro, small-and medium-scale processors, consolidators, exporters, etc., who would be willing to assist producer groups in vertical clustering or joint business planning, and forge contract or formal marketing agreements with such producer groups. Joint business planning and investments of the producer groups and agro-processors, would be supported if it would result in increased engagement of the producer groups in value-adding activities.

Farmers and fishers who are not members of any organization operating in the priority commodity value chain must join the proponent groups (PG) for them to be eligible in the I-REAP supported enterprises either as member of the PG or as supplier to the enterprise. Sample target proponent groups by commodity are shown in Table 2-1.

Table 2-1. Sample Target Proponent Groups by Commodity

Commodity	Sample Target Proponent Groups ⁷
Cereals	 Rice and corn growers organized into Farmers association (FAs) Irrigators association (IAs) Agrarian reform beneficiaries associations (ARBAs) Primary cooperatives Upland rice and corn cultivators especially IPs (with CADTs/CADCs) and upland migrant settlers
Root Crops/Tubers (Sweet Potato, Cassava)	 Local sweet potato, cassava and other root crops growers association IPs (with CADTs/CADCs) and upland migrant settlers
Vegetables	 Local vegetables growers association IPs (with CADTs/CADCs) and upland migrant settlers Organic producers association Local vegetables growers federation or commodity groups Vegetable industry councils (province and region)
Fruit Crops	 Local fruit growers association IPs (with CADTs/CADCs) and upland migrant settlers Fruit growers federation or commodity groups Fruit industry councils (province and region)
Livestock	 Local cattle raisers association Local hog raisers association Local poultry raisers association Goat raisers association IPs (with CADTs/CADCs) and upland migrant settlers Cooperatives
Fishery	Fisherfolk associations
Subsector	Cooperatives

⁷Target proponent groups should include women

2.9 I-REAP Subproject Financing Modalities

I-REAP Subproject financing modalities can be categorized into two: a) by amount of subproject; and b) by nature of business undertaking.

A. By Amount of Subproject

I-REAP enterprises can be categorized into micro, small and medium enterprises (MSMES). Adopting the definition of MSMEs as defined in RA 9501 or the Magna Carta for Micro, Small and Medium Enterprises the following are the type of I-REAP subprojects by amount:

- 1. Micro-enterprise subproject not be more than PhP3,000,000
- 2. Small enterprise subproject PhP3,000,001 PhP15,000,000
- 3. Medium enterprise subproject PhP15,000,001 PhP50,000,000.

B. By Nature of Business Undertaking

Restoration or rehabilitation – these are subprojects that could be availed in response
to the needs of the farmers and fishers who were affected by calamities and conflicts.
A declaration of "State of Calamity" by the local government unit and/or identification
by the National Disaster Risk Reduction Management Council (NDRRMC) will be the
basis for this. On the other hand, the list of municipalities and provinces by DILG will
be the basis for the areas affected by conflicts or peace and order situation. A
certification from DILG should be submitted as supporting document.

As a general rule, all I-REAP subprojects should be based on VCAs and aligned with priorities of the PCIPs.

However, for micro-enterprise subprojects responding to restoration and rehabilitation efforts, as defined in Section 2.9 B.1, that are not aligned with VCAs and PCIPs, a maximum of 10% of the Loan Proceeds or up to US\$9Million may be used and allocated from the total I-REAP Sub-component 3.1 funds. The maximum amount per subproject that can be proposed under this category is PhP1Million, net of PG equity. The NPCO shall give clearance to the PSO for the use of the funds.

2. GEF Area – these are subprojects that were identified to provide income generating activities to fisherfolk communities in support to the biodiversity conservation activities in the identified marine protected areas. The maximum amount per subproject that may be proposed for GEF areas is up to PhP5Million, net of PG equity.

- 3. Start-up Enterprises financing of I-REAP subproject that is a new business undertaking of the selected proponent group. The amount of subproject that may be proposed as start-up shall not exceed Php15 Million, net of PG equity.
- 4. Upgrading/Expansion of Enterprises financing of I-REAP subproject that aims to expand or upgrade existing business of the PG. Expansion and upgrading could be in terms of equipment, facilities and product lines (such as development of new products, development of new markets or increase in production capacity of the PG). Some examples include: a PG with existing business on flavored milk processing will be proposing subproject for PRDP on cheese and yoghurt processing; existing PG producing geonet will expanding operation by buying wholenut from coconut farmers to produce copra and use the husk to increase volume of production of geonets; existing PG producing cassava granules will increase volume of production by expanding source of raw materials thru increase in farmer members and consolidating volume of output of other cooperatives or associations thru enterprise clustering.

In some provinces, these enterprises may also cover Levels I, II and III as indicated in the vertical commodity linkages (see Fig. 2-3, p.10). The maximum amount of subproject that may be proposed as upgrading/ expansion shall not exceed PhP50Million, net of PG equity.

The over-all target of I-REAP is to upgrade existing micro enterprises to small enterprises and build their assets from PhP3Million to PhP15Million. On exceptional cases, PRDP may also select and support small-scale enterprises and upgrade/expand them into medium-scale enterprises.

Under the ladderized I-REAP interventions, PG is expected to be competent for the enterprise it can engage with. While managing the enterprise, it can increase its eligibility, capability and competency to qualify for the next higher level of enterprise. For example, a PG was qualified for the cassava production. After some years, it can expand its operation to processing given that it satisfies the criteria set under Level II while utilizing the funds generated in the initial project investment with infusion of additional capital.

3. Implementation Features

3.1 Implementing Agency and Partner Agencies

The DA will be the executing agency of the PRDP. It will have, as partner agencies, relevant DA-attached agencies e.g., Philippine Coconut Authority (PCA), National Dairy Authority (NDA), BSWM, Philippine Center for Postharvest Development and Mechanization (PHilMech), Bureau of Fisheries and Aquatic Resources (BFAR), Agricultural Training Institute (ATI), Agricultural Credit and Policy Council (ACPC), Bureau of Agricultural Research (BAR), etc. Other partner agencies include Department of Agrarian Reform (DAR), DENR, DOST, DTI, and Department of Interior and Local Government (DILG), among others.

Annex 4 provides the list of prospective partner agencies per subsector or commodity group and the kind of the assistance that they can provide for enterprise development, including:

1) improving production and productivity including agricultural extension services, skills development, provision of production inputs, equipment and facilities/infrastructures for production and post-production activities, etc.; 2) improving producers' and enterprises' access to financing in the form of credit or grants as well as crop insurance; 3) provide access to improved technologies through research and development; and 4) provision of business support and development services, particularly in the areas of marketing, networking, etc.

Partner agencies will serve as project collaborators and will primarily provide technical support and assistance to support the enterprises in the commodity value chain which shall executed through a Program Contract.

3.2 Implementation Structure

A PRDP National Project Coordinating Office (NPCO) at the DA Central Office will be established and headed by the Undersecretary for Operations. Under this, four⁸ Project Support Offices (PSOs) will be set up, two for Luzon (Luzon A Cluster-CAR, Regions 1, 2, 3 and Luzon B Cluster Regions 4A, 4B, 5); one for Visayas and one for Mindanao. I-REAP Units will be constituted in each of these PSOs. Carrying out the I-REAP component operations at the local level will be the I-REAP teams in the Regional Project Coordination Office (RPCO) and the Project Management and Implementation Unit at the provincial/city/municipal (P/C/MPMIU) levels. The functions and staff complement of the I-REAP unit in each of these offices are as follows:

3.2.1 NPCO I-REAP

- a. Serve as oversight of PSO and RPCO I-REAP units;
- b. Assist the I-PLAN in the review of VCAs and PCIPs;
- c. Assist in the orientation of the I-REAP Operations Manual;
- d. Prepare the annual and global work plan for the component;
- e. Conduct of capability building needs of PSOs; PSOs to RPCOs and RPCOs to P/C/MPMIUs
- f. Coordinate the effective implementation of the I-REAP component activities across the different PSO I-REAP;
- g. Assist in the conduct of site and proponent group validation;
- h. Issue No Objection Letter to all I-REAP subprojects within the given threshold;
- i. Monitor the implementation of the enterprise implementation and operation including SES compliance;
- j. Provide regular reports on the overall implementation of I-REAP activities; and
- k. Facilitate sharing of best practices across PSOs.

 $^{^{8}}$ NPCO will also function as the PSO for Luzon B Cluster (Regions 4A, 4B and 5)

The NPCO I-REAP is headed by the Agribusiness and Marketing Assistance Service (AMAS) Director. At the minimum, the NPCO I-REAP Team, will be composed of a Business Development Specialists (BDS), Enterprise Development and Marketing Specialist (EDMS). business and enterprise development staff and project development associates.

3.2.2 PSO I-REAP

- a. Coordinate the effective implementation of the I-REAP component activities across the different RPCO I-REAP;
- b. Assist the RPCOs in facilitating collaboration activities of various stakeholders and engagement of other support institutions and agencies;
- c. Provide support to the RPCOs in improving access of the proponent groups to research and technology resources;
- d. Build the capacity of the RPCO I-REAP unit staff to provide technical assistance and support services to the LGU and the PG;
- e. Provide technical assistance and coherence across RPCOs;
- f. Facilitate sharing of best practices across RPCOs;
- g. Conduct site and proponent group validation and issue letter of confirmation on the selected proponent group;
- h. Facilitate the conduct of compliance and technical review to ensure feasibility and viability of the business proposals, and check completeness, consistency and correctness of the documents before endorsement to NPCO;
- i. Review and approve through issuance of No Objection Letter all micro-enterprise subprojects and other types of subprojects within the given threshold;
- j. Provide technical assistance in the preparation and finalization of IMAs and EAs;
- k. Assist InfoACE Unit in the conduct of I-REAP information, education and communication (IEC) activities in the cluster;
- I. Assist the RPCO in facilitating the conduct of workshop for the P/C/MPMIU and the PG in coming up with policy and implementing guidelines relating to the implementation of the enterprise;
- m. Monitor the implementation and enterprise operation of the I-REAP subprojects and coordinate with SES Unit in consolidating safeguards compliance and with M and E Unit on impact monitoring report in the covered RPCOs; and
- n. Provide regular reports on the overall implementation of I-REAP to NPCO.

The PSO will be led by I-REAP Component Head complemented by the following technical staff: BDS, EDMS and business and enterprise development staff.

3.2.3 The Regional Project Advisory Board (RPAB)

The RPAB is the regional counterpart of the National Project Advisory Board. The implementation tasks of the RPAB are to:

- a. Review and approve I-REAP business plans and its corresponding work and financial plan for funding;
- b. Ensure policy directions are carried out in the planning and implementation of I-REAP enterprises in the region;
- c. Ensure overall harmonization of support to I-REAP enterprises from collaborating National Line Agencies' (NLA) regional offices; and
- d. Generate support for and participation in I-REAP implementation by LGUs, people organizations (POs) and NGOs.

The RPAB will be created through a Special Order from the Office of the Secretary of the DA and chaired by the DA Regional Executive Director.

3.2.4 RPCO I-REAP

The Chief of the Marketing Assistance Division (MAD) of the DA-RFOs will take the lead role in coordinating the overall implementation of the I-REAP Component activities at the regional level.

The RPCO I-REAP units will have the following functions and responsibilities:

- a. Assist the P/C/MPMIU in prioritizing enterprises targeted for I-REAP funding based on the PCIP and preparing business models or concept thereof;
- b. Assist in the conduct of site and proponent group validation;
- c. Provide technical assistance to the P/C/MPMIU I-REAP Team in preparing the business plans including all required documents and attachments, EA and IMA;
- d. Conduct collaborative technical review of business plans including the complete set of attachments, with commodity experts within DA bureaus and attached agencies, other government agencies, institutions and/or organizations ensuring alignment with existing government projects;
- e. Endorse appraised business plans, EA and IMA to PSO;
- f. Facilitate preparation and finalization of IMAs and EAs and endorse the IMA to the PSO for fund release;
- g. Facilitate submission and compliance in the documents related to I-REAP;
- h. Monitor the implementation and operation of the I-REAP subprojects and coordinate with SES Unit in consolidating safeguards compliance and with M and E Unit on impact monitoring report from the P/C/MPMIU in the covered LGUs;
- i. Ensure SES compliance in enterprise prioritization and business plan preparation by assisting PG and P/C/MPMIU in the conduct of environmental and social screening and assessment, conduct of community consultations, preparation of Environmental and Social Management Plans (ESMPs) and Relocation Action Plans (RAPs), and acquisition and documentation of Environmental Compliance Certificate (ECC), Right of Way (ROW) and Indigenous People (IP) consent and endorsement, whichever is applicable and necessary;
- j. Provide regular reports on the overall implementation of I-REAP to PSO;

- k. Develop a system of popularizing technologies developed by DA and organize technology road shows in the provinces as needed;
- I. Design and develop agri-fishery enterprise development information resource system;
- m. Conduct capability building needs of P/C/MPMIUs and PGs;
- n. Prepare the annual work plan and budget for I-REAP;
- o. Assist InfoACE Unit in the conduct I-REAP IEC activities in the region; and
- p. Develop partnership agreements with agencies involved in agri-fishery business development services, extension/research service providers such as the following:
 - Regional-based State or Private state universities and colleges (SUCs), NGOs, the Regional Development Council's Economic Development Committee (RDC-EDC), and the DTI Regional Office and;
 - Relevant NLAs including attached agencies.

The RPCO I-REAP will be complemented by at least four (4) business development staff/team with the following specialization: finance, marketing, technical and organizational. The finance staff for business development will provide support in developing the enterprise budget, financial analysis, financial management system, and other finance-related requirements; the marketing staff will assist the enterprise in developing marketing plan, linking with potential buyers and develop marketing communications for the enterprise products and/or services; technical staff shall assist in identifying the technology required for the enterprise and its adaption and implementation as well as identification of livelihood options for NRM and GEF sites; and the institutional and organizational development staff shall assist in developing the business structure for the enterprise, staffing requirement, job description and qualification and capacity building requirements for the proponent group and its producers. The minimum qualification for the I-REAP RPCO staff include the following: college graduate of any course related to agriculture (e.g. BS Agriculture, BS Fisheries, BS Agricultural Economics, Agribusiness Management, Agricultural Engineering etc), and accounting, management and engineering courses. See Annex 5 for the sample Terms of Reference for the business development staff/team. Additional technical staff may be requested by the RPCO depending on the number of approved subprojects and the type of enterprises.

3.2.5 P/C/MPMIU

An I-REAP Provincial/City/Municipal Team under the P/C/MPMIU will be organized to perform the following functions:

- a. Serve as Component's management and supervision team and focal point for coordination of all provincial I-REAP implementation activities;
- b. Participate with the I-PLAN Component as lead in the review and preparation of the PCIP;
- c. Spearhead in prioritizing enterprises targeted for I-REAP funding based on the PCIP;
- d. Formulate business model or framework;
- e. Conduct orientation of potential proponent group and selection;
- f. Assist the proponent in the business plan preparation;

- g. Package the business plan for I-REAP funding, the EA and the IMA;
- h. Review the compliance of the required documentary requirements (Checklist of requirements and Tracking Form) before forwarding the same to the RPCO and checklist shall be attached to the transmittal to RPCO.
- i. Develop partnership with agencies that can render business development services, research and extension such as the following:
 - Provincial -based State or Private SUCs, NGOs, Provincial Development Council's (PDC) EDC, and the DOST and DTI Regional/Provincial Office and;
 - Other relevant provincial-based NLAs including attached agencies.
- j. Monitor the implementation of the I-REAP Component in the province;
- k. Provide regular reports on the overall implementation of I-REAP to RPCO;
- I. Conduct I-REAP IEC activities in the province; and
- m. Develop capacity building proposals to strengthen the capacities of the LGUs to provide technology, information and enterprise development support to agri-fishery sector players.

The Provincial/City/Municipal Agricultural Officer (PAO) is recommended to be the P/C/MPMIU I-REAP Head. A Business Development Team shall be created at the LGU level who will be responsible in assisting the Proponent Groups in the preparation of the business plans, compliance to reviews and requirements and finalization and packaging of the business plans including the required attachments. I-REAP Team.

3.3 Capability Building Program for Project Implementers

Prior to and during implementation, technical assistance will be provided to the NPCO, PSO, RPCO, P/C/MPMIU/LGUs and to the PG to develop knowledge, skills and attitudes of the project implementers and build their capacity to implement the PRDP activities particularly those under I-REAP.

Capability building program would include but not limited to the following areas:

- Business plan preparation;
- Participatory Resource Appraisal-Resources and Social Assessment (PRA-RSA)
- Financial management (including establishment of the CF Trust Account, simplified financial and management system, development and installation of the accounting system, audit and financial monitoring and contract administration);
- Enterprise development;
- Organizational development;
- Marketing management;
- Procurement,
- Social and environment safeguards;
- Project monitoring and evaluation;
- · Contract management; and
- Simple bookkeeping and accounting

The PSO together with the RPCO will develop capability-building programs and undertake the conduct of these activities which will be facilitated and coordinated by the P/C/MPMIU. The PSO and RPCO may tap other national and/or regional technical agencies, private and government SUCs, and private sector experts to conduct capability-building programs and undertake supportive monitoring visits, in order to ensure timely provision of training assistance responsive to the requirements of the I-REAP enterprises. The fund that will be used in the conduct of the capability building activities will come from I-REAP Sub-Component 3.2.

4. Implementation Procedures and Processes

The following sections present the guidelines, activities, processes, and procedures that will be undertaken in the implementation of the I-REAP Component

4.1 Implementation Process of Subcomponent 3.1 (Rural Agri-fishery Enterprise and Productivity Enhancement Support)

4.1.1 Requirements for LGU I-REAP Partners

In general, subprojects will be implemented by the participating provincial LGUs. However, in some instances, when the case warrants, municipal or component city may directly implement subprojects provided that they will be identified to have critical role in the value chain upgrading of the priority commodities. Their role should be specified in the results and findings of the VCA, E-VSA and in the PCIP. The participating C/MLGU shall also be willing to provide the counterpart fund for the enterprise and is willing to be the procuring entity for works and goods to be procured for the enterprise.

A participating LGU must comply with the following requirements in order to participate and submit subprojects under I-REAP Component:

- a) Memorandum of Agreement between DA and the LGU
- b) Seal of Good Housekeeping/Financial Housekeeping issued by DILG
- c) Approved PCIP
- d) Certificate of Liquidation from concerned DA-RFO for the PRDP I-REAP subproject previously undertaken by the LGU.

4.1.2 Requirements for Proponent Groups

Proponent Group/s who signified interest to implement an enterprise/subproject through submission of Letter of Intent to the LGU shall comply with the eligibility requirements

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enumerated in Table 4-1. The eligibility requirements for the PG depend on the amount of subproject to be proposed.

Table 4-1. Eligibility Requirements for Proponent Groups by Amount of Subproject

	Enabling Instruments by Amount of Subproject						
Requirements	Micro Enterprise	Small Enterprise	Medium Enterprise				
Legal personality	May be newly registered with CDA/SEC Certificate of Registration (SEC/CDA/DOLE)	Must be at least registered for one year with CDA/SEC/DOLE Certificate of Registration (SEC/CDA/DOLE)	Must be at least registered for three years with CDA/SEC/DOLE Certification of Registration (SEC/CDA/DOLE)				
	Profile of farmer members and officers	Profile of farmer members and officers	Profile of farmer members and officers				
		Certificate of Compliance Good Standing for CDA registered or Certificate of no Derogatory Record for SEC registered or Certificate of Registration for DOLE registered	Certificate of Compliance Good Standing for CDA registered or Certificate of no Derogatory Record for SEC registered or Certificate of Registration for DOLE registered				
	Authenticated or Certified True Copy of Articles of Incorporation/ Cooperation and Copy of By-Laws	Authenticated or Certified True Copy of Articles of Incorporation/ Cooperation and Copy of By-Laws	Authenticated or Certified True Copy of Articles of Incorporation/ Cooperation and Copy of By-Laws				
Financial capability	Photocopy of Official Receipt (OR) for its financial transactions	Photocopy of Official Receipt (OR) for its financial transactions	Audited Financial Reports for the Last 3 Years				
Organizational capability	Certified True Copy of the Policies, Systems and Procedures (PSP) are in place.	Accomplishment Reports and photographs of agri-fishery or related projects undertaken for at least one year	Accomplishment Reports and photographs of agri-fishery or related projects undertaken for at least 3 years				
	Certificate from the LGU or DA that Officers and members have attended basic organizational training and technical training required of their subprojects.	LGU Certification on the organizational and technical capability of the PG	LGU Certification on the organizational, technical and financial capability of the PG				
Affidavit of Disclosure		A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors, or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the government agency authorized to process and/or approve the proposal, the MOA and the release of funds.	A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors, or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the government agency authorized to process and/or approve the proposal, the MOA and the release of funds. Sworn affidavit of the Secretary of the NGO/PO that none of its officers are employees of the DA or				
	Secretary of the NGO/PO that none of its officers are	Sworn affidavit of the Secretary of the NGO/PO	the implementing LGU.				

	employees of the DA or the implementing LGU.	that none of its officers are employees of the DA or the implementing LGU.	
Liquidation	LGU Accountant Certificate that the PG has No Unliquidated Account or Cash Advance with the LGU	LGU Accountant Certificate that the PG has No Unliquidated Account or Cash Advance with the LGU	LGU Accountant Certificate that the PG has No Unliquidated Account or Cash Advance with the LGU
20% equity requirement	Equity could be all in-kind or any combination of cash or in- kind	Equity could be any combination of cash or in-kind	Equity could be any combination of cash or in-kind

The following are the required documentary requirements for the equity of the PG and its members.

Table 4-1.A Documentary Requirements for the PG Equity

T f F	De sous est	Domonika		
Type of Equity	Document	Remarks		
Cash	Bank certificate under the name of the PG	Actual amount of cash in bank or available cash on hand equivalent to the cash equity will be required based on the WFP and Proc Plan		
Land	For owned land: Certificate of Land Title For lease of land: Depending on the infrastructure to be build (adapted from COA Circular 2003-007A): • Lease Agreement with provision for renewal or option to purchase (For private land)	In case when the land was donated or bought by the PG and the transfer of land title is still on-going, a copy of the Deed of Sale and Deed of Donation may suffice for the business plan approval Land should have no encumbrances. Land equity should be valued based on assessed value of the lot area that will be		
	 Wood – 10 years renewable for another 10 years Mixed – 20 years renewable for another 10 years Concrete – 30 years renewable for another 20 years Usufruct Agreement with provision for renewal (For public land) 	used for the enterprise		
Labor/Manpower	List of workers with corresponding wage or salary rates or Payroll	List will be required based on the WFP and Proc Plan		
Equipment and materials	Latest audited financial statements	Should be valued based on booked value		

4.1.3 Implementation Procedures and Process

Pre-Implementation Process

The PCIP prepared under I-PLAN with the involvement of I-BUILD and I-REAP will identify priority commodities, product segments/enterprises and select key stakeholders that could

be supported and funded under I-REAP in each province. See Annex 5 of I-PLAN Operations Manual for the contents of the PCIP.

The PCIP is a strategic plan that rationalizes the interventions within the various segments of the value chain of commodities that are of significance to the province and that will contribute to the national goals of the agriculture and fishery sector. It is three-year rolling consensus-based plan between the DA and LGU based on the value chain analyses of these commodities conducted with strong participation of the various stakeholders. The PCIP will be the basis in identifying possible enterprises in which a province decides to make a package of investments that the DA will provide assistance, with adequate counterpart from the LGU.

The pre-implementation process showing the responsible entities/units and the step-by step procedures for the implementation of I-REAP enterprises/subprojects is shown in Table 4-2.

Table 4-2. Subproject Procedures, Activities, Tools, Outputs and Responsibility Center

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Step	Procedures/ Activity	Working Days	Tools	Input	Output	Responsibility Center
1. Enterprise Prioritization	Prioritization of possible enterprises per segment as identified in the PCIP	2	Annex 6	VCA, PCIP, EVSA	Enterprise Prioritization result	Lead: P/C/MPMIU Support: RPCO
2. Formulation of Business Model / Framework	Workshop in the formulation of Business Model	2	Annex 7	VCA, PCIP, EVSA and Enterprise Prioritization	Business Model, At least one page description of the business model or subproject	Lead: P/C/MPMIU Support: RPCO, PSO
3 Proponent Group Selection	a. PG Selection	2	Annex 9A; Annex 9B	Priority, enterprise, Letter of Intent from the potential PGs w/ eligibility requirements	Ranking of potential PGs, Nominated PG	Lead: P/C/MPMIU Support: RPCO

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	b. Validation	2	Validation Form (Annex 10)	Ranking of potential PGs, Eligibility requirements of PGs	Validation report/ Confirmation letter	Lead: PSO Support: NPCO RPCO
4. Preparation of BP or Subproject Proposal inc all attachments and requirement s	a.1. Business planning workshop a.2. Conduct of environmental and social screening of proposed subproject a.3 Conduct of site validation and geotagging activities	7	Data Gathering (Annex 11); Business Plan Outline (Annex 12- A); Subproject Proposal (Annex 12- B)	Business plan outline, VCA	Draft BP including attachments and requirements I-REAP Initial Evaluation Form	Lead: RPCO P/C/MPMIU, PG Support: PSO
	b. Series of business planning sessions and preparation of attachments and requirements	55	Checklist and tracking form (Annex 13- A and 13-B)	Draft BP	Revised BP including attachments and requirements (IBUILD, SES, Procurement, Finance, GGU, M and E, I-PLAN, M and E)	Lead: RPCO, P/C/MPMIU, PG Support: PSO
	c. Business Plan packaging	10	Business Plan Review Tracking Form (Annex 15)	Revised BP	Letter endorsement from LGU	Lead: P/C/MPMIU, PG Support: RPCO
5. Subproject Review and Appraisal	BP technical review w/ commodity/ technical experts	2	I-REAP Initial Evaluation Form (Annex 16); Business Plan or Proposal Appraisal (Annex 17)	Revised BP endorsed by LGU	Technical review report, BP Appraisal sheet, SES appraisal report	Lead: RPCO Technical Review Team Support: PSO

6. Compliance Review	Review of BPs including all attachment on compliance to PRDP requirement s and comments	5	Technical Review Report, BP Appraisal Sheet, Revised BP	Compliance Review Report, Endorsement Letter to RPCO	Lead: PSO Support: RPCO
7. RPAB	Approval of the BP	1	Final Business Plan	RPAB Resolution	RPCO
8. Issuance of NOL	Confirmation of project implementation leading to procurement	5	Final BP	NOL	Lead: Depends on the threshold PSO, NPCO, WB

The estimated total number of working days to complete the whole process from enterprise identification to NOL Issuance 93 working days or approximately 4 months. The detailed procedures are discussed below.

Step 1: Identification and Prioritization of Product Segment/Enterprise

The priority interventions identified in the PCIP will be the basis in the identification of possible product segments or enterprises. The identified product segments or enterprises will be prioritized by the P/C/MPMIU with guidance from the RPCO using the criteria set in Annex 6 to determine the enterprise(s) that will undergo business plan preparation. A draft business model for the proposed enterprise will be prepared by the P/C/MPMIU which will be the basis in inviting possible Proponent Groups.

The criteria that will be followed in the prioritization of product segment or selection of enterprises are as follows:

- 1. Importance of the product segment/enterprise in the local economy (30 points)
 - Number of producers in the province involved as suppliers of raw materials of the product segment/enterprise
 - Percentage of municipalities in the province involved in producing the raw materials of the product segment/enterprise
 - Number of jobs to be generated by the product segment/enterprise
- 2. Market potential (30 points)
 - Potential for value-addition of the enterprise (in terms of the number of product segments)

- Strong domestic and/or international demand for the product (availability of local markets, percentage share to total exports of agricultural products, percentage share to total imports of agricultural products as import substitute)
- Identified industrial or commercial buyer with potential for supply/marketing contract

3. Resource base (20 points)

- Percentage share of the commodity/raw materials to the total agricultural area of the province/total livestock population
- Percentage share of the commodity/raw materials to the total agricultural volume of production of the province/total fish catch/total livestock traded

4. Environmental impact (10 points)

- o Impact of the enterprise to the environment (positive, neutral or negative)
- 5. Women's participation (including indigenous people (IP)) (10 points)
 - Percentage of women directly and indirectly participating in the enterprise and along the value chain of the enterprise including the forward and backward linkages

The Year 1 subprojects of typhoon Yolanda (Hainan) and the areas affected by the recent earthquake in Bohol are exempted from this step because of their exemption from VCA and PCIP preparation. It is understood that these areas would need immediate livelihood support and income augmenting activities. This exemption was further extended to micro-enterprise subprojects that would fall under rehabilitation or restoration subprojects in areas affected by calamity and conflicts.

Step 2: Business Model / Framework Formulation

Once the product segment is selected, the P/C/MPMIU assisted by RPCO will formulate a business model. This is to ensure that commodity farmers will benefit from the proposed enterprise.

The business model will be captured in 1 to 3 pages that will cover the hereunder key questions:

- 1. What is the product or services that could be offered by the enterprise?
- 2. Who are the USERs (Farmers) or DIRECT BENEFICIARIES of the enterprise? Who are the BUYERS? (identified market)
- 3. What is the problem and gaps that the enterprise will address? What are the opportunities that the enterprise will take advantage of?
- 4. What is the unique selling proposition?
- 5. Who are the business partners? (horizontal and vertical linkages)
- 6. What are the costs involved?

- 7. What are the revenues to be generated of the business? (comparison between with or without PRDP interventions)
- 8. How can the farmers earn from the enterprise?

Data needs for the preparation of business model / framework are from VCA, PCIP, Socio-Economic Profile of an LGU and other sources of data and information. See Annex 7 for the Guide in Business Model Formulation.

Step 3: Selection of Proponent Group and Submission of Letter of Intent

The P/C/MPMIU will send letter of invitation to possible proponent group (PG) on the prioritized enterprise with brief description of the draft business model. A project orientation on the content of the draft business model may be presented to the potential PGs. The list of PG will come from the directory of producer groups and group of industry players identified in the value chain and included in the PCIP.

The interested Proponent Group will submit Letter of Intent (LOI) (template in Annex 8) with the statement of compliance on the eligibility criteria together with the eligibility requirements identified in Table 4-2A, to the P/C/MPMIU addressed to the Governor. The LOI will serve as the PG's expression of willingness to participate or undertake the proposed enterprise.

Step 3.A: Selection of Proponent Group

The possible PGs that submitted LOI with complete eligibility requirements (based on the level of intervention) will be evaluated by the P/C/MPMIU with the guidance of the RPCO using the following criteria (Annex 9-A and 9-B⁹). The highest ranking PG will be selected as the Lead Proponent with the possibility of working with other proponents as cluster.

For Micro Enterprise Subprojects

- 1. At least 15 or more farmer/fisherfolk currently producing the commodity (5 points)
- 2. Open to investments by enterprises operating within priority commodity value chains identified in the PCIP (5 points)
 - Value of investment/ equity offered
- 3. Readiness to work in vertical cluster (5 points) (all levels of PG interventions)
 - O Stakeholders participation at various phases of the marketing chain
 - O Presence of organized producer's group that supplies raw materials
- 4. Performance based on previous or existing contracts with other funding institutions (5 points)

For Small and Medium Enterprise Subprojects

⁹For PG without previous or existing contract with other funding institutions, rating for criteria 1 to 3 should be pro-rated to reach 20 points (e.g., criteria 1 = 7 points, criteria 2 = 6 points, criteria 3 = 7 points).

- 1. Engages the most number of producers (5 points)
 - O No of participating farmers or producers
- 2. Readiness to work in vertical cluster (5 points)
 - O Stakeholders participation at various phases of the marketing chain
 - O Presence of organized producer's group that supplies raw materials
- 3. Open to investments by enterprises operating within priority commodity value chains identified in the PCIP (5 points)
 - Value of investment/ equity offered
- 4. Performance based on previous or existing contracts with other funding institutions (5 points)

For SEC registered associations whose registration is non-stock or non-profit organization, they may be eligible to be the Lead Proponent Group provided that the Articles of Incorporation state that they are mandated to engage in income generating activities.

In cases of clustering of proponents, a Lead Proponent from among the proponent groups must be identified which will serve as the lead firm or main proponent of the enterprise. The Lead Proponent will be the authorized representative of the members of the PG in signing the EA with the LGU. The EA will indicate the roles and responsibilities of the PG, the Lead Proponent and the LGU as discussed in the joint business plan. It will also indicate the fund allocation and its liquidation as well as the identification of the procuring entity for goods and works that will be needed in the enterprise. A supplemental agreement between the Lead Proponent and the members of the PG should be attached and form an integral part of the EA.

The Lead Proponent will be determined according to the following criteria:

- Able to provide the required equity of 20% of the total enterprise cost
- Acceptable to all cluster members;
- Broad network within the commodity sector;
- Access to technical and financial resources; and
- Proven track record in managing an organization and an enterprise.

In some cases and at a certain extent, the LGU will only be allowed to be a proponent of an enterprise under **ALL** of the following conditions:

- Absence of private investment in the proposed enterprise in a province due to peace and order situation or it is situated in remote areas;
- Lack of capable producer group to undertake the proposed enterprise due to its nature i.e. highly integrated along the value chain that would affect the most number of farmers and fishers in the area; and
- Willingness of the LGU to invest on specific enterprises.

Step 3.B: Proponent Group Validation and Evaluation

The PSO shall conduct site and PG validation after the P/C/MPMIU has identified the enterprise and PG who will implement the enterprise. The PSO shall issue the Confirmation Letter with recommendations to the respective RPCOs copy furnish the NPCO. Refer to Annex 10 Validation and Score Sheet).

The NPCO may assist in the conduct of site validation and PG evaluation after the P/C/MPMIU has identified the enterprise and the PG who will implement the enterprise.

Step 4: Business Plan Preparation and Finalization

Step 4.A.1: Conduct of Training/Workshop on Business Planning

Upon selection of enterprise and PG, the RPCO will arrange a meeting to be attended by the P/C/MPMIU and the representatives of the PG to discuss the following:

- Data needs for the preparation of the business plan, process of gathering data, sources of data, and tasking of who will gather pertinent data (See Annex 11) for Guide Questions for Business Plan Data/Information Gathering).
- Conduct of the PRA-RSA for the set of prioritized enterprises that have significant dependence/relations with natural resource base
- Finalize schedules of the data gathering activities, the conduct of the business planning training/workshop and PRA-RSA training.

The RPCO with the assistance of the PSO will facilitate the conduct of the Business Planning Workshop and assist the PG and the P/C/MPMIU in preparing the business plan.

The participants to the Business Planning Workshop will include but not limited to the following:

- Representatives of the PG;
- P/C/MPMIU Head and I-REAP Head;
- Concerned LGU staff (PPDO, OPAg, OPV, etc)
- Municipal Agriculture Officer (MAO) of the municipality where the enterprise will be located;
- RPCO I-REAP Head
- AMAD staff: and
- Concerned units or agencies or commodity experts
- Industry experts/practitioners

The output of the workshop will be the draft business plan (See Annex 12-A for the Business Plan Outline and Annex 12-B for the Subproject Proposal for micro enterprises). To maximize resources and enhance the learning experience, two (2) groups of proponents of enterprises, as applicable, will undergo a Business Planning Workshop together.

At this point, subproject baseline data should be gathered of which information will be used in the preparation of the Subproject Profile including farmers profile. The data gathering will be done jointly by the RPCO I-REAP and RPCO M and E. The subproject profile will be uploaded in the web-based MIS while the farmers profile will be attached to the business plan. Guide in gathering the baseline data is presented in Annex 13.

During the preparation of the Business Plan, the terms of the business arrangement (e.g. Partnership Agreement, Lease Agreement, Lease Purchase Agreement, etc.), between the LGU and the Proponent Group will be thoroughly discussed and the agreed terms will form part of the Business Plan (specifically on the operational plan and the financial sections of the business plan).

An enterprise with infrastructure component will be proposed under I-BUILD. It will be required to have Detailed Engineering Design (DED) following the guidelines set in the I-BUILD Operations Manual and should conform to the Social and Environmental Safeguards Framework of the project. Refer to the I-BUILD Operations Manual and Integrated Environmental and Social Safeguards Framework (IESSF) for the checklist of requirements and procedures.

Step 4-A.2: Conduct of Participatory Resources Appraisal-Resources Survey and Assessment (PRA-RSA) for GEF Areas and Subproject with NRM Interventions

The conduct of PRA-RSA should build on the results of the VCA. The NRM interventions for the priority commodity should be identified in the PCIP. An enterprise that will be established in GEF areas and/or is resource-based should be subjected to a rapid PRA-RSA of which NRM interventions will be included in the business plan. (See Annex 2.A for possible NRM interventions)

All subprojects identified in GEF sites should have PRA-RSA.

The conduct of enterprise-based rapid PRA-RSA will be jointly conducted by the RPCO and the P/C/MPMIU. Preferably, the PRA-RSA will be led by the RPCO's NRM focal person, actively supported by the PSO's NRM Specialist. If capacity to do the PRA-RSA is not present at the RPCO level, the PSO has the option to engage the services of a consultant to augment the limitations of the RPCO.

The activities and operational features of the PRDP PRA-RSA is a simplified and purposive adaptation of the MRDP2 PRA-RSA design. For all the GEF sites, inventory and assessment of the coastal resources will be conducted.

The guide in the conduct of the PRA-RSA is presented in Annex 15.

Step 4.B: Business Planning Sessions

Within 55 days, the PG and the P/C/MPMIU will finalize the business plan and all its attachments including Detailed Engineering Design for the infrastructure component of the enterprise, Social and Environmental Safeguards (SES) document/s, as applicable, Work and Financial Plan (WFP), Procurement Plan (PP), geotag pictures of the proposed I-REAP subproject and its location and other supporting documents or attachments as necessary. (Please refer to the following Operations Manual and Guidelines for guidance: Supplemental Guidelines for I-REAP Civil Works, IESSF for I-REAP Subprojects, Geotagging of I-REAP Subprojects, Financial Management and Procurement Guidelines for I-REAP Subprojects).

Step 4.C: Business Plan Packaging

The business plan, the WFP, PP, and DED and SES documents will be packaged by the P/C/MPMIU and should be approved by the Governor. Upon approval of these documents, the P/C/MPMIU will prepare the Endorsement Letter to be signed by the Governor. The P/C/MPMIU shall submit the business plan and all its attachments in soft and hard copy to the RPCO. See Annex 14A for Checklist of Requirements

Step 5: Subproject Review and Appraisal

Upon receipt of the complete package of the business plan including all attachments and documentary requirements with letter endorsement from the Local Chief Executive, the RPCO will convene the Technical Review Committee which will be composed of representatives from the different units and components of PRDP, commodity experts, industry experts and practitioners and other technical experts as may be deemed necessary.

A Technical Review Report shall be prepared providing details on the essential elements of the business plan and the findings of the Technical Review Committee. The business plan will be evaluated using the guide questions in Annex 12 and the Subproject Appraisal Form in Annex 13. Based on the evaluation, the business plan will be returned to the P/C/MPMIU and the PG for revision and compliance to findings. The duly accomplished Subproject Appraisal Form (Annex 15), checklist and recommendations to revised business plan shall be forwarded LGU for compliance to the technical Report. A business plan tracking form should be prepared to keep track of comments and compliances (Annex 16).

Step 6: Compliance Review Report

The PSO will conduct Compliance Review on the submitted revised business plan including all attachments to check its compliances to PRDP requirements and the comments and findings in the Technical Review. Depending on the review of the PSO, the business plan will be returned to the RPCO for revision and compliance of the P/C/MPMIU and the PG. However, if the review is satisfactory, the revised business plan together with the Compliance Review Report will be endorsed to the RPCO for the scheduling of RPAB deliberation.

Step 7: RPAB Approval

Upon approval, the RPCO serving as the secretariat of the RPAB will prepare the 'Notice of Approval' and the RPAB Resolution to be sent to the P/C/MPMIU. This will be the basis for the preparation of the IMA.

A template for the preparation of the IMA is shown in Annex 17.A for subproject with Enterprise Development only and 14.B for Enterprise Development with Civil Works.

Step 8: Issuance of NOL

The following threshold will be followed for the issuance of No Objection Letter.

NOL 1 Issuing Office	Threshold	
PSO Luzon A	All subprojects with total enterprise project cost	
	not more than US\$300,000.00	
PSO (Luzon B and	LP + GOP amount of the total enterprise project	
Visayas)	cost not exceeding PhP5Million	
Mindanao	All subprojects with total enterprise project cost	
	not more than US\$1Million	
NPCO	LP + GOP amount of the total enterprise project	
	cost above PhP5Million but below PhP15Million	
	All first micro-enterprise subproject per cluster	
World Bank	LP + GOP amount of the total enterprise project	
	cost PhP15Million and above	

The NPCO at anytime, depending on the result of the performance review every 6 months, lift the authority given to the PSOs in the issuance of NOL for start-up and upgrading/expansion subprojects.

Step 9: Signing of the IMA among PSO, RPCO and LGU and the Preparation of EA between the LGU and the PG

Step 9. A: Signing of the Implementation Management Agreement (IMA)

Upon issuance of NOL, the RPCO will provide copy of the NOL and the RPAB Resolution to the LGU. The P/C/MPMIU will proceed to the finalization and signing of the IMA which will be the basis in the preparation of the EA. Only one IMA will be prepared for I-REAP subproject. The LGU will prepare and endorse the IMA to the RPCO, which will then endorse the same to the PSO, with the following documents: a) Sangguniang Panlalawigan/Panlungsod/Bayan Resolution Authorizing the Local Chief Executive to sign the IMA; b) Appropriation Ordinance for the LGU equity; c) Approved business plan; d) Approved DED and POW; e) Approved Procurement Plan; f) Approved Work and Financial Plan; and e) NOL.

The LGU may also include in the endorsement of the signed IMA, the request for the issuance of Certificate as to Availability of Fund (CAF).

Upon receipt of the IMA and the request for CAF, the RPCO will review and sign the IMA and endorse the same to the PSO.

The PSO will review the IMA and sign the same. The PSO will also review the requirements for the issuance of CAF and if found the documents in order, will process the issuance of CAF.

The PSO through the RPCO will provide the signed IMA and the CAF to the LGU.

Step 9.B: Signing of the Enterprise Investment Agreement (EA)

After finalizing and signing the IMA, the draft EA will be finalized by the P/C/MPMIU and endorsed to the RPCO for review and approval. Sample EA is shown in Annex 18. Upon review and approval of the RPCO, the EA will be forwarded to the Governor for his approval and signature.

Step 10: Processing and Release of the EPF

The PSO will release the Enterprise Project Fund to the LGU at least two tranches or as provided in the IMA based on the requirements of the enterprise as stipulated in the business plans, procurement plan and work and financial plan (WFP). For the infrastructure or civil works component of the enterprise, the fund releases will follow the I-BUILD process (Refer to I-BUILD Operations Manual and Financial Management Guidelines for the procedures).

For micro-enterprise subprojects with one-item or single item procurement, fund may be released to the LGU using one tranche only. The Work and Financial Plan will be the basis in the fund releases.

The requirements for the release of fund to the LGU are as follows:

a. Requirement for Issuance of Certificate as to Availability of Fund (CAF)

1. Approved, signed and notarized IMA between the PSO and LGU

b. For Initial Release

- a. Approved, signed and notarized IMA between the PSO, RPCO and LGU
- b. Appropriation Ordinance for the LGU equity
- c. CAF
- d. Approved Program of Work, Procurement Plan and Work and Financial Plan
- e. Letter from LCE requesting RPCO for the release of funds in accordance with the IMA
- f. Bank certification for the opening of accounts of Loan and/or Grant Proceeds and GOP Counterpart

- g. Bank certification of LGU equity reflecting full deposit (100%) of equity share in the enterprise
- h. Endorsement by RPCO to the PSO on the request of LGU for the release of funds

c. For Succeeding and Final Release

- a. Letter from LCE requesting for the release of funds
- b. Submission of SRE for the liquidation of at least 70% of the previous release
- c. Certified copies of supporting documents
- d. Geotagged photos of accomplishments
- e. Validated required accomplishment report as stated in the IMA and EA
- f. Endorsement from RPCO to the PSO on the request of LGU for the release of funds.

The PSO upon processing of the first tranche will issue a check or letter of advice and transfer the fund in the name of the LGU for PRDP Sub Project Trust Account based on the original copy of Bank certification submitted by LGU. The LGU will issue its Official Receipt or Confirmation Letter or Acknowledgement Receipt within three (3) days upon confirmation that funds had been credited.

The financing mix for I-REAP funding is shown in Table 4-3.

Table 4-3. Financing Mix for I-REAP Funding

	WB-Loan Proceeds (LP)	GoP – DA	GEF	LGU Counterpart
Total Enterprise Project Cost	60%	20%	0	20%
Total Enterprise Project Cost-GEF	0	0	80%	20%

The total EPC is net of the 20% PG equity from the total investment cost. The PG equity maybe in the form of cash and/or in kind such as land, labor, equipment and materials, among others. The land equity should have no encumbrances.

In case of GEF identified enterprise, the financing mix is 80% of total EPC-GEF and 20% from the LGU as equity. Types of activities applicable for GEF financing would include implementation support for improved conservation, technical training, awareness-raising, and knowledge sharing. Refer to Guidelines in the Implementation of GEF-funded Subprojects for the procedures and requirements.

The LGU shall provide the required 20% LGU counterpart.

Step 11: Release of I-REAP fund from the LGU to the PG

The Lead Proponent will open a separate bank account, preferably current account to any government or commercial banks, but preferably Land Bank of the Philippines, for the I-REAP fund. The LGU will release the funds based on the approved WFP as stated in the EA, upon submission of the following requirements.

- 1 Approved, signed and notarized EA between the LGU and the PG;
- 2 Approved Work and Financial Plan (WFP);
- 3 Bank certification of the Bank Account in the name of PG;
- 4 Document showing that PG has equity equivalent to twenty percent (20%) of the total incremental enterprise cost. For cash equity, bank certification reflecting the amount of equity deposit. In case of equity in kind, such as land, building or equipment, the valuation should be based on book value;
- 5 Certified photocopy of the Purchase Order/Marketing Agreement/Contract for the release of trading capital, as appropriate.

Step 12: Implementation of the Proposed Enterprise

The P/C/MPMIU in coordination with the RPCO will conduct pre-implementation meeting with PG and its members

The PG will implement the enterprise as detailed in the Work and Financial Plan of the approved business plan.

The P/C/MPMIU will conduct regular monthly monitoring and reporting of the progress of the enterprise implementation to the RPCO. The RPCO will process the report and submit the processed data to the PSO. The PSO will consolidate the reports submitted by the different RPCO and will submit the progress report to the NPCO.

Upon liquidation of the 70% of the fund previously downloaded to the PG, it can request the release of the succeeding or final tranche.

Step 13: Submission of Completion Report by the P/C/MPMIU

After the full release (100%) of the EPF to the LGU and the PG and completion of the subproject implementation as stated in the WFP, the P/C/MPMIU will notify in writing the RPCO that the subproject has been completed. The RPCO will mobilize the Joint Inspection Team which shall be composed of representatives from the PSO and RPCO I-REAP, I-BUILD (when there is civil works), GGU, Procurement and SES to validate the completion of the subproject.

Step 14: Turn Over of the Completed Subproject to the PG

Upon submission of report of the Joint Inspection Team and with satisfactory remark and acceptance of completed subproject by the RPCO, the LGU shall turn over the completed subproject to the PG. The turn over shall include all goods and works procured and funded by PRDP. A Certificate of Turn Over will be issued by the LGU to the PG.

4.1.3.1 Implementation of I-REAP Subprojects in Areas Affected by Natural Calamities and Conflict

PRDP would pay special attention to those areas affected by to areas affected by Typhoon Yolanda (Haiyan) and the earthquake in Bohol during the first year of project implementation (See Annex A for the list). The types of enterprises and infrastructure to be supported are flexible in these affected areas such that it will specifically target the gaps. For example small-scale farmers and fishers who have lost productive assets (boats, coconut trees, etc.,) coconut nursery development linked with replanting by groups of small-scale farmers or boat building linked to fisheries or seaweed production, among others. Annex 20 provides for the supplemental guidelines in the implementation of I-REAP subprojects in the affected areas.

I-REAP subprojects in areas affected by typhoon Haiyan and the earthquake in Bohol were eligible for support without necessarily being aligned with PCIPs. This exemption was further extended to affected farmers and fishers of the subsequent natural disasters such as typhoon Lando and Nona in 2015.

It was agreed that all new enterprise subprojects, including micro-enterprises should be based on VCAs and aligned with priorities of the PCIPs. However, for micro-enterprises that have already passed Regional Project Advisory Board (RPAB) Approval, processing can continue. In addition, recognizing the fact that PRDP has established considerable capacity, robust mechanisms and procedures through which the DA can respond to future declared disasters and calamities, a maximum of US\$9Million (10%) of the Loan Funds allocated to Sub-component 3.1 can be used in such cases for micro enterprises (PhP1 Million below), without the need for their alignment with priorities established in the PCIPs.

4.1.4 Private Sector Partnership with the Proponent Group

The P/C/MPMIU in its efforts to increase the integration of smallholder producers in performing remunerative value chains may develop and implement productive alliances between smallholders and the private sector aimed at improving market access of the producers group in the area. In this case, the P/C/MPMIU will invite private sector as business partners in providing support services to the identified producers group. This is true for value chain or subprojects that are highly integrated such as cacao, coffee, geonet, and poultry among others. The criteria for selecting private sector partner could include the following:

- Committed to enter into marketing contract or buy back agreement with the producers group
- Will undertake technology transfer on the provided goods and/or services
- Financial and organizational capability to undertake the proposed enterprise
- Established actual experience in undertaking or implementing the proposed enterprise

The basis for inviting or accepting the participation of the private sector is the PCIP proposed interventions. Specifically private sectors are expected to complement the proposed interventions with no existing value chain players or stakeholders. Examples include investors or companies willing to put up primary or secondary processing facilities and would require local raw materials (e.g. fermented cacao beans as ingredient for chocolate). Other examples are companies that will add local investments in product or technology innovations (e.g. coconut fiber as raw material for rubberized mat).

The private sector, with its available advance technology and who needs quality raw materials, will forge agreement with the LGU in behalf of the proponent group. The private sector should also be identified to have critical role in the commodity value chain and could provide technical assistance to the PGs and serve as market / buyer of the raw materials produce by farmers.

Private sectors invited by the proponent LGU must submit investment proposals based on the enterprise identified and the following requirements:

- a. Must be registered under Philippine Laws for at least 5 years (SEC registration as stock corporation with Certificate of Good Standing)
- b. Must have equity investment of at least 50% of the total project cost
- c. Proof of financial stability with three years audited financial reports
- d. Company profile
- e. Certification from government or non-government organizations on the performance of the projects completed or partnership with industry sector for the past three years

The P/C/MPMIU together with RPCO will evaluate the submitted investment proposals with considerations on the consistency to the VCA findings and the E-VSA result for the location of the proposed investments. The proposal will then be submitted to the PSO for further review on the compliances with PRDP requirements and endorse the same to the NPCO and WB for issuance of NOL.

4.2 GEF Supported Activities

4.2.1 Pre-Implementation

A more purposive pre-implementation process was conducted for identifying the GEF sites. This feature was mainly to ensure that the sites have both significance in terms of the priority

commodity in the region and province, and the level of biodiversity. As part of the preimplementation process, the DA and DA-BFAR created a list of candidate sites that are listed as priority conservation areas, and have been identified by DA-BFAR as key marine and coastal resource production areas. The initial list of candidate sites were further trimmed down based on specific technical and operational considerations.

The following are the final GEF sites for PRDP:

- a. Tayabas Bay in Quezon Province (Region 4A),
- b. Guimaras Strait, Guimaras Province (Region 6),
- c. Guiuan Coast, Eastern Samar Province (Region 8),
- d. Danajon Bank, Bohol Province (Region 7),
- e. Donsol-Ticao-Burias Pass, Sorsogon and Masbate Provinces (Region 5),
- f. Green Island Bay, Palawan Province (Region 4B).

All of these project sites have been listed as priority conservation areas in the National Biodiversity Strategy and Action Plan (NBSAP) and further listed as key marine biodiversity areas by the International Union for Conservation of Nature (IUCN), Conservation International (CI), and DENR. The DA-BFAR also recognizes these sites as major coastal and fishery resource areas. These areas possess globally threatened species that are categorized under the IUCN Red List as critically endangered (CE), endangered (EN) or vulnerable (VU). Threats to these six sites range from unsustainable farming and fishing practices resulting in soil erosion and siltation of coastal zones, illegal fishing, over-fishing and over-exploitation of resources. Climate change is expected to contribute to these threats and negative impacts, as coastal and upland communities have limited coping and adaptation capacities. Within each GEF target area, the GEF financed activities will be concentrated in close proximity to PRDP areas where there is a commodity value chain in order to better integrate sustainable ecosystem management. Hence, MPAs would be selected for GEF financing based on their distance from PRDP areas, their global biological significance and where local demand for improved management effectiveness is high.

GEF supported activities would be integrated into the components of I-PLAN and I-REAP. Identification of NRM and conservation activities in the GEF sites will follow the normal prioritizing and planning procedures of the I-REAP component. Thus, the types of activities supported at each GEF target area would be adaptable based on regional and local needs, as contained in the PCIP and specified in the business plan. The types of support would be catalytic in terms of ensuring that biodiversity conservation and coastal resources comanagement arrangements are included in the determination of interventions needed to support commodity value chains.

Through these GEF-supported activities, measures will be taken to protect or restore the components of biodiversity that contribute to ecosystem functioning and local development. The types of activities supported at each GEF target site will be adaptable based on regional and local needs. Specific activities will be selected at the site level based on the information generated by the VCA, PRA-RSA, and GEF Tracking Tools.

<u>Subcomponent 3.1: Rural Agri-fishery Enterprise, Productivity and Sustainability Enhancement</u>

The types of support available to each site will include:

- Enhancement of Technical and Operational Capacities of Stakeholders Training for smallholder farmer and fisher groups on natural resources management and conservation strategies such as Participatory Resource Assessment (PRA) on mangrove, sea-grass and coral reef ecosystem that are critical habitats to endangered marine organisms;
- 2. Strategic Awareness Campaigns These campaigns will focus on biodiversity conservation, fisheries management and coastal resource management issues;
- 3. Facilitating Stakeholders to Pursue Co-management Arrangements Support for facilitating and building partnerships between community/producer groups, market stakeholders, and local governments. Consultations and organizational development building activities will lead to co-management arrangements over key coastal resources. These co-management arrangements will increase the likelihood for sustainability and ensure integrative attention on conservation and proper resources management and utilization;
- 4. Conservation Implementation Investments Examples of potential activities include coastal and marine habitat restoration; providing enhanced enforcement capacity; equipment and financing required for enhance MPA management;
- 5. Coastal and Marine Ecosystem Management Implementation Assisting with the implementation of strengthened local policy frameworks for improving local conservation of vital resources in conjunction with the commodity value chain.

Subcomponent 3.2: Technology and Information for Enterprise and Market Development

This GEF support will provide knowledge and experience sharing of good practices among stakeholders. This project will contribute to the IW: LEARN knowledge sharing platform through the establishment of a project website following IW: LEARN guidelines, participation in the GEF IW biennial conferences, and sharing of experiences with at least two Experience Notes. Specific activities will include agro-forestry; nursery establishment; marine habitat restoration techniques for mangrove, seagrass and coral reefs, promotion of Sloping Agricultural Land Technology (SALT). Moreover, Good Aquaculture Practices (GAP) will be applied such as enhancement of seed quality and improvement of stocking practices, and habitat management and bio-security.

GEF Activities Implementation

The implementation of GEF supported activities will follow the Guidelines for Implementing GEF-Funded Subprojects

The total area covered by the MPAs in the targeted sites is about 14,000 hectares. All the MPAs were established through local government ordinances following the procedures under the Fisheries Code (RA 8550). All MPAs are classified as IUCN Category-6 MPAs (Locally Managed MPA).

Target Sites	Municipalities	Trigger Species	Bio- Geographic Zone/ LME	MPAs (overall METT score)	GEF Supported Activities
Tayabas Bay, Quezon R.4-A	Sariaya, Lucena, Pitogo, Unisan, Agdangan, Gen. Luna, Macalelon, Mulanay, San Francisco, Catanauan, Pagbilao, Padre Burgos	Hawksbill Turtle Eretmochelysimbricata(CR); Green Sea Turtle Cheloniamydas (EN); Olive-ridley's Turtle Lepidochelysolivacea (EN); Cantherellusnoumea(EN); Catalaphylliajardinae (VU); Gonioporaburgosi (VU)(EN)	Tayabas Bay	 Bahurang Silag Marine Sanctuary (37%) San Roque Reef Fish Sanctuary (75%) Padre Burgos Fish Sanctuary (54%) 	 PRA-SRA, VSA, VCA, METT, MEAT, MSP and TNA as preliminary activities to critically assess the priority sites and subsequently be used in regional planning processes. Component 3.1. Enhancement of technical and operational capacities of
Ticao Pass, Masbate and Sorsogon, R.5	PioDuran, Ligao; Magallanes, Bulan, Castilla, Donsol, Pilar(Sorsogon); Monreal, San Jacinto (Masbate).	Whale shark <i>Rhincodontypus</i> (VU); Hammerhead Sharks (VU); Extensive mangrove, seagrass and coral reef ecosystem	Burias and Ticao Pass and San Bernardino Strait	 Butag Bay Fish Sanctuary and Marine Reserve (49%) Pilar Marine Fishery Reserve and Sanctuary (43%) Magallanes Fish and Marine 	stakeholders including conduct of Participatory Resource Assessment (PRA), on mangrove, sea-grass and coral reef ecosystem that are critical habitats to

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				Sanctuary (20%) • Matnog Marine Reserve (27%) • San Fernando Fish Sanctuary and Marine Reserve (18%)	
Southeast Iloilo, Guimaras and Iloilo,	Buenavista, San Lorenzo, Sibunag, Jordan, Nueva Valencia	Hawksbill Turtle Eretmochelys imbricata (CR); Green Sea Turtle Chelonia	Sulu Sea in the South and Visayan Sea in the	 Pamanculan Fish Sanctuary (53%) Lawi Marine Resrve and Fish Sanctuary (54%) Toyo Reef Fish Sanctuary (54%) 	
R.6	(GuimarasIs.); Dumangas, Leganes, Iloilo, Oton (Iloilo)	mydas (EN); WhitefinTope Shark Hemitriakisleucoperiptera(EN); Camptostemon philippinense (EN); White-spotted Guitarfish Rhynchobatus australiae (VU); Dugong Dugongdugon (VU); Avicenniarumphiana (VU);	North	umalintinan Point Fish Sanctuary (60%)	 endangered marine organisms; Strategic awareness campaigns activities focused on biodiversity conservation, fisheries management and coastal resource management issues; Facilitating Comanagement arrangements and building

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		partnerships, includin organizational development	ıg
		 Provision of conservation implementation investments such as coastal and marine habitates restoration and enforcement for enhancing MPA management; 	ch at
		Strengthening local police frameworks for	СУ

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Green Island, Palawan Region 4-B	Roxas (Green Island Bay),	Hawksbill Turtle Eretmochelys imbricata (CR); Giant Clam Tridacnagigas (EN); Green Sea Turtle Cheloniamydas (EN); Loggerhead Turtle Carettacaretta(EN); Humphead Wrasse Cheilinusundulatus (EN); White-spotted Guitarfish Rhynchobatusaustraliae (VU); Leopard Shark Stegostomafasciatum(VU); Dugong Dugong dugon (VU);	Sulu Sea	 Caramay MPA (44%) Johnson Island MPA (45%) Malcampo MPA (56%) Rizal MPA (57%) San Miguel MPA (29%) Tinitian MPA (38%) Tumarbong MPA (79%) 	
Danajon Bank, Cebu, R.7,	Ubay, Pres. C. Garcia, Jetafe, Inabanga,	Humphead Wrasse Cheilinusundulatus (EN); Barbour's	Camotes Sea	 Aguining Marine Sanctuary (55%) Asinan Reef Fish Sanctuary (33%) Batasan Marine Sanctuary (76%) 	

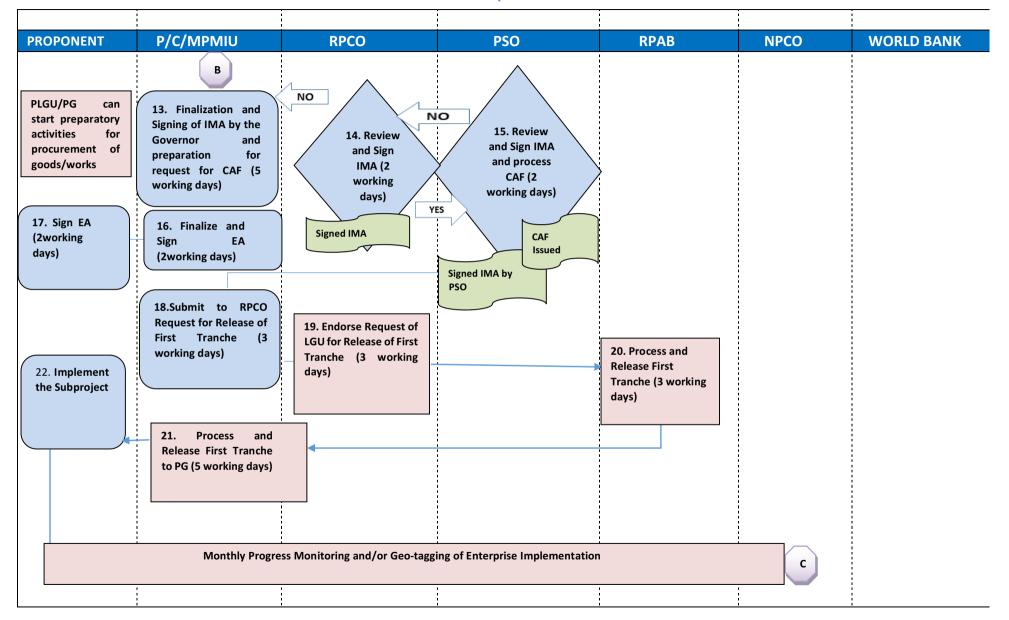
	Buenavista, Talibon, Clarin, Tubigon, Calape, Loon, Bien Unido, Trinidad, Banacon Island	SeahorseHippocampusbarbouri (VU); Humpback Grouper Cromileptes altivelis (VU); Spotted Seahorse Hippocampuskuda (VU); Hippocampus comes (VU); H. spinossisimus (VU); H. trimaculatus (VU); Acroporaloisetteae (VU); Acroporahoeksemai (VU); Nemenzophylliasp.; Chinese Egret Egrettaeulophotes (EN).		 Bilang-bilangan marine Sanctuary (69%) Cataban Marine Sanctuary (65%) Cuaming Marine Sanctuary (83%) Guindacan Marine Sanctuary (35%) Hambongan Marine Sanctuary (50%) Handumon Marine Sanctuary (54%) Hingotanan West Marine Sanctuary (65%) Jandayan Marine Sanctuary (29%) Pangapasan Marine Sanctuary (29%) Sidakan Marine Sanctuary (79%) Sinandigan Marine Sanctuary (71%) 	improving local conservation of vital resources in conjunction with the commodity value chain. Component 3.2. ■ Knowledge generation and sharing of best practices through website establishment on different technologies used, lessons learned and experiences.
Guian Coast, Eastern Samar, R.8	Salcedo, Guiuan, Gen. MacArthur, Giporlos, Hernani, Mercedes, Quinapondan	Hawksbill Turtle Eretmochelys imbricata (CR); Leatherback Turtle Dermochelyscoriacea(CR); Green Sea Turtle Cheloniamydas (EN); Smooth Giant Clam Tridacnaderasa(VU);	Pacific Ocean	 Bagonbanua Marine Reserve and Sanctuary (55%) Balangiga Reef Fish Sanctuary (33%) Baol Island Marine Reserve and Fish Sanctuary (76%) Binabasalan Island Marine Sanctuary (69%) Bolusao Fish Sanctuary (65%) 	

Philippine Rural Development Project Operations Manual

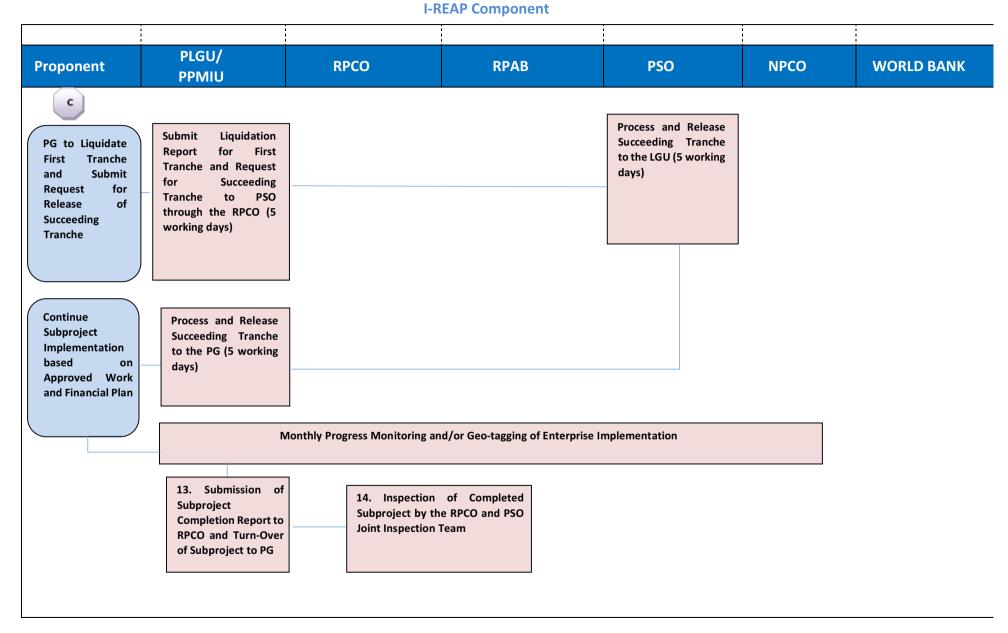
Montiporasamarensis(VU)	Canigaran Fish Sanctuary (83%)Cabuohan Fish Sanctuary (35%)	
	 Cantican Island Sanctuary (50%) Can-usod Fish Sanctuary (54%) Guinob-an Fish Sanctuary (65%) Lupakon and Bilangbilang Reefs Marine Sanctuary (29%) Magluto Reef Fish Sanctuary (29%) Manapag Reef Sanctuary (79%) Mantampok Islet Marine Sanctuary (71%) Maslog Fish Sanctuary (65%) Minonbonan Reef Marine Sanctuary (65%) Monbon Fish Sanctuary (63%) Panoloytoyon Reef Marine Sanctuary (57%) 	

PROPONENT P/C/MPMIU **WORLD BANK RPCO PSO RPAB NPCO** PCIP 1.Conduct Enterprise Prioritization(2 working days) 6. PG Validation (2 working 2.Business days) Model/Framework Formulation (2 working days) Confirmation 4. Submit 3. Invite Possible PG Letter letter of Intent and Eligibility 5. Proponent Group 12. NOL Requirements 12.WB to issue Selection (2 working days) Issuance for **NOL for: First** all types of Subproject per SPs with Cluster and all NO grant amount 7. Business Planning other types of of (LP+GOP) NO Workshop Including PRA-SP with grant of total NO NO RSA Activities, if applicable 10. Compliance amount enterprise Review and/or NOL (LP+GOP) of (7 working days) project cost the total issuance for all **11. RPAB** 9. Subproject above Php5 enterprise micro-enterprise Approval (2 M but less **Review and** project cost subprojects and all working Appraisal Php15 M Php15M and other types of SPs days) 8. Business Plan (2 working (2 working above (7 within its threshold Preparation, Review. days) days) working days) (2 working days) Revisions, and Packaging (45 working days) YES YES YES **Technical** Compliance RPAB Review Report Report Resolution NOL NOL В

Figure 4-1. Process Flow for I-REAP Implementation: Sub-component 3.1 (Rural Agri-fishery Enterprise and Productivity Enhancement)



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4.2.2 Implementation Process for I-REAP Subcomponent 3.2 (Technology and Information for Enterprise and Market Development)

This component will be availed of on the basis of a proposal stating the type of training and consultancy services and the desired results of these activities. The proposal may originate from the RPCOs, PSOs and NPCO. This would complement the enterprise support under Subcomponent 3.1 by assisting small-scale producer groups across the country to increase their productivity and incomes through improved technological and operational knowledge, along with increased awareness of market requirements, opportunities and facilitation of market linkages. A particular focus would be on promoting and facilitating "demand-side" linkages with agro-processors, marketing agents, exporters, etc.

Activities to be supported, primarily through technical assistance would include:

- (i) showcasing experiences gained from previous projects in the Philippines and other countries supporting market development and integration;
- (ii) trade facilitation through conduct of market matching, trial shipment of priority products from production areas to identified markets, and assistance in preparing market contracts between producers, agro-processors, market agents, exporters, etc.;
- (iii) market promotion of quality products through trade fairs, caravans, cross visits and study tours;
- (iv) assistance in aggregation of supply and improved handling/packaging and proper labelling of priority products;
- (v) faster processing of registration and business permits;
- (vi) partnership and network building with Producer and Processing Federations;
- (vii) Climate Field Schools providing weather-related production information to small scale producers;
- (viii) capability building in GAP, GMP, product standards, business planning, enterprise management and operation including bookkeeping, internal control and cost analysis; and
- (ix) climate-smart agricultural and fisheries practices and technologies, such as crop diversification, IPM, construction of rain shelters for crops, and drip irrigation.

New technologies and approaches would also be introduced, in collaboration with agencies such as the DOST, International Rice Research Institute (IRRI), and State Universities and Colleges (SUCs), e.g., promotion of precision agriculture designed to link climate and weather data so that farmers and fishers can be better informed in making timely production and marketing decisions, varietal improvement, etc. This may be contracted by the Province with private service providers, e.g., agro-processors, nursery/seed/fingerling suppliers, technical and training outreach of State Universities or private organizations. It may also be provided as appropriate through Program Agreements between the RPCO/PSO and specialized Department of Agriculture agencies.

The disbursements are to be made by NPCO, PSOs and RPCOs. Approval and signing authority of officials, the nature and amount of disbursements must follow the approved WB Guidelines of eligible expenditures and existing DA policies and procedures on approval of disbursements.

The step by step process in implementing I-REAP Sub-component 3.2 is shown in Figure 4-2, particularly in the execution of a Program Contract.

Step 1: Identification of Technical Assistance Requirements/ Interventions

Based on the VCA and/or PCIP, the NPCO/PSO/RPCO shall identify the critical interventions and technical assistance to support the enterprises or to support commodity value chain upgrading.

Step 2: Preparation of Project Proposal

Upon identification of partner agency, the concerned unit NPCO/PSO/RPCO will meet and discuss with the partner agency the required intervention and will craft a project proposal and the corresponding work and financial plan.

Project proposal emanating and for implementation by the RPCO should be submitted to the PSO for review and approval of funding. While the project proposal emanating and for implementation by the PSO should be submitted to the NPCO for review and approval of funding. Project proposal emanating and for implementation by the NPCO will be submitted to the National Project Director for approval.

Step 3: Approval of the Project Proposal

The PSO/NPCO, whichever is appropriate, will review and approve the project proposal and the work and financial plan. A letter of approval duly signed by the designated authority shall be issued to the requesting party.

Step 4: Preparation of Program Contract

The implementing unit (NPCO/PSO/RPCO) will prepare the Program Contract with the partner agency for the implementation of the technical assistance. The Contract should provide the project details, the deliverables of the contracting parties, timelines of activities, funding requirements and the liquidation of fund.

Step 5: Download Fund to Partner Agency

Upon signing and notarization of the Program Contract, the NPCO/PSO/RPCO will download the fund to the partner agency.

Step 6: Implementation of the Activities or Technical Assistance

The activities for required technical assistance will be implemented based on the approved WFP. This could be jointly undertaken by the partner agency together with the NPCO/PSO/RPCO.

Step 7: Project Monitoring and Reporting

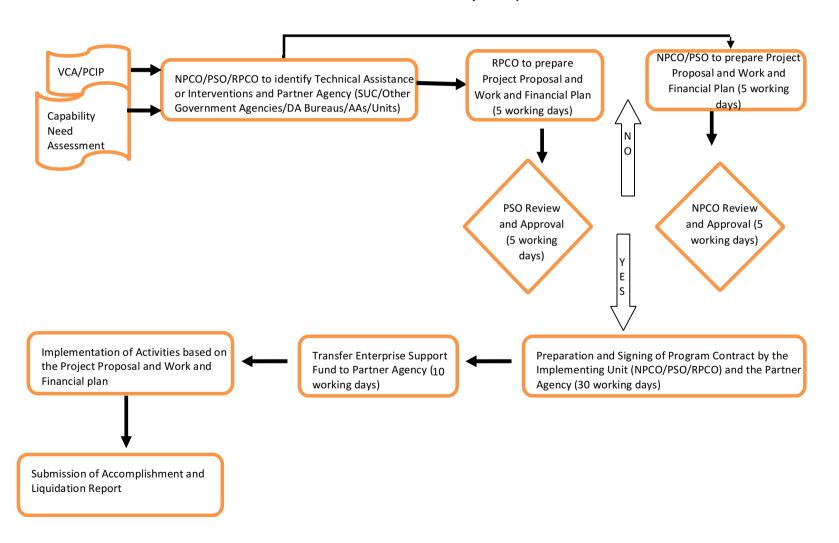
NPCO/PSO/RPCO will regularly monitor the progress of the activities. The partner agency will submit progress or accomplishment reports, the frequency of which is identified in the Program Contract.

Step 8: Project Completion and Fund Liquidation

Upon completion of the activities based on the approved WFP, the partner agency will - submit Final Report or Completion Report together with the fund liquidation report to the NPCO/PSO/RPCO.

Activities and subprojects to be funded under Sub-component 3.2 which will be implemented solely by the NPCO/PSO/RPCO without executing a Program Contract with partner implementing agency will only need a submission of Work and Financial Plan duly signed by designated authority and approved by the National Project Director.

Figure 4-2. Process Flow for I-REAP Implementation: Sub-component 3.2 (Technology and Information for Enterprise and Market Development)



4.3 Post-Implementation

The head of the Project Management Implementing Unit of the concerned LGU and the proponent, after completion of the 'Project' implementation will request final inspection by the RPCO Joint Inspection Team."

4.3.1 Post-Project Data Collection and Establishment of Technology Database

The Monitoring and Evaluation (M&E) unit of the P/C/MPMIU will collect post-project implementation data. The details on data collection are discussed in the RBME Guidelines.

The PRDP through the PSOs will assist the Regional Integrated Agricultural Research Centers (RIARCs) in establishing and maintaining an Agriculture and Fishery Information and Technology Database where LGU Agriculture Technicians can access downloadable technology packages to support future implementation of enterprise(s) in their respective areas.

5. Financial Management

The principal role of the LGU is to serve as the fund manager of the EPF and will be responsible for the successful implementation of the I-REAP enterprises in the province.

The total EPC will fund eligible enterprises of the PG including among others facilities, equipment, inputs, and infrastructure needed by the enterprise. The total EPC does not include the PG equity of at least 20% (in cash or in kind) of the total investment cost (See Table 5-1.).

Funds, equipment or facilities transferred to the PG for I-REAP enterprise will be considered as investment in the enterprise and will be governed by the provisions of the IMA and the EA. The PG shall take care of the operation and maintenance of these facilities, equipment and infrastructure.

5.1 Financing Mix for I-REAP Component

Enterprises under the I-REAP Sub-component 3.1 and GEF supported projects will be financed following the financing mix presented below in Table 5-1 for enterprises proposed and approved by the LGU for each round of I-REAP funding cycle:

Table 5-1. Financing Mix for I-REAP Component

		·	•	
I-REAP	WB-Loan	GoP – DA	GEF	LGU
Financing Mix	Proceeds (LP)			Counterpart
Total	60%	20%	0	20%
Enterprise				
Project Cost				
(EPC)				
Total EPC-GEF	0	0	80%	20%

Note: For PG implemented enterprises, the financing mix above is net of 20% PG Equity (incremental cost of the enterprise).

PG equity maybe in the form of cash or in kind.

The infrastructure component of the enterprise that were approved by the RPAB before April 28, 2016 will follow the financing mix stipulated in the I-BUILD Operations Manual. While infrastructure component of the enterprise that were approved after the abovementioned date will be included in the total enterprise project cost and shall follow the I-REAP financing mix stated in Table 5-1.

In case of GEF identified enterprise, the financing mix is 80% of EPC-GEF and 20% from the LGU as equity. Types of activities applicable for GEF financing would include implementation support for improved conservation, technical training, awareness-raising, and knowledge sharing (Annex 2.A).

5.2 Fund Establishment at the LGU

The LGU is required to open three (3) separate trust fund bank accounts, preferably with the Land Bank of the Philippines (LBP) or any accredited government depository banks, per fund source for I-REAP implementation. The said accounts must bear the name: "PRDP-<*Name of the Province>*- I-REAP/<*Fund Source>*".

The LGU equity must be included in the enacted Appropriation Ordinance by the *Sangguniang Panlalawigan/Panlungsod/Bayan*. The total equity requirement must be deposited to the PRDP Trust Fund Account – LGU Equity in the name of the province before release of funds from LP and GOP counterparts are to be made.

5.3 PRDP Fund Releases to LGU

The PSO will release the corresponding funds to the LGU, based on the IMA signed between PSO and LGU. However, fund releases to LGU must be at least two tranches depending on the requirement of the enterprises as stipulated in the approved WFP, business plan and EA. In cases of micro-enterprise subprojects that would require one-time procurement only, release of the fund to the LGU will only be done once. For infrastructure type of investment under the I-REAP component, it will follow the I-BUILD tranche release.

The requirements for the release of the LGU are as follows:

A. For Initial Tranche Release

- 1. Approved, signed and notarized Implementation Management Agreement (IMA) among the PSO, RPCO and PLGU/Chartered Cities
- 2. Appropriation Ordinance for the LGU equity
- 3. CAF
- 4. Approved Program of Work, Procurement Plan, Work and Financial Plan and NOL from the issuing office, as per threshold
- 5. Letter from LCE requesting RPCO for the release of funds in accordance with the IMA
- 6. Bank certification for the opening of accounts of Loan and/or Grant Proceeds and GOP Counterpart
- 7. Bank certification of LGU equity reflecting full deposit (100%) of equity share in the enterprise
- 8. Endorsement by RPCO to the PSO on the request of LGU for the release of funds

B. For Succeeding and Final Tranche Release

- 1. Letter from LCE requesting for the release of funds
- 2. Submission of SRE for the liquidation of at least 70% of the previous release
- 3. Certified copies of supporting documents
- 4. Geotagged photos of accomplishment
- 4. Validated required accomplishment report as stated in the IMA and EA
- 5. Endorsement from RPCO to the PSO on the request of LGU for the release of funds.

5.4 Fund Transfer from the LGU to the PG

5.4.1 Requirements for Fund Release

The PG will open a bank account preferably checking account with any government/commercial bank, preferably with Landbank, for funds that will be downloaded by the LGU for the operation of the enterprise.

Release of funds will be based on the approved WFP attached in the EA. The requirements for the release of funds to the PG are the following:

- a. Approved, signed and notarized EA between the LGU and the PG
- b. Approved WFP based on the approved business plan
- c. Bank certification of bank account in the name of PG
- d. Document showing that PG has equity equivalent to twenty percent (20%) incremental cost of the enterprise. For cash equity, bank certification reflecting the amount of equity deposit. In case of equity in kind, such as land, building or equipment, the valuation should be based on book value.

5.4.2 Liquidation of Funds Released to PG

- a. Fund utilization report indicating the summary of expenses and the status report of accomplishments, certified by the Accountant, approved by the President/Chairman of the PG and verified by the internal auditor or equivalent official of the LGU
- b. Geo-tagged pictures of implemented enterprises
- c. Inspection report and certificate of project completion issued by the LGU authorized representative
- d. Proof of verification by the LGU official on the validity of the documents submitted by the PG
- e. Official Receipt (OR) issued by the granting LGU acknowledging return by the PG of any unutilized/excess amount of cash advance.
- f. List of equipment/ facilities/vehicles procured by the PG out of enterprise funds indicating its brief description, date acquired, acquisition cost and final disposition
- g. Monthly SRE as Liquidation Report

5.5 Negative List of Funds Utilization

- a. Money market placement, time deposit or other forms of investment
- b. Cash advance of any official of the PG unless related to the implementation of enterprise
- c. Payment of salaries, honoraria or any form of allowances of the personnel of the
- d. Purchase of supplies, materials, equipment and motor vehicles of the LGU
- e. Acquisition of assets of the PG, unless necessary for the execution of the enterprise and specifically stipulated in the EPF
- f. Purchase of weapons
- g. Financing of political and religious activities
- h. Purchase of fertilizer, pesticides, insecticides and herbicides, asbestos and other potentially and dangerous materials and equipment
- i. Chainsaws and explosives
- j. Financing of sawmills
- k. Consumption items or events
- I. Financing activities that have an alternative prior source of committed funding
- m. Financing labor and other costs that could be provided in-kind through the members of the enterprise
- n. Financing salaries and wages unless the enterprise personnel required is highly technical or specialized
- o. Financing administrative expenses such as fuel, utilities, repair and maintenance, permits and licenses
- p. Purchase or repair of vehicles for government offices
- q. Salaried activities that employ children under 16 years of age
- r. Financing activities that unfairly exploit women or men at any age
- s. Use of mangrove or coral reefs as building materials
- t. Purchase of fishing boats and other related equipment unless directly related or needed in the enterprise
- u. Purchase of vehicle for monitoring purposes
- v. Construction of enterprise support facilities in protected areas
- w. Use of funds for purchase or compensation of land
- x. Construction or repair and buying of equipment for government offices and places of worship
- y. Micro-financing activities
- z. Potable water system

5.6 Provision of Working Capital

All I-REAP subprojects should be sustainable and the PG should be able to shoulder part of the recurring costs of the enterprise. However, a portion of the initial working capital may be provided to the PG as part of the subproject grant for the first production only,

not to exceed PhP1 Million. Working capital requirements for I-REAP subprojects may be used as roll-over fund for the operation of the enterprise except as payment for fuel, fertilizer, pesticide, insecticides and the like, labor expense, salaries and wages, administrative expenses, utilities, repair and maintenance, permits and licenses and other costs that could be provided by the PG and its members in kind.

Working capital requirement is the amount of financing a business enterprise needs to carry out its day-to-day activities. This varies with the type of business (e.g. production, processing, trading) and the products/services offered, which also affect to some extent the amount of inventory held and the amount of time it takes to pay the suppliers and to collect cash from the buyers. The formula below can be used in computing the net working capital requirement:

Net working capital requirement = Accounts Receivables + Inventory – Accounts Payable

5.7 Disbursement Procedures for Technology and Information for Enterprise and Market Development (Sub component 3.2)

Activities/sub-projects proposed by the NPCO, PSO, RPCO and other partner agencies in support to enterprises will be financed using the following financing mix:

Table .	Table 3-2. Thiancing with for i-KEAF Projects			
I-REAP Sub-	LP	GOP	Total	
Component				
3.2				
Financing Mix	80%	20%	100%	

Table 5-2. Financing Mix for I-REAP Projects

The disbursements are to be made by NPCO, PSOs and RPCOs as stated in the Program Contract signed between the NPCO/PSO/RPCO and the partner agency. Approval and signing authority of officials, the nature and amount of disbursements must follow the approved WB Guidelines of eligible expenditures and existing DA policies and procedures on approval of disbursements.

5.8 Books of Accounts and Records

The Books of Accounts and Records that will be established and maintained by the LGU are discussed in detail on Chapter 5 of the Financial Management Guidelines.

5.9 Financial Reports

The PG and LGU must submit monthly, quarterly and annual financial reports including certified copies of supporting documents to the RPCO reflecting the receipts and disbursements of funds. The required reports should be submitted not later than the 5th day of the ensuing month or quarter.

The required financial reports to be submitted are presented in Chapter 6 of PRDP Financial Management Guidelines.

6. Procurement Guidelines

Procurement refers to the purchase of all the works, goods and services needed in the establishment and implementation of the enterprise.

The PG or the LGU thru its Procurement Committee or Bids and Awards Committee (BAC) will be responsible in the procurement processes under the supervision of the P/C/MPMIU and the RPCO.

6.1 Scope

I-REAP procurement is for works, goods and services identified in the approved business plans and EA. Procurement will be undertaken by the PG or the LGU following the procedures as defined in the World Bank Procurement Guidelines and the Project Procurement Guidelines.

6.2 Procurement Arrangement under the I-REAP Component

Upon approval of the proposed subproject (Business Plan, Work and Financial Plan, Procurement Plan, Detailed Engineering Design, Program of Work, O & M Plan, geotagged documents and the bidding documents) the no objection 1 (NOL1) shall be issued which signal the start of the procurement process. The proposed subproject shall proceed with the procurement of the packages described in the submitted prescribed procurement plan. The Procurement Plan shall be based from the approved Work and Financial Plan.

Subprojects under I-REAP may compose various procurement packages considering the nature of enterprise productivity development.

Two modalities shall be considered in the conduct and management of procurement under I-REAP component; 1) LGU managed procurement; 2) Proponent Group (PG) managed procurement;

6.2.1 LGU-managed procurement

The LGU shall manage the procurement of Goods and Works for contracts under the NCB and shopping method above US\$200,000.00, including contract below said threshold where the PG does not have the capacity to manage the procurement.

6.2.2 PG-managed procurement

The PG may manage procurement of goods, works and services. This will depend on the established procurement capacity of the PG of the Enterprise. The basic requirement/capacity of the PG to manage the procurement within the allowed threshold shall include formation (if no existing procurement committee) of bidding/procurement committee, experience and knowledge on procurement/purchasing, and should have attended the procurement training under the PRDP.

Composition of the Procurement Committee- with minimum of three member; Chairman and two members. Ineligible: members of the BOD, General Manager and President of the Association to authorize to sign contract, Accountant, Auditor.

Appropriate procurement arrangements should be made clear in the Enterprise Investment Agreement (EA).

The detailed procedures and requirements for the procurement of goods and works for I-REAP subproject will be referred to in the Procurement Guidelines.

7. Social and Environmental Safeguards

A Social and Environmental Safeguards Framework (SESF) was prepared for the PRDP to ensure that agricultural and fisheries-based entrepreneurial activities under the I-REAP are environmentally and socially sound. The SES takes off from lessons gained from MRDP implementation and integrates policy frameworks on land acquisition, rehabilitation and resettlement, indigenous peoples (IP), and environmental management that are consistent with Philippine laws and World Bank safeguard policies (Refer to the Guidelines on Social and Environmental Safeguards Framework (SESF) for PRDP).

The SESF promotes the sustainability of I-REAP enterprises, investments and support facilities through social acceptability, better social inclusion, and environmental management initiatives during enterprise selection up to implementation. This section provides a detailed guide to the integration of SESF provisions in I-REAP management and implementation.

The SESF provides the details of the various social and environmental impact scenarios and the appropriate mitigation measures anchored on documentary requirements. Preparation of the EIP for the proposed clusters of enterprises requires the inclusion of required documents as proof of compliance to the SES of the PRDP. As early as the conception stage

and to be finalized during validation by RPCO, all proposals shall undergo mandatory environmental and social screening using the form provided in the PRDP SESF to ensure subproject eligibility for funding in terms of safeguards and also to determine the environmental and social aspects and corresponding requirements for the subproject preparation. Table 7-1 summarizes the different social impact scenarios to guide the P/C/MPMIU and proponents as to the type of intervention or documentation needed to establish social safeguard compliance.

Table 7-1. Summary of Potential Social Impacts and Required Documents for Mitigation

Potential Social Impact	Mitigation	Required Documents/ Attachments
Acquisition of land and ROW	Just compensation through mutually agreed compensation scheme consistent with the entitlement policy of the SESF	ESMPDocumentation of Compensation Execution
Physical and or Economic Displacement of Project Affected Persons (PAP) Note: Physical displacement means the PAP is uprooted or transferred from his present dwelling. Economic displacement is defined below.	Consultation with and participation of PAPs in planning and implementation of resettlement plans Resettlement consistent with the entitlement policy of the SESF	 Documentation of consultations (minutes of the meeting, attendance sheets) Resettlement Action Plan with comprehensive inventory/survey Documentation of Compensation Execution
Access restriction to resources	Just compensation of lost asset and provision of livelihood assistance consistent with the entitlement policy of the SESF. It should be noted that if access restriction constitute loss of more than 20% of the livelihood source or income, the PAP is considered "economically displaced" and should be provided with a RAP which involve livelihood support or restoration (see above).	 ESMP Documentation of Compensation Execution

Policy on land acquisition and resettlement adheres to the principle that areas for the use of prospective enterprises are not forcefully acquired and that PAPs are timely consulted and justly compensated for the involuntary losses of lands, structures, crops or other properties. The policy also requires that displacement leads to assisted resettlement to improve, or at least maintain, pre-project living standards and income earning capacity. Land and property donations are accepted provided that execution is voluntary and the deed is duly notarized and annotated by an authorized agency.

Social safeguards for IPs necessitate free and prior informed consultation with the IP groups and coordination with the NCIP (Table 7-2.). Ultimately, indication of broad community support from IPs would reflect observance of cultural sensitivities associated with such vulnerable groups.

Table 7-2. Summary of Impact Scenarios on IPs and Required Documents for Mitigation

Impact Scenario on	Mitigation	Required Documents/
Indigenous People		Attachments
Enterprises with components located within declared or proposed IP AD	RA 9178 on establishment of exemption of other business related requirements for Barangay SMEs and Administrative Order 01 series of 2006 of NCIP on the Guidelines on free Prior Informed Consent (FPCI)	 FPIC for other type of investments needing such document, MOA with IP Community Certificate of Pre-Condition Documentation of Consultation Processes *ESMP
For enterprises inside AD that are solicited by IP Community or identified in ADSDPP	Validation by NCIP	 NCIP Validation Report or NCIP Certification affirming conditions ESMP
For enterprises inside AD that were neither solicited by the IP nor identified in their ADSDPP but the IP are themselves the primary beneficiaries	Validation by NCIP	NCIP Certification affirming conditionsESMP
Enterprises that are with components located in areas outside declared or proposed IP AD but have significant IP population and the majority of the proponents are not IP members	Conduct of free and prior informed consultation activities and securing broad community support. Incorporation/ integration of an IP Development Plan in the business plan for the purpose of minimizing adverse impacts, if any, to the IP communities and ensuring inclusion of the IPs in the benefits of the subproject.	 Documentation of FPIC Consultation (IEC materials, attendance sheets and minutes of meetings) IP Community Endorsement or Resolution of Support Business Plan shall include assessment/analysis of the impacts of the I-REAP subproject to the IP community; and IP Development Plan
Enterprise in areas outside AD but with significant IP population and the majority of the proponents are members of the IP community	No measures needed	 Evidence that IP members constitute majority of the proponents Evidence of consultation conducted IP community endorsement

Potential damage to cultural properties and resources*	Avoidance through relocation, realignment and redesign of enterprise component.	 Business plan and ESMP indicating avoidance, relocation or realignment of the affecting subproject activity. If the
	For chance finds or discoveries of archaeological artifacts, immediate coordination with the National Museum is required	subproject involve significant excavation, proponent is required to adopt the PRDP Chance Find Procedure

^{*}For inclusion to negative list of enterprises

For environmental safeguards, the Philippine EIS System established four project categories that indicate the magnitude of potential impacts to the bio-physical and socio-economic environment. The categorization determines the type of document that is needed to secure an Environmental Compliance Certificate (ECC). Category A is for Environmentally Critical Projects (ECP) and would require an Environmental Impact Statement (EIS). However, the IREAP Component is not expected to support such undertakings, which include heavy industries, resource extractive industries and major infrastructure works.

Category B Projects are undertakings located within Environmentally Critical Areas (ECA) and would require an EIS, Initial Environmental Examination (IEE) Report or IEE Checklist depending on the size and scale of the project. Category C is for environmental mitigation or enhancement projects, to include reforestation activities, artificial reef establishment, embankment and riverbanks stabilization works. Category D on the other hand, is for projects that are outside the coverage of PEIS System due to the minimal nature of environmental impacts. Both Categories C and D projects would not require ECCs.

While NRM OGIs of the I-REAP are classified as Category C and does not require ECCs, prospective I-REAP enterprises are expected to fall under Categories B or D. Table 7-3 provides the threshold levels of enterprise components to guide the P/C/MPMIU and Proponents with regard to compliance to the Philippine EIS System. For enterprise components falling under Category D, an ESMP may be required by the RPCO or PSO.

Table 7-3. Summary of Threshold Levels - Potential I-REAP Enterprise Components

Possible Enterprise Components	Category		
for I-REAP	В	D	
Fishery/ Aquaculture Projects (inland-based, e.g., lakes, rivers, bays, etc.)	>= 1 hectare but < 25 hectares	< 1 hectare	
Fishery/Aquaculture Projects in water bodies (coastal areas)	>= 1 hectare but <100 hectares	< 1 hectare	
Compost/fertilizer making	>= 15 MT daily capacity or 5,475 MT annual capacity	< 15 MT daily capacity or 5,475 MT annual capacity	

Livestock projects	EIS: >= 100,000 heads poultry/birds OR >= 1,000 heads pigs/goats	< 10,000 heads poultry/birds OR
Note: Only Contract growing is covered by the Philippine EIS System. Other livestock projects are deemed to be under the jurisdiction of the concerned LGU	IEE: >= 10,000 heads but < 100,000 heads poultry/birds OR >= 100 heads but < 1,000	< 100 heads pigs/goats
	heads pigs/goats	<u>.</u>
Agricultural plantation	EIS: >= 1,000 hectares	< 100 hectares
	IEE: >= 100 hectares but < 1,000 hectares	
Agricultural processing facilities	EIS: => 50,000 MT annual	< 5,000 MT annual
	production capacity	production capacity
	IEE: => 5,000 MT but < 50,000	
	MT annual production capacity	
Fruit and vegetable processing	EIS: >= 500 Kg daily processing capacity	
	IEE: < 500 Kg daily processing capacity	
Processing of dairy products	EIS: >= 100,000 L (liquid) OR >= 100,000 Kg (solid) monthly production capacity	
	IEE: < 100,000 L (liquid) OR <	
	100,000 Kg (solid) monthly production capacity	
Coconut processing plants	EIS: >= 25,000 MT per month	
0 p	production capacity	
	IEE: < 25,000 MT per month production capacity	
Animal products processing (fish/meat	EIS: >= 10,000 Kg daily	< 500 Kg daily
processing, canning, slaughterhouses, etc.)	production capacity	production capacity
	IEE: >= 500 Kg but < 10,000 Kg daily production capacity	
Other types of food (and other food	EIS: >= 50,000 MT annual	
byproducts, additives, etc.) processing industries	production capacity (finished product)	
	IEE: < 50,000 MT annual production capacity (finished product)	
Leather and related industries	>= 1 MT raw hides per day (or 25 MT per month)	< 1.0 MT per day (or 25 MT per month)
Paper and plastic based products	>= 15,000 MT annual production capacity	< 15,000 MT annual production capacity
Commercial buildings and other similar structures including food preservation (e.g.,	EIS: >= 25,000 square meters (gross/total floor area including parking and other areas)	< 10,000 square meters (gross/total floor area including

drying, freezing) and other methods aside from canning	IEE: >= 10,000 square meters but < 25,000 square meters (gross/total floor area including parking and other areas)	parking and other areas) OR Kiosk-type or mobile fast foods
Storage facilities, non-toxic/hazardous materials	>= 10,000.0 square meters (gross/total floor area)	< 10,000.0 square meters (gross/total floor area including parking and other areas)

In the preparation of the business plan, the P/C/MPMIU will include a section on SES considerations (i.e. a discussion on the social and environmental aspects of the subproject) prior to endorsement to the RPCO. The section will contain disclosure statements on the status of land acquisition, applicability of displacement, presence of IPs and environmental screening and categorization of enterprise components. In cases where land acquisition, resettlement, IP involvement, and/or Category B classification are applicable, respective compliance documents will be attached to the EIP for review and clearance of the RPCO and PSO. Compliance to the provisions of respective SES documents will form part of the conditionalities stipulated in the EA between the P/C/MPMIU and Proponent, as well as the IMA between the LGU and the DA.

8. Grievance Mechanism

I-REAP subprojects will be covered by the Project-wide Grievance Redress Mechanism (GRM) system to be established in all participating LGUs. All I-REAP subproject proposals must clearly indicate adoption of the GRM system. No I-REAP subproject will be implemented without demonstrating that a function GRM has already been established and adequately disseminated within the subproject area.

The Project GRM will have the following elements:

- 1. Requirement. Each I-REAP subproject will have a system for airing and resolving grievances at the community levels that will generally conform to this framework.
- 2. *Objective*. The objective of Grievance Mechanism is to provide stakeholders with mechanism to voice out complaints at the subproject level and to provide the project management a means to hear and resolve complaints on the subproject.
- 3. *Grievance Committee*. The concerned LGU representative plus two representatives from civil society (e.g. leaders of local church/religious community and civil society organization) to be appointed by the Mayor will constitute the Grievance Committee.
- 4. Secretariat to the Grievance Committee. The safeguards focal persons of the P/C/MPMIU will serve as the secretariat of the Grievance Committee.

- 5. Format of Complaint. Complaints will be written down either in the form of a handwritten or typewritten letter or in a form of an email message. The following minimum information should be provided in the complaint: (a) Name of Subproject; (b) Name of Community; (c) Name of Municipality; (d) Name of Province; (e) Details of the Complaint; (f) Name of the Complainant; (g) Address or Contact Information of Complainant.
- 6. Drop Boxes for Complaints. Complaints drop boxes (made of sturdy materials and secured with a lock) will be installed in strategic and conspicuous places, such at the following: (a) at the provincial capitol hall/city hall and/or municipal hall; (b) at community halls; and/or (d) at the construction sites. The boxes will be duly labelled and provided with a brief description of its purpose and a simple instruction for submitting complaints, including submission through email if available.
- 7. Email Address for Complaints. Each P/C/MPMIU will, optionally and if technically possible, maintain an email address account for complaints. The email address will be registered at the RPCO and PSO and can be accessed by both when needed. The email address name will be descriptive of the purpose of the address and easy to recall, for example: prdpcv.grievance@yahoo.com.
- 8. Sending of Complaints. Letter complaints will be dropped at Drop Boxes for Complaints. The Letter will be signed by the complainant and will indicate his/her contact information. Email complaints should be sent from a valid address and should include alternative contact information such as a telephone number (or optionally a home address) that can be verified and validated. All complaints will be considered strictly confidential.
- 9. Collection of Drop Boxes Contents and Initial Screening. The contents of the Complaint Drop Boxes will be collected at least on a monthly basis by the safeguards focal persons acting as secretariat to the Grievance Committee.
- 10. Collection of Email Messages and Initial Screening. Email Inboxes should be cleaned of spam and invalid messages every week and a printout of each valid email message will be compiled by the safeguards focal persons acting as secretariat to the Grievance Committee.
- 11. Screening of Complaints. The Grievance Committee will be convened when needed or at least once a month and presented with the compiled complaints for the period. The Grievance Committee will first determine the validity of each complaint. Anonymous complaint or complaints using aliases may be accepted as long as adequate contact information and/or evidence are provided that can be verified or validated by the Committee. For complaints ruled not valid or not relevant, the Grievance Committee may choose to send a reply to the complainant explaining why the complaints/issues raised is not valid.
- 12. Reply on the Complaints. If a complaint is deemed valid, the Grievance Committee should send a reply to the complainant informing him/her of the actions being undertaken on the complaint if any, and/or providing him/her of an explanation or clarification of the issues, if necessary.

- 13. Resolution of the Complaints. The Grievance Committee will determine the appropriate actions to be undertaken on the complaints. The Grievance Committee may: (a) address the complaints by itself if it is within its competence to do so; or, (b) refer the complaints to the appropriate office who is competent to address/resolve the issues/complaints raised.
- 14. *Grievance Reports*. The safeguards focal persons of the LGU acting as secretariat to the Grievance Committee will compile all complaints and monitor their status as well as the actions undertaken by the committee. A semi-annual report on the grievances will be prepared and submitted to their RPCOs.

9. Results-Based Monitoring and Evaluation (RBME) System for Enterprise Development Component

9.1 Introduction

This document defines the scope, responsibility centers, procedures and instruments to be used in the monitoring and evaluation of the progress of the PRDP Enterprise Development Component (I-REAP). The information are excerpted from the revised Results-Based M&E Guidelines¹⁰, which will be endorsed to the World Bank for No Objection.

It is prepared by the NPCO M&E Unit as a reference of the NPCO I-REAP Component in updating the I-REAP Component Operations Manual Section on the monitoring and evaluation of the enterprise development subprojects.

9.2 Overview of the PRDP RBME Framework

The PRDP RBME schematic framework (see Figure 9-1) embarks on the Project's Results Framework and Arrangement for Monitoring and is at play with the three aspects of building-up a results-based M&E system. These are enumerated and briefly described below.

a. **Baseline information** has been established through the conduct of the Baseline Study¹¹, which was completed in 2014. It describes the conditions in the targeted areas before the implementation of the PRDP. This will allow the DA to assess or measure the project's results or effectiveness by mid-tem and end-of project.

¹⁰ The RBME Guidelines secured No Objection from the World Bank in August 2014. The revision in the Guidelines is made to take into account the M&E process using the Web-based M&E system recently launched. ¹¹ The Baseline Study completed in 2014 did not adequately capture the appropriate baseline data for the I-REAP result indicators. A Supplemental Baseline Study focusing on the I-REAP Component shall be undertaken this year.

- b. Input-Process-Output or Progress M&E is about continuous tracking and at the same time spearheading "efficiency" in implementing the PRDP. Its main aim is to build a clear understanding whether or not inputs / resources and process undertaken as the project progresses translate to outputs the project needs to produce from each component in order to achieve anticipated results (intermediate results by component and PDOs). Findings shall be used to determine how inputs and/or process can be adjusted or factors that adversely affect it can be addressed to ensure that project's pace will be on-track for the desired outputs and results.
- c. **Results M&E** delves on tracking at specific periods (e.g., annually, mid-term and endof program) the "effectiveness" of PRDP. Effectiveness shall be determined at two levels namely Project-wide and Subproject specific. These are described as follows.
 - (i) Project-wide Level Results. By engaging a consulting service of a third party, the evaluation at this level seeks to measure and understand the Project's performance in terms of achieving the intermediate outcomes envisaged from the implementation of each component and achievement of Project Development Objectives (PDOs). The latter shall provide conclusion of the success or failure of the entire implementation of the PRDP while the former shall facilitate evaluation of the success of the implementation under each component of the Project. The Project wide level evaluation is executed at the mid and end of the Project.

A Midterm Evaluation Study shall be conducted in 2017 to measure changes in the result indicators from baseline (without PRDP) to the mid of the Project implementation. This will determine how activities and outputs delivered as of the half of the Project have become adequate, relevant and sustainable towards achieving the intermediate outcomes and the PDOs in the 2nd half on the Project implementation.

The findings shall be used to either sustain implementation approaches or potentially institute changes or modifications on any of the following areas: (i) project design; (ii) result indicators, (iii) allocation of funds by component; (iv) operations guidelines; (v) strategies and activities; (vi) DA Top Management policy supports; (vii) human resources; and (viii) others towards the PDOs.

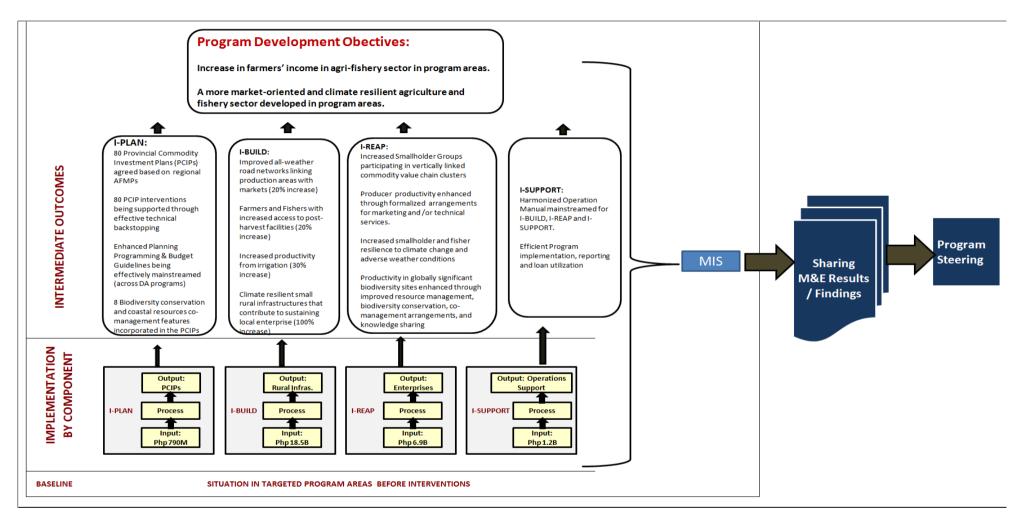
A Project-End Evaluation Study shall be conducted in 2021 to conclude or assess the success of the Project implementation by component and as a whole. The evaluation shall evolve on the extent implementation of the Project translates to the desired changes in the result indicators. The lessons that will be acquired from the Project implementation experience shall be utilized by the DA in improving the design and implementation of future and / or other on-going similar Projects.

(ii) Subproject Level Results. This level of tracking results seeks to determine the success of the subprojects that were realized through the Rural Infrastructure and Enterprise Development Components of the Project.

The success is determined by measuring the extent by which specific objectives of the subproject have been attained.

This serves as an intermediate evaluation activity that will facilitate building knowledge or feedback to the PRDP management whether the desired outcomes and the overall development objectives of the Project are likely or unlikely to be achieved given the situations and lessons (positive and / or negative) emerging from the completed subprojects. As the Project progresses the management may use the findings as bases to introduce adjustment in handling the subprojects to be more sustainable.

Figure 9-1: The PRDP RBME Schematic Framework



9.3 Operationalizing the PRDP RBME System for the Enterprise Development Component

9.3.1 Progress M&E Sub-system

9.3.1.1 Scope

The monitoring of the progress of the enterprise development subprojects that are proposed by the proponent LGUs for financing under the Enterprise Development Component shall start from the period the proponent LGU and the proponent group of the proposed subproject attended the Workshop on Business Plan preparation and shall end upon completion of the subproject as validated or confirmed by the concerned PRDP Regional Project Coordination Office (RPCO) and Project Support Office (PSO).

9.3.1.2 Subproject Progress M&E Instrument

The M&E on the progress of the subproject in passing through the prescribed process from subproject development to completion shall be done on-line through the PRDP Web-based M&E System.

Each subproject shall have a Data Capture Form (DCF) in the Web-Based M&E System where profile, progress including the issues / concerns and measures to be or being undertaken shall be recorded. The DCF along with the Subproject Identification Number (SP ID) will be created by the system once the subproject is entered in the system. The details of the process of using the DCF is discussed below.

9.3.1.3 Subproject Progress M&E Procedures

The RPCO shall be responsible for the monitoring and reporting of the progress of each enterprise subproject in the Web-based M&E System. Each RPCO has designated focal persons to report the progress of enterprise subprojects in the Region. The names of the designated personnel to use the system to report the profile and status of enterprise subprojects are indicated in a Memorandum signed by Usec. Emerson U. Palad dated April 14, 2016. The use of the system, however, is not confined to the said list. Other personnel involved in the operation of the I-REAP Component (e.g., heads of the I-REAP Component, Business Development Specialist and Officers) can also access and use the system. The other users shall be registered by the by the NPCO M&E unit.

Each designated staff must have a "Username" and "Password" with corresponding access level and scope of using the system. The steps to use the I-REAP Component Module of the PRD Web-based M&E system are as follows.

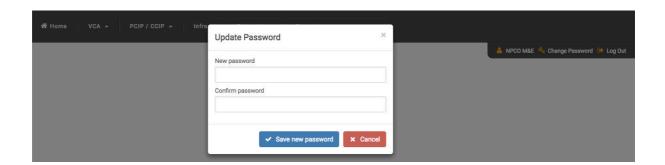
9.3.1.3a Registry of the Enterprise Development Subproject Proposal

The RPCO designated staff shall enter a certain subproject proposal in the system once the proponent LGU and enterprise group/s attended the Workshop on Business Planning. The registry shall be made on the first working day following the provision of the Workshop on Business Planning to the proponent LGU and enterprise groups. The procedures and the corresponding screenshots to register the subproject in the system are illustrated below.

Step 1: Access the PRDP Web-based M&E System by simply typing in an internet browser (preferably Google Chrome or Mozilla Firefox) the URL Address: mis.daprdp.net



Step 2: In the User Entry Page, enter the Username (e-mail address) and Password. For a new user, the default password is **prdpmis**. To change a password, click "Change Password" button at the top (right) portion. Then, a pop-up screen will appear. Enter the desired personal password and click "Save new password" button.



Step 3Step 3: In the System Home Page, click "I-REAP" menu tabs located at the upper portion.

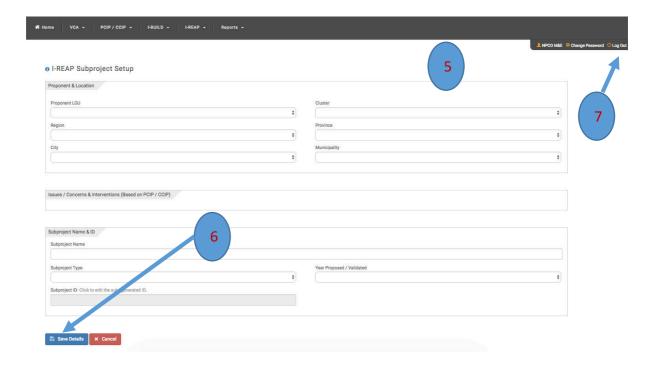
Step 4: In the Drop-down Menu, click **Subproject Set-up**. Then, the **I-REAP Subproject Set-up** page will appear



Step 5: Supply the information required in the I-REAP Subproject Set-up page. The Subproject ID¹² will be automatically created / assigned by the system.

Step 6: After providing the required information, click button **Save** to register the subproject including its ID number in the system.

Step 7: To exit or move out of the system, simply click "Logout" tab.



¹² The Subproject ID can no longer be deleted or altered once the User saved entries in the Subproject Set-up Page. The said ID shall be carried by the subproject up to its completion.

9.3.1.3b Registry / Reporting the status of the Enterprise Development Subproject

After registry of the subproject in the system, the RPCO designated user can already register status of the subproject. The progress or movement of the subproject from attendance to Workshop on Business Planning to the completion of Procurement (Issuance of Notice to Proceed) shall be registered real time or within the day a certain process is realized. During implementation, the registry of the physical progress shall be done monthly not later than end of the month.

While use reporting of the progress is primarily lodged at the RPCOs, the PSOs and NPCO (particularly the I-REAP Component) are required to access the system to check the information entered by the RPCOs and provide correction, clarification and other information as necessary. The steps to register progress in the system using the Data Capture Form (DCF) are explained below.

9.3.1.3b.1 Registry / Reporting of Status of Subproject (From Attendance to Workshop on Business Planning to Procurement)

Step 1: Access the PRDP Web-based M&E System by simply typing in an internet browser (preferably Google Chrome or Mozilla Firefox) the URL Address: mis.daprdp.net



Step 2: In the System User Entry Page, enter you Username and Password.

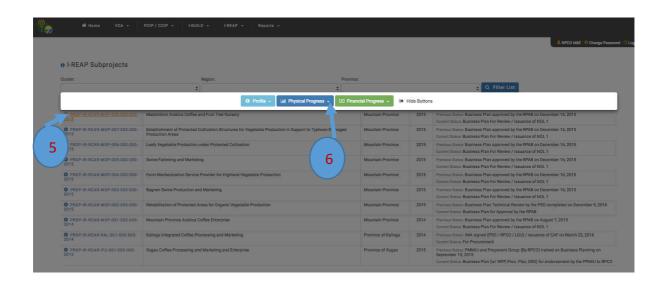
Step 3: In the System Home Page, click I-REAP menu tabs located at the upper portion.

Step 4: In the Drop-down Menu, click **Subproject List**. Then, the list all subprojects already registered in the system through Step 3.1.3a will appear.

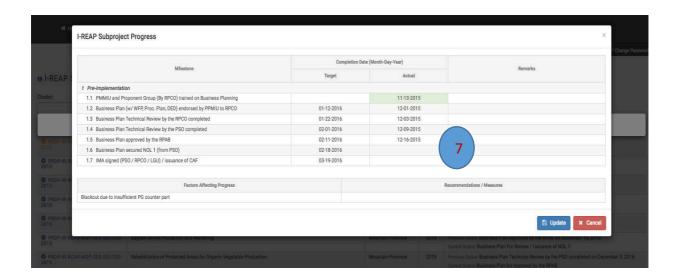


Step 5: Click button of the Subproject ID of the subproject to be updated or provided with new status. Then, sub-menus, will pop-up to select the subject of updating.

Step 6: To update the status, click "Physical Progress" Menu. The sub-drop down menu to appear will depend on the current status of the subproject. For instance, if the subproject is in the pre-implementation (Development) stage (no NOL 1 yet), click sub-drop down menu "Pre-Implementation". Then, the DCF will appear.



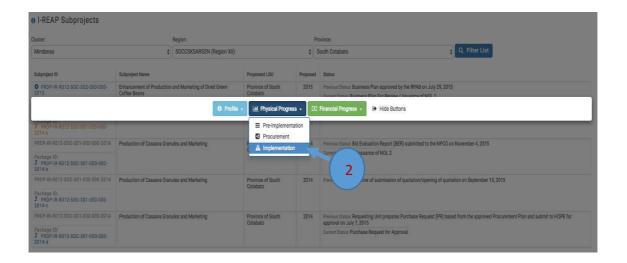
Step 7: In the DCF, put date of realizing or completing a certain process / milestone to reflect the current status of the subproject. Cite the factors affecting the progress (positive / negative) if any and the corresponding recommendations. Put remarks as necessary.



9.3.1.3b.2 Registry/Reporting of Status of Subproject Implementation (After Procurement)

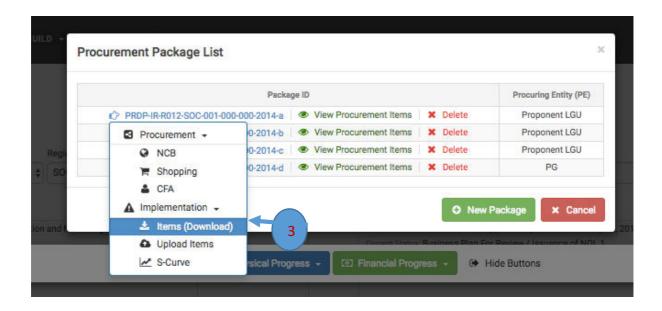
Step 1: Repeat Steps 1 to 6 illustrated above.

Step 2: In Step 6, click in the Sub-drop down menu the "Implementation" button. Then, subproject packages (if any) will appear.

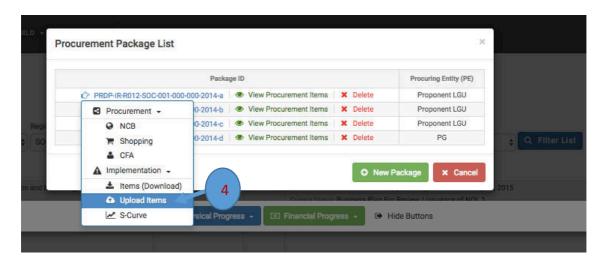


Step 3: To register updates or status of implementation, click SP ID corresponding to a package of the subproject to be provided with updates. Then click "Items

(Download)" button. Open the MS-Excel file downloaded and supply updates (e.g., items delivered).



Step 4: To reflect the progress in the system, upload the MS-Excel file provided with updates. This is done by clicking SP ID corresponding to a package of the subproject to be provided with updates. Then click "Upload Items" button. Select the MS-Excel file saved in the computer and and click Upload.



While users of the I-REAP Module of the system are at large staff from the I-REAP Component, the M&E Units personnel at the RPCOs, PSOs and NPCO shall have the overall responsibility to coordinate and ensure efficient use of the system in their

respective offices and provide feedback using the information contained in the system. Their specific tasks are as follows.

- (i) Monitor and coordinate compliance of the designated persons to report progress through the web-based M&E system. Should the designated staff for certain circumstance cannot access or register progress in the system, the RCPO M&E unit staff may register the progress based on the information provided by the I-REAP designated user.
- (ii) Monitor the quality of the information provided in the system (e.g., citing reasons whenever delay in the progress is incurred as well as the recommendations and / or actions being undertaken). The NPCO M&E Unit shall coordinate with the concerned user from the I-REAP Component to provide the data lacking or need to be clarified in the system.
- (iii) Evaluate the progress of the I-REAP subprojects in the Region using the reports or data sets that are automatically generated by the system. A feedback containing an aggregate assessment on the status of I-REAP subprojects, outstanding issues and concerns including measures being or need to be undertaken shall be provided to the management and the I-REAP Component as bases for Project steering and making decisions. Apart from the Monthly and Quarterly Progress Reports¹³ regularly produced by the M&E unit, concise weekly reports shall be prepared focusing on outstanding issues the management needs to be aware of, in order to relay decisions and instructions to operating units.

9.4 Subproject Results M&E Sub-system

9.4.1 Subproject Baseline Data

The baseline data corresponding to the specific objectives of the proposed enterprise development subproject needs to be established during the preparation of the subproject. This is to facilitate comparison of changes in the condition of beneficiaries from without to with subproject periods.

The gathering of the baseline of the subproject (e.g., incomes of households of members of the enterprise, number of members (by sex), number of IP and Non-IP members, etc.) shall be done during the preparation of the subproject proposal particularly in the period after identifying the final list of proponent groups to benefit from the proposed subproject.

¹³ The Monthly Report is required by the DA-SPCMAD to form part of its consolidated reports of the DA Foreign Assisted Projects (FAPs) being submitted to the Office of the Secretary and oversight agencies.

In order to ensure compliance of the proponent LGUs, the SP Profile Form that includes baseline data of the subproject is set as part of the requirements for the issuance of No Objection Letter (NOL) 1^{14} for the enterprise development subprojects.

While some of the information required in the SP Profile form are available and can be gathered from PG Farmers master list, other data particularly the average annual income of households of members in each PG (broken down according to source e,g, On-Farm, Off-Farm and Non-Farm) and others, can be obtained through a survey with the PG members. The procedures for the survey including the necessary collaboration between the Project and the Proponent LGUs and Groups are explained in the succeeding parts.

9.4.1a Timing of the Survey

The survey for the profile of members of PGs to benefit from the enterprise development SP shall be undertaken once a Proponent LGU has identified the Lead and Cluster PGs to manage the SP based on the Project prescribed PG selection criteria. This means that ideally, such survey is necessary to be completed before a certain Proponent LGU (with PGs) is asked to participate in the Workshop on Business Plan Preparation. This will ensure that an LGU and PGs have the necessary data to complete filling out of the SP Profile form during the said workshop.

Alternatively, a Proponent LGU (with PGs) may be required to attend the Workshop on Business Plan Preparation though such survey is not yet undertaken / completed. This is to prevent absence of the survey from causing delay in the technical assistance to a Proponent LGU and PGs on the formulation of Business Plans of the proposed SPs. Under this option, the filling out of SP Profile Form during the workshop will still commence to cover data that are not dependent on survey (e.g. number of male and female members, IP and Non-IP members, etc.). The survey among members to complete the SP Profile Form will be undertaken while developing the SP Business Plan. It is necessary that the subproject profile, which include baseline data, be completed prior to presentation of the subproject for RPAB approval.

9.4.1b Mechanics for the Conduct of Survey

The conduct of survey for the profiling of PG members shall be undertaken by the Proponent LGUs and PGs with guidance from the concerned Regional Project Coordination Office (RPCO) through its I-REAP component and M&E unit with

¹⁴ Issuance of NOL 1 serves as an approval for the grant of financial assistance to the Proponent LGUs in supporting PGs operating the enterprise development subprojects. Upon securing NOL 1, a Proponent LGU and Proponent Groups can proceed with the procurement process for the delivery of the items indicated in the Enterprise Business Plan approved by the Project

support from the PSO and NPCO as necessary. The specific steps are enumerated and briefly described in the Table below.

					_	
		(Actions Re				ponsibility Center
2.	Orient the Proponent LGU and PGs officers on the conduct of survey by using a "Survey Questionnaire". This entails clarification about the specific data required in the survey as well as the manner questions would have to be asked by the interviewer for the respondents. This activity shall be conducted preferably in the SP area accessible to the target respondents. Actual survey of PGs members (Lead and Cluster Groups). The RPCO through the collaborative					M&E staff with I-Component staff M&E and I-REAP
	efforts of the I-REAP Component and M&E Unit shall be accountable to undertake the survey. The RPCO may take assistance from the proponent LGU and proponent group/s as may be deemed necessary in completing the said task. The survey shall cover the direct household beneficiaries listed in each PG. A Stratified Random Sampling method shall be employed to save time and resources in the conduct of survey. For convenience and to speed up the activity, the survey is recommended to be held in strategic places where PG members can be gathered for the survey activity instead of house-to-house survey that would be time and resource intensive.					
	The RPCO staff from the I-REAP and M&E groups shall be present during the first day of the actual survey to check on the process and quality (completeness and appropriateness) of the data gathered. The duration of the survey will depend on the number of members of PGs.					
	and Cluster Random Sar total housel from the	ed responder) to be coven pling Surver nolds directly enterprise. ased on the f				
Hous (Mer	o. of eholds mbers ee PG)	-	nent Group (Fomposition with 4-6 PGs	with 7 or more PGs		
20 &	below	100% (t	otal enumerat	ion)		
	-50	50%	40%	30%		
51-	-100	30%	25%	20%		
100 &	above	10%	10%	10%		

Note: the no. of PG will include both the lead and cluster group/s (if any)	
As there are I-REAP subprojects that are comprised of a number of cluster groups aside from that of the proponent lead group, the sampling method has been designed in a manner that the PG will not have too much difficulty in accomplishing the desired number of respondents.	
The final list of respondents shall be selected randomly based on the masterlist of members of each PG. For instance, if a particular PG has 100 members in their masterlist, the 10% sample size equivalent to 10 respondents shall be selected as those placed in the 10 th , 20 th , 30 th , 40 th , 50 th , 60 th , 70 th , 80 th , 90 th , and 100 th in the masterlist of members.	
3. Quality Check (Validation). The content or responses to the survey questionnaires need to be assessed before capturing them to be part of the PG Profile Form.	RPCO M&E / I-REAP staff

9.4.2 Registry of the SP Profile Including the Subproject Baseline to the Web-based M&E System

The entry of the subproject profile including the baseline data are the subjects of the registry of the subproject in the system after the proponent LGU and enterprise group attended the Workshop on Business Planning as explained in Section 3.1.3a. The system allows registry of the contents profile in batches including the data on income, and others required to be uploaded in the system using the system generated MS-Excel spread sheets. The registry of information should be completed while the preparation of the Business Plan of the subproject is underway. Thus, subproject profile should be completed and uploaded to the PRDP Web-site before endorsement of the subproject for approval by the RPAB.

9.4.3 Conduct of Rapid Appraisal of Emerging Benefits (RAEB)

At least six (6) months after the completion of the subproject, the RPCO M&E Unit, Econ Group and I-REAP Component with support from the PSO and NPCO shall conduct a RAEB that will seek to gauge and understand the emerging benefits or success of the enterprise subprojects that have improved operation through investments provided by the PRDP I-REAP Component. In particular, changes in income, increase number of members especially women, employment generated and other socio-economic benefits shall be assessed. The details of the process and instruments for the conduct of the RAEB are provided in the Framework for the Conduct of RAEB discussed in the RBME Guidelines.

9.5 Results M&E

As with I-BUILD, monitoring and evaluation of intermediate outcomes expected from I-REAP Component will be part of the Project Mid-Term and End-of-Project Evaluation Studies to be conducted by end of Year 3 and Year 6 respectively as specified in the PRDP Results Framework. The DA may engage the same firm or external group that conducted the baseline study or other firm / group as may be deemed necessary. The specific result indicators expected to be achieved in implementing the I-REAP Component contributing the development objectives of the project are shown in Table 9-5 below.

Table 9-1. Intermediate Outcomes to Be Achieved Under I-REAP Component

RESULT	UNIT OF	DATA COLLECTION MECHANISM		RESPONSIBILITY	DESCRIPTION
INDICATORS	MEASUREMENT	INSTRUMENTS	FREQUENCY / SCHEDULE	FOR DATA COLLECTION	(INDICATOR)
Increased Producer Groups (including small holders) participating in vertically linked commodity value chain clusters	% increase in number of groups operating viable enterprises	Sampling Survey	Year 3 to Year 6	RFUs in coordination with P/C/MPMIUs	Viable Smallholder enterprises following good business practices e.g., institutionalized financial and auditing system and enterprises operating beyond breakevent point
	% increase in number of women directly benefiting from enterprise development	Sampling Survey	Year 3 to Year 6		
Producer productivity enhanced through formalized arrangements for marketing and /or technical services	Number of formalized arrangements between enterprises within commodity value chains	Sampling Survey	Year 3 to Year 6		Contractual and formalized arrangements for marketing of produce and /or provision of technical services
Increased producer groups and fishers' resilience to climate change and adverse weather conditions	smart technologies	Sampling Survey	Year 3 to Year 6		Producer groups & fishers have awareness, access and use of climate-smart technologies

Table 9-1. Intermediate Outcomes to Be Achieved Under I-REAP Component

RESULT INDICATORS	UNIT OF	DATA COLLECTION MECHANISM		RESPONSIBILITY FOR DATA	DESCRIPTION
RESULT INDICATORS	MEASUREMENT	INSTRUMENTS	FREQUENCY / SCHEDULE	COLLECTION	(INDICATOR)
Productivity in globally significant biodiversity sites enhanced through improved resource management, biodiversity conservation, co-management arrangements, and knowledge sharing	% increase in fish stocks in target areas	PSO to contract resource inventory assessment survey in collaboration with RFUs	Year 3 to Year 6		Fish density, diversity, and biomass increased due to improved management and protection in target areas

In the event DA as executing agency desires to track I-REAP results (along with I-BUILD results) in Years 4 and 5 or apart from the Mid-Term and End-of-Project, a sampling survey may be conducted following the same technique used in baseline and mid-term studies. Thus, field interviewers need to be hired in October of the year to do survey for tracking IREAP results in project targeted areas. See also Table 9-9-6 for the steps to determine and evaluate status of achieving intermediate outcomes from the I-REAP Component. The information will form part of RF 10 (Results Tracking Matrix) attached in the RBME Guideline as Annex 39. Further discussions are provided in the RBME Guideline.

Table 9-2. Procedures for Monitoring and Evaluation of I-REAP Intermediate Outcomes

ACTORS	ACTIVITIES	SCHEDULE / FREQUENCY
RPCOs in coordination with P/C/MPMIUs.	Step 1: Conduct survey among project areas using the same methodology applied in Baseline Study (e.g., stratified random sampling with percent of universe to be covered by the survey; using a questionnaire). The field interviewers cited in Table 9 (to be engaged in October) will also do survey for – REAP results.	November (every year)
RPCO MIS and M&E Officer	Step 2: Data processing (tabulation), and analysis.	1 st wk. Of December (annual, from Y3 to Y6
PSO	Step 2: Reporting of results (regional by cluster) during Project-wide Assessment.	Part of Day 1 of the Two-day Workshop to be conducted every 3rd week of December from Y3 to Y6.
SPCMAD MIS Officer assigned in PRDP	Step 3: Register I-REAP results in PRDP Results Database.	1 st working day after the Year- End Assessment.
SPCMAD M&E Specialist for PRDP	Step 4: Integrate I-REAP results in the PRDP Annual Performance Report.	Preparation / Finalization of Annual Performance Report until end of January of the succeeding year

Annex 1.A -Sample Menu of Enterprises to be Supported by I-REAP Sub-Component 3.1: Rural Agri-fishery Enterprise and Productivity Enhancement

Production and Productivity Enhancement

- Crops subsector
 - vermicast production
 - o organic fertilizer production
 - establishment of nurseries
 - operation of a common service facility for production like threshers, tractors, farm implements, etc
- Livestock subsector
 - O livestock improvement (through artificial insemination facility development)
 - o establishments of multiplier farms
 - o community-based feed mixing facility
- Fishery subsector
 - community-based planting materials production facility development for seaweeds
 - o community-based fingerling production facility development
 - o fish cages facility development
 - aquaculture facility development

Post harvest and Processing Facilities

- Crops
 - establishment of rice and corn mills with the attendant drying and warehouse facility for cereals
 - establishment of Cassava drying, chipping and granulizing facility with marketing service (secured supply contracts)
 - Vapor heat Treatment and hot water treatment facility with the attendant packing/packaging houses)
 - o establishment of common service facilities for drying (both solar and mechanical) for palay, corn, coffee, cacao, copra, etc.
 - Development of common service postharvest facilities (thresher, corn sheller, community warehouse for cereals, etc.)
 - Establishment of processing facilities in partnership with a college/university that offers food technology courses
 - Establishment of consolidation and packing/packaging houses

Marketing Facilities

- establishment of auction market facility with the attendant weighing scales and the holding pens for large animals including the auction market system
- o establishment of slaughterhouses and dressing plants
- establishment of trading posts/centers with ancillary facilities and equipment such as minimal processing facility, cold storage facility, transport facility, weighing scales, plastic crates, etc

NRM On-the-Ground Investments (OGIs) as a Productivity Enhancement Measure toidentified priority commodities

- OGIs include actual establishment and/or enhancement of fish sanctuaries and Marine Protected Areas (MPAs) and artificial coral reef systems, mangrove reforestation/rehabilitation, and aqua-silviculture for coastal areas
- agro-forestry to support sustainable farming on sloping land, and reforestation to rehabilitate degraded lands in upland areas
- stream bank stabilization/ rehabilitation using structural, vegetative, bioengineering designs, or a combination of all three types to reduce soil erosion and excessive runoff

Annex 1.B - Sample of Activities/Sub-Projects to be Supported by I-REAP Subcomponent 3.2: Technology and Information for Enterprise and Market Development Support

Research and Development and Extension System

- Varietal improvement through tissue culture
- Technology enhancement through breeder stocks production and distribution facility
- Development of climate-smart technologies
- Establishment of extension network at the provincial level to provide extension delivery system to enterprises (e.g., SUCs, ATI, NGOs, private sector)
- Establishment of climate-smart field schools
- Selection and development of farmer-scientists (one for each priority commodity)
 to be partners of the academe in applied Research and Development
- Development of information tools that producers' groups and farmer entrepreneurs can use to preserve and enhance their operations (e.g. matrix of commodity and supporting programs and financial resources, Farmer Information and Technology System, etc.)
- Establishment of research and development center and technology incubation

Capacity Building or Training

- Training on GAP, GMP, HACCP, bio-control
- Training on product standards
- Use of existing agro-meteorological weather stations (AWS) for crop scheduling of crop cycles, etc.
- Climate-smart technology
- Facilitating access to credit, guarantee and insurance facilities
- Business Planning, enterprise development and management
- Establishment of Business Development Service (e.g., training on enterprise management, bookkeeping, internal control, cost analysis, financial management, etc.)

Market Development Services

- Promotion of clustering approach through partnership and network building
- Establishment of an LGU-based one-stop action center or Agri-fishery Business Processing and Licensing Center (ABPLC)
- Trial shipment of priority products from specific sources to identified markets
- Market promotion through trade fairs, caravans, cross visits, study tours
- Trade facilitation through conduct of market matching or linkage activities
- Shelf-life testing of priority commodities/products
- Enhancement of packaging and labeling of priority products

- Support towards product accreditation to enhance market access (e.g., organic certification, halal certification, etc)
- Operationalization of national and regional marketing umbrella to assist the enterprises in facilitating linkages with other agri-fishery stakeholders in the priority commodity value chains

Annex 2.A - Menu of Possible NRM OGIs Per Commodity Value Chain

Below is the table presenting the indicative list of NRM interventions based on the results of either the Full or Rapid PRA-RSA. The list also presents the technical justifications for the potential investments.

Value Chain Commodity	On-the-Ground Investments (OGI)	Technical Justification of OGI
		COASTAL
Fish and other fishery species	1. Fish Sanctuary / Marine Protected Area	(i) All destructive practices such as use of fine nets, dynamite/cyanide fishing, etc. are prohibited/controlled especially in strict protection zones and allows control of other human activities, including access, in order to protect the ecosystem within the specific site thereby increasing fish production.
		(ii) Coral reefs provide food, livelihood, recreation, protection from erosion, and extremely high levels of biodiversity. Damaged coral reef areas when rehabilitated increases fish species and fish catch, improves turtle breeding grounds and diving spots for ecotourism.
		(iii) Sea grass beds likewise rehabilitated and these are important habitats for underwater life such as juvenile fishes, adult rabbit fish, and commercially important species of shrimps, prawns, crabs, sea urchins and sea cucumbers. These provide the intermediate buffer necessary for coral reefs to protect coasts from strong waves and surges. Sea grass habitats also serve as the feeding ground for the highly endangered dugong and marine turtles. The establishment of Fish Sanctuaries/MPAs have been known to be an effective tool for conserving fish stock, preserving biodiversity and
	2. Mangrove Rehabilitation / Reforestation	increasing fish production. (i) Carbon density values are comparably high in upland carbon sinks than in mangrove carbon sinks. Nevertheless, both carbon sinks, assuming their fully restored condition, can sequester relatively vast amounts of carbon.
		(ii) Mangrove forests, as a distinct ecosystem in itself, provide the transition between terrestrial and coastal/marine ecosystems. Mangroves protect the coasts from storms, erosion and floods and likewise screen out debris from inland areas. They are important spawning grounds and feeding sites for many commercially important fish species. (SEE MORE UNDER REFORESTATION IN GENERAL)
	3. Artificial Coral Reefs	Coral reefs support assemblages of living corals and other marine organisms, including fish, mollusks, marine worms, crustaceans, algae and sponges. However, climate change, destructive and unsustainable

Value Chain Commodity	On-the-Ground Investments (OGI)	Technical Justification of OGI
		fishing and recreational practices, unwarranted coastal development and pollution have severely degraded coral reef systems. As a remedy, artificial coral reefs are placed in areas away from natural reefs, providing a framework for new hard bottom communities to develop. Artificial reefs use materials that mimic natural reef systems such as concrete and limestone. Its benefits include providing food, shelter, protection, and spawning areas for fish and marine life, and relieving user pressure from natural reefs by providing alternative recreational areas.
	4. Aquasilviculture (for fish pens, shrimp and crab pens)	Aqua-silviculture is a coastal management strategy that allows low-density culture of fish, shrimps and crabs in intertidal forests or swamps without clearing the mangroves, and when necessary, even rehabilitates denuded areas. This ensures the long-term continuity of essential ecologic functions, and the health and productivity of forested ecosystems, in support of the agricultural productivity of the enterprise. (See mangrove rehabilitation/ reforestation above for other justifications.)
		UPLAND
Cereals, Root crops, Tubers, Vegetables, Fruit crops, Livestock, Poultry	5. Reforestation	 (i) Climate change is considered as one of the most pressing environmental issues of our day because experts believe that it carries along harmful effects both on the environment and the human population. To mitigate climate change, degraded areas need to be rehabilitated since forest ecosystems can assimilate carbon dioxide via photosynthesis and store carbon in biomass and in soil. (ii) Carbon density values are comparably¹ high in upland carbon sinks than in mangrove carbon sinks. Nevertheless, both carbon sinks, assuming their fully restored condition, can sequester relatively vast amounts of carbon.
		(iii) Reforestation is an approach to mitigating climate change ² by capturing carbon dioxide (CO2) from large point sources such as power plants and subsequently storing it away safely instead of releasing it into the atmosphere. The concept of carbon sink thus works as a "giant filter". Carbon dioxide may be incorporated into forests and forest soils by trees and other plants. Plants absorb and store carbon dioxide from

 $^{^{1}}$ 2006. College of Forestry and Natural Resources, UPLB as headed by Dr. RodelLasco and Dr. John Pulhin.

²BBC: Trees only cool the planet if they are planted in the tropics. News Release: Models show growing more forests in temperate regions could contribute to global warming. DecCMBC-2er 5, 2005 NR-05-12-04, Website of Lawrence Livermore National Laboratory

Value Chain Commodity	On-the-Ground Investments (OGI)	Technical Justification of OGI
		the atmosphere and release oxygen into the atmosphere. A young forest, composed of growing trees, absorbs carbon dioxide and acts as a sink. Forests are carbon stores, and become carbon dioxide sinks when their density or area increases. Tropical reforestation can mitigate global warming until all available land has been reforested with mature forests. Agricultural production will benefit greatly if climate change effects are mitigated.
		(iv) Carbon sinks also aid in natural water filtering, which protects and preserves the water quality in the area, a critical resource in most agricultural activities. The carbon sink absorbs excess nitrates and phosphates, and reduces the level of organic pollution.
		(v) The forest vegetation plays an important role in the capture, storage and transport of precipitation that falls in a watershed. Any alteration in these processes, by way of changes in land uses within the forestlands, will alter water quality wherein a reduction of the filtering process and increased runoff of water and sediment can occur (Waterlines 2001). This filtering process is crucial in ensuring the correct quantity and quality of water, a critical resource in agricultural production.
		 (vi) Based on PRDP safeguards, design should take note of the following: Provision of protection measures against forest fires (fire lines, fire breaks, look-out towers) and attack of pest and diseases Planting along contour lines specially on erodible and sloping areas Strategic location of bunk houses, permanent nurseries and satellite nurseries. Should consider accessibility and adequate water supply. Availability of water supply Multiple tree species to minimize infestation Use of indigenous or native forest tree species to ensure sustainability and conserve the country's biodiversity Planting of species by blocks for easy identification Roads and trail system for accessibility especially during transport of specification and planting site.
	6. Agroforestry	seedlings from nursery to the planting site

Value Chain Commodity	On-the-Ground Investments (OGI)	Technical Justification of OGI
	(00.)	reduce soil erosion in sloping areas include terracing, vegetative cover and strategically planted trees.
		(iii) Increases land utilization of areas under coconuts that are usually unproductive despite its huge potential.
		(iv) Rubber may take five to seven years before it can be tapped of its latex but in the long term, it could be a good source of income especially that the buying price for rubber is noticeably high at present.
		(iv) Multiple perennial and cash crops planted in between the rows of old coconuts increases land utilization of areas under coconuts that are usually unproductive despite its huge potential. It also showcases proper agricultural practices.
		(v) Intercropping that leaves crop residues in the field to decompose results to a beneficial effect on the soil through effects of run-off and soil erosion. More plants result to more oxygen in the surroundings and more fresh air.
		(vi) Other soil and water conservation measures that allow farmers to effectively manage soil fertility and productivity in the long-term. These include the use of locally available organic nutrients, such as livestock manure, and household waste, and nitrogen-fixing trees and shrubs.
		(vii) Integrated Pest Management that encourages crop protection through continuous observation of field conditions by farmers, and increased awareness by farmers of the agri-ecological linkages among insects, animals, plants and humans. This includes an assessment and practical application of the farmers' detailed knowledge of the biological and ecological make-up of plant diseases. In most cases, pests are controlled through the direct action of the pests' natural enemies. Some methods include intercropping with plants that are hosts to beneficial insects, using plants with insecticide properties, and bacterial and viral pesticides. Also, the less-toxic chemical pesticides as identified by the Fertilizer and Pesticide Authority (FPA) are used. (CARE 2012)
		(viii) Based on PRDP safeguards, design should:Conform to the Indigenous Knowledge Systems particularly of IPs in cases where there are IPs
		– Sequential planting of tree crops and short-rotation crops

Value Chain Commodity	On-the-Ground Investments (OGI)	Technical Justification of OGI
		 Provide soil and water conservation through establishment of vegetative strips along contour lines and/ or hedgerows
		- Alley cropping in sloping or erodible areas
		 Avail of Agroforestry system that are either agro-silvi-pastoral or aqua-agro-silvi-pastoral
		 Select species for hedgerows (multi-purpose plant species), shrubs and fast-growing tree species, and agricultural crops

Annex 2.B - Global Environment Facility (GEF) Supported Activities

The types of support available to each site will include:

- a) Conservation Implementation Investments. Examples of potential activities include mangrove and marine habitat restoration; providing enhanced enforcement capacity; equipment and financing required for enhance MPA management.
- b) Coastal and Marine Ecosystem Management Implementation: Assisting with the implementation of strengthened local policy frameworks for improving local conservation of vital resources in conjunction with the commodity value chain;
- c) Technical and Operational Capacities of Stakeholders Enhancement: Training for smallholder farmer and fisher groups on natural resources management and conservation strategies such as Participatory Resource Assessment (PRA) on mangrove, sea-grass and coral reef ecosystem that are critical habitats to endangered marine organisms;
 - i. Strategic Awareness Campaigns: These campaigns would focus on biodiversity conservation and coastal resource management issues;
 - ii. Facilitating Stakeholders to Pursue Co-management Arrangements. Support for facilitating and building partnerships between community/producer groups, market stakeholders, and governments. Consultations and organizational development building activities will lead to co-management arrangements over key coastal resources. These co-management arrangements will increase the likelihood for sustainability and ensure integrative attention on conservation and proper resources management; and
 - iii. Knowledge Generation and Sharing: Support knowledge and experience sharing of good practices among stakeholders. Through GEF's IW-Learn Program, attention to factors affecting large marine ecosystems (LMEs) will be strengthened through structural learning and information sharing among stakeholders.

Specific activities could include agro-forestry; nursery establishment; promotion of Sloping Agricultural Land Technology (SALT); others. Moreover, Good Aquaculture Practices (GAP) will be applied such as enhancement of seed quality and improvement of stocking practices, and habitat management and bio-security.

In certain cases, where an MPA does not already exist close to PDRP areas, the GEF financing could assist with the MPA establishment as long as significant community

support exists. As well, there might also be cases where fisheries co-management outside of the MPA boundaries would be the most beneficial for local small holder producers and therefore, GEF financing would be allocated accordingly.

GEF financed activities would focus on improved MPA management plans, fishery comanagement plans and incorporating measures to conserve and sustainably use biodiversity in policy and regulatory frameworks at the regional and provincial levels. As well in select cases, these activities can finance the planning of new MPAs and their subsequent management plans. Enhanced MPA and fisheries co-management planning would aid in reversing the mismanagement of many of these key biodiversity and coastal resources.

Overall, the expected improvements as a direct result from the GEF financing support will be the following: (a) the information base resulting from innovative technical assessment tools (VCA-VSA-PRA/RSA); (b) transparency; (c) stakeholder ownership; and (d) sustainability of gains and benefits. It is expected that through these interventions, marketable surplus productivity in the target sites will increase by 20% by project end.

Annex 3- Negative List of Sub-projects Not Eligible for I-REAP Funding

The following lists of subprojects are **NOT** eligible for I-REAP funding:

- a. Money market placement, time deposit or other forms of investment
- b. Cash advance of any official of the PG unless related to the implementation of enterprise
- c. Payment of salaries, honoraria or any form of allowances of the personnel of the LGU
- d. Purchase of supplies, materials, equipment and motor vehicles of the LGU
- e. Acquisition of assets of the PG, unless necessary for the execution of the enterprise and specifically stipulated in the EPF
- f. Purchase of weapons
- g. Financing of political and religious activities
- h. Purchase of fertilizer, pesticides, insecticides and herbicides, asbestos and other potentially and dangerous materials and equipment
- i. Chainsaws and explosives
- j. Financing of sawmills
- k. Consumption items or events
- I. Financing activities that have an alternative prior source of committed funding
- m. Financing labor and other costs that could be provided in-kind through the members of the enterprise
- n. Financing salaries and wages unless the enterprise personnel required is highly technical or specialized
- o. Financing administrative expenses such as fuel, utilities, repair and maintenance, permits and licenses
- p. Purchase or repair of vehicles for government offices
- q. Salaried activities that employ children under 16 years of age
- r. Financing activities that unfairly exploit women or men at any age
- s. Use of mangrove or coral reefs as building materials
- t. Purchase of fishing boats and other related equipment unless directly related or needed in the enterprise
- u. Purchase of vehicle for monitoring purposes
- v. Construction of enterprise support facilities in protected areas
- w. Use of funds for purchase or compensation of land
- x. Construction or repair and buying of equipment for government offices and places of worship
- y. Micro-financing activities
- z. Potable water system

Annex 4 - Prospective Partner Agencies by Commodity Group and by Support Services

Commodity Group	Production/ Productivity	Financing	Research and Development	Business Support and Development
Crops	DA Attached Agencies (PCA ³ , BPI ⁴ , BSWM ⁵ , ATI ⁶ , FIDA ⁷ , PHilMech ³ , and PhilRice ⁴); DA Banner Programs (Rice, Corn, HVCDP ⁵)	ACPC ⁶ , AMCFP ⁷ , Quedancor ⁸ Window, DBP ⁹ , ACEF ¹⁰	DOST- PCAARRD ¹¹ , UPLB ¹² , SUCs ¹³ BAR ¹⁴ , PHilMech,	DTI ¹⁵ and its Small and Medium Enterprise Core Group [BSMED ¹⁶ , SBGFC ¹⁷ , PTTC ¹⁸ , PDCC ¹⁹ , CITC ²⁰ , BDT] ²¹ , PHilMech, ATI, CDA ²²
Livestock	DA Attached Agencies [LDC ²³ , PCC ²⁴ , BAI ²⁵ , NDA ²⁶ , and NMIS] ²⁷ , ATI	MLDLP ²⁸ , Quedancor, DBP, ACEF, ACPC	DOST- PCAARRD, UPLB, SUCs, BAR, PHilMech	DTI and its SME Core Group [BSMED, SBGFC, PTTC, PDDC, CITC, BDT] PADCC, PhilMech, ATI
Fishery	DA and Attached Agencies [BFAR ²⁹ , PFDA] ³⁰ SEAFDEC ³¹ ATI	ACPC, AMCFP, Quedancor Window, DBP, ACEF	DOST- PCAARRD, NFRDI ³² , SUCs, PHilMech, SEAFDEC	DTI and its SME Core Group [BSMED, SBGFC, PTTC, PDDC, CITC, BDT] PDCC, PHilMech, SEAFDEC, ATI

³ PCA – Philippine Coconut Authority

⁴ BPI – Bureau of Plant Industry

 $^{^{\}rm 5}$ BSWM – Bureau of Soils and Water Management

⁶ ATI – Agricultural Training Institute

⁷ FIDA - Fiber Industry Development Authority

³PHilMech – Philippine Center for Postharvest Development and Mechanization

⁴ PhilRice – Philippine Rice Research Institute

⁵ HVCDP – High Value Crops Development Program

⁶ ACPC - Agricultural Credit Policy Council

⁷ AMCFP - Agro-industry Modernization Credit and Financing Program

⁸ Quedancor – Quedan and Rural Credit Guarantee Corporation

⁹ DBP – Development Bank of the Philippines

 $^{^{\}rm 10}$ ACEF – Agriculture Competitiveness Enhancement Fund

¹¹ DOST-PCAARRD – Department of Science and Technology- Philippine Council for Agriculture, Forestry, Aquatic and

Natural Resources Research and Development

¹² UPLB – University of the Philippines Los Baños

¹³ SUCs – State Universities and Colleges

¹⁴ BAR – Bureau of Agricultural Research

¹⁵ DTI – Department of Trade and Industry

¹⁶ BSMED - Bureau of SME Development

 $^{^{\}rm 17}$ SBGFC - Small Business Guarantee and Finance Corporation

¹⁸ PTTC – Philippine Trade and Training Center

¹⁹ PDDC – Product Development and Design Center

²⁰ CITC – Cottage Industries and Technological Center

²¹ BDT – Bureau of Domestic Trade

²² Cooperative Development Authority

²³ LDC- Livestock Development Council

²⁴ PCC – Philippine Carabao Center

²⁵ BAI –Bureau of Animal Industry

²⁶ NDA – National Dairy Authority

²⁷ NMIS – National Meat Inspection Service

²⁸ MLDLP – Multi-livestock Development Loan Program
²⁹ BFAR – Bureau of Fisheries and Aquatic resources, PFDA – Philippine Fish Development Authority

³⁰ PFDA – Philippine Fish Development Authority

³¹ SEAFDEC – South East Asian Fisheries Development Center

³² NFRDI – National Fisheries Research and Development Institute

Annex 5- Sample Terms of References for the Business Development Staff

TERMS OF REFERENCE Business Development Staff (Finance)

Rationale/Background

The Government of the Philippines (GOP) has obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD-WB), amounting to <u>FIVE HUNDRED MILLION DOLLARS</u> (US\$500,000,000) for the purpose of financing the 'Philippine Rural Development Program (PRDP) to support the Government's effort to reduce poverty among the rural communities in the country.

The PRDP is a six-year (2015-2021) initiative envisioned to increase farm and fishery productivity and incomes in target areas in all 16 regions of the country. The program seeks to achieve this objective by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services. Specific investments and interventions are to be implemented under four central components of the program, namely: 1) Local and National Level Planning (I-PLAN); 2) Infrastructure Development (I-BUILD); 3) Enterprise Development (I-REAP); and 4) Project Implementation Support (I-SUPPORT).

I-REAP activities can be categorized into two sub-components namely; Rural Agri fishery Enterprise and Productivity Enhancement; and Technology and Information for Enterprise and Market Development. This component will support the development, implementation and sustainability of agricultural, livestock or fishery-based entrepreneurial activities, based on the analysis priority commodity value chains being supported under the Regional Agricultural Fisheries and Modernization Plans (RAFMPs) and as reflected the Provincial Commodity Investment Plans (PCIPs). It will engage the engage broad sections of the sector in the production of marketable surplus through vertical clustering, joint business planning and investments by proponent groups engaged in rural agri-fishery enterprises.

It is targeted that around 1,500 proponent groups consisting mostly of producer groups including small producers and fisheries associations engaged in enterprises will be assisted over the six-year duration of the project. At present, there are only 138 enterprises pipelined for I-REAP of which 11 has been issued No Objection Letter by World Bank and the National Project Coordination Office (NPCO).

Scope of Services to be Rendered

The main role of the Business Development Staff on Finance is to take the lead in providing technical assistance through coaching and mentoring of the RPCO (for PSO position) LGU and the Proponent Groups (for RPCO position) in all financial management related concerns of the enterprise.

Tasks and Responsibilities

- 1. Identify together with the LGU and the PG the required investment requirements for the proposed enterprise
- 2. Assist in the preparation of the enterprise budget
- 3. Assist in the preparation of the enterprise financial statements
- 4. Prepare the required financial analysis and financial ratios
- 5. Set-up the enterprise financial management system and cascade this to the LGUs and the PGs
- 6. Assist the LGU and the PG in complying the comments and recommendations of the business plan reviewers
- 7. Assist the Component Head in the validation and selection of proponent groups and enterprise business model
- 8. Perform other duties that may be required from time to time

Qualification Requirements

Academic Qualification

At least a Bachelor's degree in Accountancy, Business Administration major in Finance, Agribusiness, Agricultural Economics, and other related fields

Experience

At least two (2) years' experience in any or combination of the following: financial management, accounting, bookkeeping, financial audit, business plan preparation, project proposal writing, project development

Knowledge, Skills and Abilities

- 1. Skill in using financial analysis using computer programs/softwares;
- 2. Strong analytical and operational knowledge of agribusiness
- 3. Considerable knowledge on agriculture and fishery commodities
- 4. Understanding of business procedures including business financing, human resources, IT, operations and sales and marketing financing options for business start-ups and business expansions;
- 5. Strong interpersonal skills;
- 6. Ability to communicate effectively in oral and in writing, work independently and as part of the team, and work effectively with co-workers, partner agencies and the private sector:
- 7. Advanced proficiency in MS word, excel, and power point

TERMS OF REFERENCE Business Development Staff (Marketing)

Rationale/Background

The Government of the Philippines (GOP) has obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD-WB), amounting to <u>FIVE HUNDRED MILLION DOLLARS</u> (US\$500,000,000) for the purpose of financing the 'Philippine Rural Development Program (PRDP) to support the Government's effort to reduce poverty among the rural communities in the country.

The PRDP is a six-year (2015-2021) initiative envisioned to increase farm and fishery productivity and incomes in target areas in all 16 regions of the country. The program seeks to achieve this objective by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services. Specific investments and interventions are to be implemented under four central components of the program, namely: 1) Local and National Level Planning (I-PLAN); 2) Infrastructure Development (I-BUILD); 3) Enterprise Development (I-REAP); and 4) Project Implementation Support (I-SUPPORT).

I-REAP activities can be categorized into two sub-components namely; Rural Agri fishery Enterprise and Productivity Enhancement; and Technology and Information for Enterprise and Market Development. This component will support the development, implementation and sustainability of agricultural, livestock or fishery-based entrepreneurial activities, based on the analysis priority commodity value chains being supported under the Regional Agricultural Fisheries and Modernization Plans (RAFMPs) and as reflected the Provincial Commodity Investment Plans (PCIPs). It will engage the engage broad sections of the sector in the production of marketable surplus through vertical clustering, joint business planning and investments by proponent groups engaged in rural agri-fishery enterprises.

It is targeted that around 1,500 proponent groups consisting mostly of producer groups including small producers and fisheries associations engaged in enterprises will be assisted over the six-year duration of the project. At present, there are only 138 enterprises pipelined for I-REAP of which 11 has been issued No Objection Letter by World Bank and the National Project Coordination Office (NPCO).

Scope of Services to be Rendered

The main role of the Business Development Staff on Marketing is to take the lead in providing technical assistance through coaching and mentoring of the RPCO (for PSO position) LGU and the Proponent Groups (for RPCO position) in developing the marketing strategies and plans of the enterprise.

Tasks and Responsibilities

- Identify together with the LGU and the PG the competitors and assist in the preparation
 of the competitors assessment to include buying and selling practices, pricing and
 promotions strategies
- 2. Conduct target buyers profiling to include information on total demand and potential demand for the enterprise
- 3. Assist in the preparation of the enterprise marketing plan using the different marketing mix (product, price, place, promotion) and identify corresponding budget
- 4. Facilitate market linkage of the enterprise with potential or target buyers
- 5. Prepare purchase agreement with farmer suppliers and marketing agreement with the buvers
- 6. Assist the LGU and the PG in complying the comments and recommendations of the business plan reviewers
- 7. Assist the Component Head in the validation and selection of proponent groups and enterprise business model
- 8. Perform other duties that may be required from time to time

Qualification Requirements

Academic Qualification

At least a Bachelor's degree in Agribusiness, Agricultural Economics, Business Administration major in Marketing, Agriculture, and other related fields

Experience

At least two (2) years' experience in any or combination of the following: market development, product development, preparation of marketing plan, business plan preparation, project proposal writing, project development

Knowledge, Skills and Abilities

- 1. Considerable knowledge in marketing agri-fishery based commodities
- 2. Analytical and operational knowledge of agribusiness
- 3. Understanding of business procedures including business financing, human resources, IT, operations and sales and marketing financing options for business start-ups and business expansions
- 4. Strong interpersonal skills
- 5. Ability to communicate effectively in oral and in writing, work independently and as part of the team, and work effectively with co-workers, partner agencies and the private sector
- 6. Advanced proficiency in MS word, excel, and power point

TERMS OF REFERENCE Business Development Staff (Operations)

Rationale/Background

The Government of the Philippines (GOP) has obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD-WB), amounting to <u>FIVE HUNDRED MILLION DOLLARS</u> (US\$500,000,000) for the purpose of financing the 'Philippine Rural Development Program (PRDP) 'to support the Government's effort to reduce poverty among the rural communities in the country.

The PRDP is a six-year (2015-2021) initiative envisioned to increase farm and fishery productivity and incomes in target areas in all 16 regions of the country. The program seeks to achieve this objective by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services. Specific investments and interventions are to be implemented under four central components of the program, namely: 1) Local and National Level Planning (I-PLAN); 2) Infrastructure Development (I-BUILD); 3) Enterprise Development (I-REAP); and 4) Project Implementation Support (I-SUPPORT).

I-REAP activities can be categorized into two sub-components namely; Rural Agri fishery Enterprise and Productivity Enhancement; and Technology and Information for Enterprise and Market Development. This component will support the development, implementation and sustainability of agricultural, livestock or fishery-based entrepreneurial activities, based on the analysis priority commodity value chains being supported under the Regional Agricultural Fisheries and Modernization Plans (RAFMPs) and as reflected the Provincial Commodity Investment Plans (PCIPs). It will engage the engage broad sections of the sector in the production of marketable surplus through vertical clustering, joint business planning and investments by proponent groups engaged in rural agri-fishery enterprises.

It is targeted that around 1,500 proponent groups consisting mostly of producer groups including small producers and fisheries associations engaged in enterprises will be assisted over the six-year duration of the project. At present, there are only 138 enterprises pipelined for I-REAP of which 11 has been issued No Objection Letter by World Bank and the National Project Coordination Office (NPCO).

Scope of Services to be Rendered

The main role of the Business Development Staff on Operations is to take the lead in providing technical assistance through coaching and mentoring of the RPCO (for PSO position) LGU and the Proponent Groups (for RPCO position) in preparing the operational plan and technical requirements of the enterprise.

Tasks and Responsibilities

- Identify together with the LGU and the PG the technology required for the enterprise and its adaption and implementation as well as identification of livelihood options for NRM and GEF sites
- 2. Provide guidance in operations planning from identifying the inputs/raw material ingredients, the process, technology, the output, product or services and the corresponding budget or expenses
- 3. Identify and assess existing technology/ies that could be adapted by the enterprise
- 4. Assist in the identification of technology or equipment specifications appropriate for the enterprise
- 5. Work closely with the I-BUILD in the preparation of the DED and POW for the infrastructure component of the enterprise
- 6. Prepare process and operational flow of the enterprise
- 7. Ensure compliance of enterprise to food safety standards (GAP, GAHP, GAFP, GMP, HACCP, etc)
- 8. Assist the LGU and the PG in complying the comments and recommendations of the business plan reviewers
- 9. Assist the Component Head in the validation and selection of proponent groups and enterprise business model
- 10. Perform other duties that may be required from time to time

Qualification Requirements

Academic Qualification

At least a Bachelor's degree in Agriculture, Agricultural Engineering, Agribusiness, Agricultural Economics, Food Science, Food Technology, Business Administration, and other related fields *Experience*

At least two (2) years' experience in any or combination of the following: farming, manufacturing, processing, product development, production planning, business plan preparation, project proposal writing, project development

Knowledge, Skills and Abilities

- 1. Considerable knowledge in production and processing of agri-fishery based commodities
- 2. Analytical and operational knowledge of agribusiness
- 3. Understanding of business procedures including business financing, human resources, IT, operations and sales and marketing financing options for business start-ups and business expansions
- 4. Strong interpersonal skills
- 5. Ability to communicate effectively in oral and in writing, work independently and as part of the team, and work effectively with co-workers, partner agencies and the private sector
- 6. Advanced proficiency in MS word, excel, and power point

TERMS OF REFERENCE Business Development Staff (Organizational Management)

I. Rationale/Background

The Government of the Philippines (GOP) has obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD-WB), amounting to <u>FIVE HUNDRED MILLION DOLLARS</u> (US\$500,000,000) for the purpose of financing the 'Philippine Rural Development Program (PRDP) 'to support the Government's effort to reduce poverty among the rural communities in the country.

The PRDP is a six-year (2015-2021) initiative envisioned to increase farm and fishery productivity and incomes in target areas in all 16 regions of the country. The program seeks to achieve this objective by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services. Specific investments and interventions are to be implemented under four central components of the program, namely: 1) Local and National Level Planning (I-PLAN); 2) Infrastructure Development (I-BUILD); 3) Enterprise Development (I-REAP); and 4) Project Implementation Support (I-SUPPORT).

I-REAP activities can be categorized into two sub-components namely; Rural Agri fishery Enterprise and Productivity Enhancement; and Technology and Information for Enterprise and Market Development. This component will support the development, implementation and sustainability of agricultural, livestock or fishery-based entrepreneurial activities, based on the analysis priority commodity value chains being supported under the Regional Agricultural Fisheries and Modernization Plans (RAFMPs) and as reflected the Provincial Commodity Investment Plans (PCIPs). It will engage the engage broad sections of the sector in the production of marketable surplus through vertical clustering, joint business planning and investments by proponent groups engaged in rural agri-fishery enterprises.

It is targeted that around 1,500 proponent groups consisting mostly of producer groups including small producers and fisheries associations engaged in enterprises will be assisted over the six-year duration of the project. At present, there are only 138 enterprises pipelined for I-REAP of which 11 has been issued No Objection Letter by World Bank and the National Project Coordination Office (NPCO).

Scope of Services to be Rendered

The main role of the Business Development Staff on Organizational Management is to take the lead in providing technical assistance through coaching and mentoring of the RPCO (for PSO position) LGU and the Proponent Groups (for RPCO position) in preparing the organizational and management requirements of the enterprise.

Tasks and Responsibilities

- 1. Identify together with the LGU and the PG the appropriate organizational and business structure for the enterprise
- 2. Assist in preparing the organizational and management plan for the enterprise including the required operations and administrative staff with corresponding job descriptions, qualifications and remunerations
- 3. Identify the business capability requirements of the proponent groups including the operations and management staff
- 4. For GEF areas, facilitate organization of farmers and fisherfolk
- 5. Link with concerned DA agencies i.e. ATI and other government agencies i.e. CDA, DOLE, DTI for the provision of capability building or training to proponent groups and its members
- 6. Ensure compliance of enterprise to labor law and occupational safety
- 7. Assist the LGU and the PG in complying the comments and recommendations of the business plan reviewers
- 8. Assist the Component Head in the validation and selection of proponent groups and enterprise business model
- 9. Perform other duties that may be required from time to time

Qualification Requirements

Academic Qualification

At least a Bachelor's degree in Agriculture, Agribusiness, Agricultural Economics, Business Administration, and other related fields

Experience

At least two (2) years experience in any or combination of the following: organizational diagnosis, strategic planning, community organizing

Knowledge, Skills and Abilities

- 1. Considerable knowledge in business procedures including business financing, human resources, IT, operations and sales and marketing financing options for business start-ups and business expansions
- 2. Analytical and operational knowledge of agribusiness
- 3. Strong interpersonal skills
- 4. Ability to communicate effectively in oral and in writing, work independently and as part of the team, and work effectively with co-workers, partner agencies and the private sector
- 5. Advanced proficiency in MS word, excel, and power point

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Annex 6 - Sample Product Segment/Enterprise Prioritization Process and Scoring Sheet

The product segment/enterprise will be assessed and prioritized based on the following criteria and scoring sheet:

No.	Criteria		Indicator	Ranking Guide	Score
1	Importance of the product segment/ enterprise in the local economy (30 POINTS)	i	No. of producers involved as suppliers of raw materials (Source: BAS data, provincial data) – 10 POINTS No. of municipalities	HIGH – Top 3 in the province (8- 10 POINTS) MEDIUM – Top 5 in the province (5-7 POINTS) LOW – outside the Top 5 in the province (1-4 POINTS)	
		i t	involved in producing the raw materials (Source: provincial data) – 10 POINTS	HIGH - 80%-100% of the municipalities in the province are producing the raw materials (8-10 POINTS) MEDIUM - 50%-70% of the municipalities in the province are producing the raw materials (5-7 POINTS) LOW - below 50% of the municipalities in the province are producing the raw materials (1-4 POINTS)	
		i	No. of jobs (direct and indirect) to be generated (based on DTI/NEDA job coefficient)— 10 POINTS	HIGH — Top 3 among the identified enterprises in the province (8-10 POINTS) MEDIUM — Top 5 among the identified enterprises in the province (5-7 POINTS) LOW — below the Top 5 among the identified enterprises in the province (1-4 POINTS)	
2	Market Potential (30 POINTS)		Potential for value addition (based on the no. of product segments)— 10 POINTS	HIGH – 5 products and above (8-10 POINTS) MEDIUM – 3 to 4 products (5-7 POINTS) LOW – 1 to 2 products (1-4 POINTS)	
			Strong domestic and/or international demand for the product (Sources: NSO import and export volume, market studies, stakeholders' consultations, I-PLAN prioritization in terms	HIGH – Top 3 (8-10 POINTS) MEDIUM – Top 5 (5-7 POINTS) LOW – below the Top 5 (1-4 POINTS)	

			 	
		of market size, growth & potential and ease of entry) – 10 POINTS		
		Identified industrial or commercial buyer with potential for supply/marketing contract (based on VCA/PCIP) – 10 POINTS	HIGH – more than two known local industrial and commercial buyers with potential for supply and marketing contract and presence of export traders of the commodity in the locality (8-10 POINTS) MEDIUM –less than two local and industrial buyers with potential for supply and marketing contract and presence of export traders of the commodity in the locality (5-7 POINTS) LOW –No known industrial or commercial buyer and export traders (1-4 POINTS)	
3	Resource base (20	Production area (10)	HIGH – 40% and above of	
	POINTS)	POINTS)	agriculture area planted/total livestock population/ total aquaculture area (8-10 POINTS) MEDIUM – 20%-39% agriculture area planted/ total livestock population/ total aquaculture area (5-7 POINTS) LOW – below 20% agriculture area planted/ total livestock population/ total aquaculture area (1-4 POINTS)	
		Production volume (10 POINTS)	HIGH – 40% and above share of agricultural production volume/ total livestock traded/ total fish catch (8-10 POINTS) MEDIUM – 20%-39% share of agricultural production volume/ total livestock traded/ total fish catch (5-7 POINTS) LOW – below 20% below the share of agricultural production volume/ total livestock traded/ total fish catch (1-4 POINTS)	
4	Environmental Impact (10 POINTS)	With Positive ImpactNeutralNegative Impact	10 POINTS 5 POINTS 0 POINT	
5	Women's participation (10 POINTS)	Percentage of women directly & indirectly participating in the enterprise	HIGH – 40% and above of those who are engaged in the enterprise are women (8-10 POINTS)	

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MEDIUM – 20%-39% of those
who are engaged in the
enterprise are women (5-7
POINTS)
LOW – below 20% of those who
are engaged in the enterprise
are women (1-4 POINTS)

Annex 7 - Guide Question for Business Model Formulation / Information Gathering

No.	Questions	Source of Data/ Guide for Information Gathering	
1	What Is the PRODUCT/ SERVICES of the enterprise?	 Marketing- 4P's Product , Price, Place, Promotion 	
2	Who are the USERs (Farmers/ Direct Beneficiaries)? Who are the BUYERS (Identified Market)?	 VCA/Industry Players / Local Sources for Baseline Data Consider Backward and Forward Integration Show connection from SOURCE of RAW Mats towards Destination of Finish Product Identification of Industry Players 	
3	What is the "problem" that the enterprise will Address? What is the "opportunity" that the enterprise will take advantage of?	VCA/PCIP/ Local Sources for Baseline Data	
4	What is the Unique Selling Proposition (USP)?	 Marketing- convincing target clients to patronize your product or to switch brand How will you deliver the USP? Production Plan-identification of Resources Requirements: Materials, Manpower,	
5	Who are the Business Partners ?	 Identification of Horizontal and Vertical Linkages 	
6	What are the Costs Involved?	Production CostBasis of Costs and Assumptions	
7	What are the revenues ?	 Compare Revenues Revenues to be generated without PRDP investment 	
8	How can the FARMERS earn from the enterprise?	 Show how can direct beneficiaries earn from the proposal 	

Annex 8 -Sample Letter of Intent of the Proponent Group

Dear Governor:
We would like to signify our intention to participate as Proponent Group for the implementation of the rural enterprises identified and prioritized under the Provincial Commodity Investment Plan to be supported by the Department of Agriculture- Philippine Rural Development Program (PRDP).
to be supported by the begantment of Agriculture 1 milippine Natal Development Flogram (FNDF).
The (name of organization) is registered under
(name of agency) and has been in existence since
(month/date/year). We have (number of producers) who are involved
in
,, and
(crops/livestock/fisheries cultivated/grown/catch). Our organization has experience in implementing various agriculture and fishery based projects namely,, and, and (specify projects). We are willing
to provide 20% counterpart, in cash and/or in kind, on the incremental total project cost of the enterprise.
We have attached herein the documentary requirements as a proof of our intention.
Thank you and we are hoping for your consideration.
Truly yours,
President/Chairperson

Annex 9-A - Sample Proponent Group (PG) Prioritization Process and Scoring Sheet for Micro-enterprise Subprojects

Below is the scoring sheet or ranking guide for prioritizing the PG.

No.	Criteria	Indicator	Ranking Guide	Score
1	At least 15 or more farmers/fisherfolks currently producing the commodity – 5 POINTS	 Stakeholders participation at various phases of the marketing chain Presence of organized producer's group that supplies raw materials 	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	
2	Open to investments by enterprises operating within priority commodity value chains identified in the PCIP – 5 POINTS	Value of investment/ equity offered	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	
3	Readiness to work in vertical cluster (all levels of PG interventions)— 5 POINTS	No. of participating farmers or producers	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	
4	Performance based on previous or existing contracts with other funding institutions ³³ – 5 POINTS (NOTE: Applies only to PG with previous existing contract with government)	Performance in previous or existing contracts with government	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	

³³For those PG without previous or existing contract with government, rating for criteria 1 to 3 should be prorated to reach 20 points (e.g., criteria 1 = 7 points, criteria 2 = 6 points, criteria 3 = 7 points).

Annex 9-B - Sample Proponent Group (PG) Prioritization Process and Scoring Sheet for Small and Medium Enterprise and Upgrading Enterprises

The prospective PG will be prioritized based on the following criteria:

- Readiness to work in vertical cluster;
- Open to investments and provide equity (in cash or in kind) by enterprises operating within priority commodity value chains identified in the PCIP;
- Engages the most number of producers; and
- No disqualifications based on previous or existing contracts with government

Below is the scoring sheet or ranking guide for prioritizing the PG.

No.	Criteria	Indicator	Ranking Guide	Score
1	Readiness to work in vertical cluster – 5 POINTS	 Stakeholders participation at various phases of the marketing chain Presence of organized producer's group that supplies raw materials 	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	
2	Open to investment and provide equity (in cash or in kind) – 5 POINTS	Value of investment/ equity offered	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	
3	Engages the most number of producers – 5 POINTS	No. of participating farmers or producers	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	
4	Performance on previous or existing contracts with government ³⁴ – 5 POINTS (NOTE: Applies only to PG with previous existing contract with government)	Performance in previous or existing contracts with government	HIGH (5 POINTS) MEDIUM (3-4 POINTS) LOW (1-2 POINTS)	

 $^{^{34}}$ For those PG without previous or existing contract with government, rating for criteria 1 to 3 should be prorated to reach 20 points (e.g., criteria 1 = 7 points, criteria 2 = 6 points, criteria 3 = 7 points).

Annex 10 - PG Validation Process and Scoring Sheet

A. Rationale:

The validation of the selected proponent group by the NPCO/PSO/RPCO IREAP is conducted to verify the "strategic fit" between prioritized enterprise/s or product segment/s and selected proponent group (PG) or lead proponent group, if from clustered producer groups. The validation is done on-site to appreciate the process undertaken by the PPMIU with the assistance of the Regional Project Coordinating Office (RPCO) in applying the criteria in selecting the priority enterprises and (Annex 6) and proponent group (Annexes 7 and 8).

B. Requirements:

To facilitate the validation, the P/C/MPMIU-PLGU is requested to prepare the following:

- Provide in advance the official minutes of meeting in selecting the priority enterprise/s or product segment/s with completed Annex 6 – Product Segment/ Enterprise Prioritization Process & Scoring Sheet; The minutes should be direct and simple indicating the date of meeting, attendees, resolutions or results of meeting and summary of discussions and signed by the secretary and presiding officer;
- 2. Make available the hard copies of the approved PCIP including VCA and EVSA which are the logical bases in identifying the priority enterprises;
- 3. Provide in advance the official minutes of meeting in selecting the proponent group or lead proponent group, if from clustered producer groups with completed Annexes 7 Letter of Intent and 8 Proponent Group Prioritization Process and Scoring Sheet; The minutes should be direct and simple indicating the date of meeting, attendees, resolutions or results of meeting and summary of discussions and signed by the secretary and presiding officer;
- 4. The on-site validation will proceed with the presence of both official minutes of meeting;
- 5. The P/C/MPMIU or RPCO or both will prepare the necessary logistical arrangement transportation vehicle, board and lodging and conference venue for introductory and closing meetings;
- 6. There shall be at least one representative from the PPMIU, RPCO, PSO and NPCO IREAP who are prepared to travel or walk long distances and if needed stay overnight in designated accommodation in the nearby Town Proper, Province or Region;

C. Validation Process / Activity

- 1. In the introductory meeting, the participants will introduce their name and designation and the NPCO/PSO IREAP Staff / Representative explain the rationale of the activity, requirements and site validation;
- 2. The P/C/MPMIU or RPCO will provide and explain the official minutes of the meetings with complete annexes 6, 7 and 8 including the documents: PCIP, VCA and EVSA during or before the introductory meeting;

- 3. The NPCO/PSO IREAP Staff / Representative will then suggest the itinerary of the site validation giving importance to the selected PG then to the next ranking PG until the last;
- 4. The introductory meeting should be held not more than two hours and proceed immediately to the sites upon agreeing on the itinerary;
- 5. The NPCO/PSO IREAP Staff / Representative will focus its validation or assessment of the selected PG based on provided information (Annex 7 Letter of Intent with statement of compliance and its attachments) and may ask questions to gather missing or additional information with or without the presence of PPMIU or RPCO or Representative;
- 6. As much as possible, the site validation per PG should not go beyond two hours excluding travel to and from the site and this can be achieved if the officers and members of the PG are gathered in their office or in pre-agreed meeting place;
- 7. The PG validation is not a data gathering activity and is presumed that the PPMIU with the assistance of RPCO and PSO had done enough preparation;
- 8. The NPCO IREAP Staff will then thank the visited PG and may explain the nature of the validation activity before proceeding to the next site; The P/C/MPMIU or RPCO or PSO Staff will be tasked to answer questions related to PRDP or to
- 9. During or after the site validation, the NPCO IREAP Staff / Representative will complete the validation report and finalize it during the closing meeting;
- 10. Upon favorable assessment of the selected PG, NPCO IREAP will then issue the "No Objection Letter" with the instruction to proceed with the business plan preparation; Otherwise, the PPMIU will be provided with set of recommendations

D. PG Validation Scoring Sheet

Basic Information:	
Proponent Group:	
Office Address:	
Location (Town/Province/Region):	

Priority Commodity (Based on EVSA):	
Title of VCA Report	
PCIP Endorsed by PLGU Governor:	
Prioritized Enterprise or Product Segment:	

validation conducted by;	
Date conducted:	
Accompanying persons:	
1. NPCO IREAP Staff:	
2. PSO IREAP Staff:	
3. RPCO IREAP Staff:	
4. P/C/MPMIU IREAP Staff:	
5. Other staff	

Recommendation:

☐ For approval
☐ Issuance of No Objection Letter, see draft NOL
☐ Issuance of No Objection Letter after resolving the following conditions:
1.
2.
3.
☐ For disapproval due to the following summary of non-compliances
1.
2.
3.
4.
5.

E. Details of observations during validation activity

Part I: Annex 6: Enterprise Prioritization Process and Score Sheet				
Are the following requirements complied based on Annex 6?	Answer (Yes, No, NA – Not applicable)	Describe answers or explain (If yes, mention supporting document; if no, provide date on when it can be complied; If not applicable, explain why?)		
A. Are the enterprise subproject interventions in the PCIP based on the VCA and EVSA Reports?	☐ Yes	 □ Checked PCIP, VCA & EVSA consistency; □ No time to check the PCIP, VCA & EVSA and relied on feedback; □ Others: 		
	□ No	□ No VCA Report for the commodity;□ No EVSA done for the Province;□ Others:		
	□ NA	☐ Province is affected with Typhoon Hainan ☐ Province is affected with Bohol earthquake		
B. Are the enterprise subproject interventions identified per segment of the value chain?	☐ Yes	Which segment ☐ Input; ☐ Farming; ☐ Processing; ☐ Marketing		
	□ No	Which segment ☐ Input; ☐ Farming; ☐ Processing; ☐ Marketing		
	□ NA			
C. Is the ranking of enterprise subproject	☐ Yes			
interventions based on established criteria and indicators in Annex 6?	□ No			
	□ NA			
D. Did the P/C/MPMIU identify and rank the enterprise subproject interventions?	☐ Yes	Identify PPMIU in-charge and members		
	□ No			
	□ NA			
E. On the different set of criteria, are the indicators provided correct and the scoring consistent?				
1. Importance of product segment / enterprise in the local	☐ Yes	☐ Indicators complete & correct☐ Scoring consistent		

economy (# of producers; # of Municipalities; and # of jobs)			No		ndicators inco	mplete & incorrect
			NA			
Market potential (Potential value addition; Strong product		Yes		☐ Indicators complete & correct☐ Scoring consistent		
demand Identified buyer/s with contract; has identified industrial or commercial buyer with potential for		No			ndicators inco	mplete & incorrect istent
supply/ marketing contract		NA				
3. Resource base (production area, hectares; production volume)		Yes			☐ Indicators complete & correct☐ Scoring consistent	
		No			☐ Indicators incomplete & incorrect☐ Scoring inconsistent	
		NA				
4. Environmental impact (positive, neutral, negative)		Yes			ndicators com coring consist	plete & correct ent
		No			☐ Indicators incomplete & incorrect ☐ Scoring inconsistent	
		NA				
5. Women's participation (Percentage of women directly/		Yes			☐ Indicators complete & correct☐ Scoring consistent	
indirectly participating)		No			ndicators inco	mplete & incorrect
		NA				
			•			
Part II: Annex 8: Qualification of Selected	Pro	pone	nt Group			
Are the following requirements complied?		(Ye	swer s, No, NA Not blicable)	Describe answers or explain (If yes, mention supporting document; if no, provide date on when it can be complied; If not applicable, explain why?)		
A. Did the P/C/MPMIU notify the different value chain players or stakeholders to submit a letter of intent with compliance			Yes	Check date of notice by PPMIU		
statement on the requirements?			No	Cannot be corrected anymore		
				NA	When there is no proponent due to peace and order situation	

B. Table 4-1: Did the respective PG submit their letter of intent	☐ Yes	
with compliance statement?	□ No	
	□ NA	
Part II: Qualification of Selected Proponent Group		
Are the following requirements complied (Refer to Table 4-2 of I-REAP Operations Manual)?	Answer (Yes, No, NA- Not applicable)	Describe answers or explain (If yes, mention supporting document; if no, provide date on when it can be complied; If not applicable, explain why?)
1. Is the selected PG legal registered with SEC, CDA, DTI or DOLE?	☐ Yes	Provide registration details and date.
	□ No	
	□ NA	
Authenticated or Certified True Copy of Articles of	☐ Yes	
Incorporation/ Cooperation and Copy of By-Laws	□ No	
	□ NA	
Certificate of Compliance Good	☐ Yes	
Standing for CDA registered or Certificate of no Derogatory	□ No	
Record for SEC registered or Certificate of Registration for DOLE registered	□ NA	
2. Latest Audited Financial Statement (at least 3 years) or	☐ Yes	
Photocopy of Official Receipt (OR) for its financial transactions	□ No	
	□ NA	
3. Accomplishment Reports and photographs of agri-fishery or	☐ Yes	
related projects undertaken for at least 3 years	□ No	
	□ NA	
4. 20% equity	☐ Yes	
	□ No	
	□ NA	
5. LGU Accountant Certificate of No Unliquidated Account with	☐ Yes	
the LGU	□ No	
	□ NA	
7. LGU Certification on the organizational, technical and	☐ Yes	
financial capability of the PG	□ No	
	□ NA	

8. A sworn affidavit of the Secretary of the NG of its incorporators, organizers, directors, or of of or related by consanguinity or affinity up to degree to the officials of the government agent process and/or approve the proposal, the MOA of funds., or none of its officials or members at the DA or the implementing LGU. Relationsh shall automatically disqualify the NGO/PO from the fund	☐ Yes ☐ No ☐ NA	
Part III: Annex 9A and 9B: PG Selection Proces	ss and Ranking	
Are the following requirements complied?	Answer (Yes, No, NA – Not applicable)	Describe answers or explain (If yes, mention supporting document; if no, provide date on when it can be complied; If not applicable, explain why?)
 Readiness to work in vertical cluster: Stakeholders participation in the 	☐ Yes	☐ Indicators complete & correct☐ Scoring consistent
value chain 1.2 Presence of organized producer groups that	□ No	☐ Indicators incomplete & incorrect☐ Scoring inconsistent
supplies raw materials	□ NA	
2. Open to investment and provide equity	☐ Yes	☐ Indicators complete & correct ☐ Scoring consistent
	□ No	☐ Indicators incomplete & incorrect☐ Scoring inconsistent
	□ NA	
3. Engages most number of producers3.1 # of participating farmers	☐ Yes	☐ Indicators complete & correct☐ Scoring consistent
	□ No	☐ Indicators incomplete & incorrect☐ Scoring inconsistent
	□ NA	
4. Performance in previous or existing contracts with government	☐ Yes	☐ Indicators complete & correct☐ Scoring consistent
	□ No	☐ Indicators incomplete & incorrect ☐ Scoring inconsistent
	□ NA	

Annex 11 - Guide Question for Business Plan Data / Information Gathering

I. DESCRIPTION OF THE BUSINESS ENTERPRISE

[Sources of data and info: industry studies, value chain studies, road maps of the commodity where the enterprise will be engaged]

ELEMENTS	DESCRIPTION
1.Opportunity for the enterprise and it's products	 How the proposed enterprise will make money? What is the unique selling proposition of the enterprise? What are the potential profit and the important impact of the enterprise?
2.Business Overview	 What is the history of the business and its primary strength? What is the profile of the Proponent Group in terms of: Ownership and structure, the nature of business, general products and services, number of years in the business, customer channels and customer size, financial performance in terms of sales revenue, credit rating and fund sources, industry position in terms of rank and market share, values and principles. What is the composition of the enterprise and their roles in the business (in cases of clustering). What are the profile of each of the members of the enterprise cluster?
3.Product and services	Enumerate the products and services to be offered and briefly describe each.
4. Support of the enterprise to the commodity value chain upgrading	 What is/are the specific segment/s of the value chain which the enterprise belongs? What is/are the constraint/s or gap/s which the enterprise aims to address as well as the opportunities that may help in developing or upgrading the value chain? What is/are the overall contribution of the enterprise to the development of the commodity or industry?

II. MARKET ANALYSIS

a) Market Characteristics (Brief industry profile and outlook)

- What is the general situation of the industry? At the international level? National level? Local level?
- What is its market size and potential? Volume traded? Demand-supply situation?
- What are the trends and outlook of the industry? Is it growing/declining/stable over time? What is the prospect for the industry? Is it growing/decling/stable?
- What is the state of the market or industry? Is it new/emerging? Is it competitive or difficult to penetrate? Is it mature or stable?
- How does the industry or market structure looks like?
- What are the general characteristics and behavior of the players (sellers) and the customers (buyers) in terms of purchasing and selling behavior, beliefs and opinions?
- What is the position of these sellers and buyers in the market? What are their market share? How much of this market share do you want to obtain?
- What are the factors affecting the market? (social, technological, environmental, economic, government, regulation. Political, etc.)
- When are your peak sales months? Low Sales Months?

b) Target Consumer/ Customer Profile (This should clearly help the enterprise analyze its business directions)

- Who or what is your target Market?
 - a. Individuals?
 - b. Companies (small, medium, large)
 - C. Institutions?
 - d. Government Agencies?
 - e. Export market?
- What are characteristics and behaviors of your target costumers? How do they normally purchase this kind of product?
- What benefits are they looking for?
- How will you identify your market? (Questionnaire? Survey? Others?)
- What is the size of your Market? (Identify indicators of size, Population, per capita consumption, etc). Where are they?
- III. **COMPETITOR ASSESSMENT** (Competitors are firms that are in the space of your primary target segment. Discussion maybe focused on top 3 competitors)
 - a) Key Competitors (Can be illustrated through table, pie chart, graph, etc)
 - Who are the industry players in the Municipal? Provincial? Regional level?
 - Who are the competitors?
 - What is their Market Share
 - What are their pricing trends/system?
 - Where are they selling
 - What is their distribution system?
 - What portion of the target market have they captured?
 - What part have they missed? Why?
 - Any new products?
 - Where is your competition located?
 - Would it benefit you to be in the same location? Why?

b) Relationship with customers

- Is your customer buying from your competition? Why?
- Why should the customer switch from your competition to buy from you?
- How have you dealt with competition?
- Do you know the competition's quality, service, and location?
- Do you know their strengths and weaknesses?
- What are your strengths and weaknesses (in terms of products, production system, financial, location, etc)
- What is your competition's relationship with its customer?

IV. MARKETING PLAN (Discuss here the marketing objectives and targets in terms of sales volume, income and profit margin. Outline the strategy by defining the 4Ps of marketing)

Elements	Description	Remarks
1. Product	 a. What exactly do you sell? Physical Description of each product. b. What are its component parts? Packaging, and other parts, etc. c. What is its purpose- (Staple food? Drinks/ beverage? Food Supplement? Pasalubong item/Souvenir, office furnishing, etc.?) d. Is it an item that is a necessity or is it a luxury item? e. Why do customers want it? f. What makes your product unique and why is it superior or unique? g. Possible new usage of the product. Trends in the market. New products. Technology - (Any product or service must take into account the technology surrounding it. It is important to note where is it in today's situation and capabilities, and what plans have been made for changes to that situation) 	Part III of this guide
	 What is the product's technological life? Is it state of the art? What is the plan to adapt to changes in technology and trends? 	
	 How will globalization/free trade affect your products (supplies and processing) How is the product made? Will any production be sub-contracted? What methods will 	
	you use? • Are you planning to produce internally? • Is the product an input to someone else's product? • Do you depend on the other company for your survival?	
	 j. Supplies/Suppliers – What materials and components are required for production? Name the critical parts Who/what are the sources of supply for these parts? 	
	 Do you have alternative suppliers? What is the lead time? Are your suppliers reliable? k. Natural Resource Base What is the product's natural resource base? What are the natural resources needed to develop and produce the 	
	product? I. Product Development When did you develop your product? How was it developed?	
	 Where did you do your research? Did you have any guidance? Did your research require you to utilize any instrumentation, chemicals, components, etc.? 	

	 Has your product undergone any stress tests, safety tests and other reliability tests (shelf life)? Have you tested the product in the marketplace? (Test market?) h. What have been the major problems and setbacks? How did you resolve them?
2. Price	When pricing, your best price will be somewhere in a "range" of possible prices rather than one exact number. This range of prices has an upper limit and a lower limit which you can determine. a. Determine the upper limit by using the following factors: • The price consumers are willing to pay for your product. • Your capacity to produce (productivity) • The number of competitors' goods available to consumers and their prices. b. Determine your lower limit price by using the following factors: • Your cost of production or cost- volume relationship
	 Competitive reactions Capacity to produce Ensuring that everybody in the distribution chain (including oneself) can make their usual mark-up on cost. C. Product Costing Materials - Get quotes of price of material at different volume/quantities Manufacturing Costs - What is your direct labor cost for each product design? Assembling? Packing? What are your
	 fixed costs? Machine costs, design costs, etc. Overhead - This includes costs that are not related to sales or production volume. They include office expense (e.g. office supplies) insurance, wages and salaries, utilities, rent and other miscellaneous costs. Transportation and shipping - Identify your choices- By jeep, tricycle, bus, plane, ship cargo or combination of these.
	 Sales Expense - How will your product be distributed? (sales representatives, distributors, wholesaler, or on commission) Other hidden costs - Sales return and allowances Is the customer price sensitive? What discounts should be offered to trade customers? How will your price compare with your competitors?

3. Place	a. Location where your customer purchase the product	
	 Who are your customers/consumers and where will you find them? Describe them (majority of customers) in terms of basic demographic data: male/ female, students, young professional, sectors they belong, income bracket, etc. 	
	 Where do your customers buy the product? How do they normally purchase this kind of product? What benefits are they looking for? 	
	Do you need a sales force? How will you position them?	
	b. From the customer profile analysis, identify the place where you will sell:	
	Province/Town/ City	
	Wet Market/ Supermarket/ Grocery Stores/ Sari-sari stores and the requirements to sell in that place.	
	C. Why did you choose the location?	
	 Factors to consider in Location selection for Trading/ Manufacturing: -Transportation costs 	
	-Availability of services(banking, communication, utilities, etc) -potential for expansion	
4. Promotion	Again from the customer profile analysis, identify how you will promote your product in terms of distribution policies (credit policy, delivery policy, pricing policy, policy on returned merchandise, volume sales discounts, etc.) Advertising plan.	
	 When and where can you get across your marketing messages to your target market? What marketing activities do you need to do to communicate your value proposition? Identify the activities, frequency and the budgetary 	
	requirement	

V. OPERATIONAL PLAN

ELEMENTS	DESCRIPTION
1.Ownership and management	 Describe the owners of the enterprise Describe the management team Illustrate the Organizational Chart Describe the personnel requirement or staffing pattern and the responsibilities of each staff. Give job descriptions. Who is the principal/key people involved in the business? What assets do they possess?
2.Resources and Production	 What are the production methods, the process and the inputs required for each process, and staffing? Illustrate the process flow (major steps to perform from raw material sourcing to delivery of products to your target customers). What is the operational process and input requirements. This can be presented in tabular format (process steps, description of the step, where it occurs-geographic and/or physical location, expected inputs required in terms of materials, tools, equipment, to perform the step, expected output/result, who will perform this step? What is your capacity and level of Production? In terms of units, in Pesos? What are the production cycles? What is your break-even point? What are the activities and costs needed to address factors affecting the supply and quality of inputs' natural resource base? What are the costs to manage wastes and other possible negative environmental impacts?
3.Facilities and Equipment	 Describe the needed facilities and equipment (existing and proposed) of the enterprise. What is the input and output capacity? How much will be the estimated costs per operations? What is your equipment set-up and facility lay-out? Both production and office equipment and lay-out. When will you require your equipment?
4.Operations	 What are the operational schedules and procedures of the enterprise? What system have you developed for quality control? What are your profits by product/service What are your production control procedures? Inventory control How much inventory finished and raw materials will you have to maintain? Have you developed a system of scheduling production using dates and numbers? What is the shelf life of the product? Indicate or create operations schedule (planting and harvesting, production schedule, delivery schedule)
5. Compliance to local and national regulations	 What are the existing business permits and licenses needed to operate the enterprise? What are the accreditation and certification systems that the enterprise will go through to produce and sell the product?

VI. SOCIAL AND ENVIRONMENTAL SAFEGUARDS

A. Social Safeguard Aspect

1. Subproject Beneficiaries

Who are the beneficiaries of the subproject? What is their socioeconomic status? Have they been consulted? Describe the consultation process (indicate date, location and attendees of meetings). Have they accepted the proposed project? What are their concerns and inputs? Describe the minutes of the meetings if any? Are the women represented in these consultations (describe attendance of women)? What are their concerns/inputs (describe any particular inputs from women, if any)?

<u>Project Beneficiaries</u>: Include discussion on Grievance Redress Mechanism of the subproject. Please refer to Grievance Redress Mechanism Framework in the IESSF for reference and make sure that the subproject beneficiaries are well informed regarding the subject matter.

2. Indigenous Cultural Community/Indigenous Peoples (ICC/IP)— Is the project located inside an ancestral domain? If the project is not situated inside any ancestral domain, is it going to affect any extant IP/ICC community or are there beneficiaries who are members of the IP/ICC community? What particular IP/ICC community is involved? What is their socioeconomic status as compared to the mainstream group? Did the IP/ICC community solicit the subproject themselves? If they did not solicit the project, have they been consulted and have they given their endorsement of the project? Describe the consultation process thus far conducted. Indicate date, location and attendees of meetings. Describe the minutes of the meetings if any. What are their concerns and inputs?

Note that: If the Project is inside any ancestral domain, or if there are any intact ICC/IP community to be affected by the project, either of the following should be secured: i. Certificate from the local tribal chieftain, or from the local tribal council or from NCIP that the project is part of the ICC-IP's development plan or is part of their Ancestral Domain Sustainable Development and Protection Plan (ADSDPP); ii. Certificate from the local tribal chieftain that the project is solicited by the ICC-IP themselves; or, iii. An endorsement (e.g. in a form of a Resolution) from ICC/IP community together with evidence of consultations conducted (e.g. minutes of meetings and list of attendees, issues and concerns raised and how they were addressed).

3. Site and Right-of-Way acquisition— What is the ownership status of the proposed site or right-of-way? Describe the site requirement in terms of area (sq. m), land tenure, and existing land use. Describe the right-of-way requirements in terms of width, the types, ownership of lands and existing land use of the lands to be traversed by the subprojects.

Note that: If any lands or ROW need to be acquired by the LGU or the beneficiary community, the following are the documentary should be secured:

- If the land is public land, a Special Land Use Permit(SLUP) or lease from DENR ii.If the land is owned by LGU, evidence of LGU ownership such as Title iii.If the land is to be purchased by the LGU from private owner(s), evidence of purchase by the LGU such as Deeds of Sale or TCTs iv.If land is donated by private owners, Deed of Donation and annotation of the property at the Registry of Deeds
- If the subproject is inside Ancestral Domain or if not inside, it adversely affects an extant IP/ICC community who are not themselves beneficiaries of the subprojects, then an FPIC/CP should be secured under the auspices of the NCIP.
- **4.** Damage to standing crops, houses and/or properties Will the construction of the project result to any crop and/or properties? Describe and try to quantify the potential damage.

Note that (potential) damage to crops and/or properties/assets should be inventoried and suitable compensation schemes should be worked out through consultation with the owners of the crops and properties (e.g. through a MOA or the Entitlement Survey Form). Compensation of damages following the agreed schemes should be based on actual damage or loss.

- **5. Physical displacement of persons** Will the proposed subproject result in the relocation of houses? How many houses will be relocated? Describe the conditions of the affected houses and properties. What are the socioeconomic conditions of the affected households?
- 6. Economic displacement of persons Will the proposed subproject result in the loss of livelihood or reduced access of families to their traditional livelihood sources? Note that loss of livelihood may result from: loss of a significant portion of the household's farmland, loss of business such as due to loss of vending stalls, etc. Describe the nature of loss if any.

Note that if there is physical or economic displacement of persons, a Resettlement Plan shall be prepared

B. Environmental Assessment

1. Natural habitat – Describe the project site (i.e., the lands to be traversed by the proposed road, the actual site of the PWS or structure, etc.) in terms of land use, vegetation, wildlife, presence of water ecosystems, endangered and other important species. How are they going to be impacted by the project? Is the project site within an officially declared or proposed protected area of natural habitat?

Note that: PRDP loan should not be used to fund subprojects involving civil works that encroach into Protected Areas of natural habitat such as areas declared as Natural Parks under NIPAS, except for NRM subprojects that are allowed as per provisions of the NIPAS law of Buffer Zone, or Multiple Use Zone, and the law creating the Natural Park.

2. Physical Cultural Resources — Are there any structure, monuments or Physical Cultural Resources (as defined below) on site that will be affected by the subproject? Describe the cultural and historical significance of the structure/s, if any. Describe the impact of the project to the structure/s. Is the project site part of an important natural feature or landscape? How will the project change or impact the landscape? Is the project area a potential archaeological site? If there are no such structures or monuments or Physical Cultural Resources to be affected, the assessment should clearly say so.

Note that: The World Bank Policy on Physical Cultural Resources requires that physical cultural resources likely to be affected by the project should be identified and the project's potential impacts on these resources be assessed as an integral part of the EA. Cultural resources are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance.

When the project is likely to have adverse impacts on physical cultural resources, appropriate measures for avoiding or mitigating these impacts shall be identified in the EA. These measures may range from full site protection to selective mitigation, including salvage and documentation, in cases where a portion or all of the physical cultural resources may be lost.

<u>Physical/Cultural Resources</u>: Include discussion on Archaeological and Paleontological chance finds during implementation of the project. Please see Annex H-2 of Chance Finds Procedure in the IESSF for reference.

3. Hazards and Risk Assessment (Drainage Situations, Erosion and Flooding Potential) - For the Business Plan, include brief discussion on the status of the IPM program on the production site. Additionally, include discussion on solid and liquid waste management of the production and enterprise of the proposed subproject. Include a brief discussion on the status of the DA IPM Program (KASAKALIKASAN) in the road's influence area. The discussion should include a quick assessment of adequacy of the effort by DA and rate of adoption among farmers of the IPM in the area and based on the assessment, an action plan to introduce and/or further support KASAKALIKASAN efforts in the area. Make sure to reflect the mitigation measures in the ESMP.

VII. FINANCIAL PLAN

	ELEMENTS	DESCRIPTION
1.	Sources of Funds	 Describe and how much is the investment requirement for the enterprise Where and how will the funds to support the investment requirement be sourced?
2.	Financial Projections	 Indicate financial assumptions to compute revenue and cost streams of the enterprise Present financial schedules (cost schedule, sales schedule, etc) Present financial forecasts Monthly income statement (Year 1) Monthly cash flow (Year 1) Monthly balance sheet (Year 1) Income statement, cash flow and balance sheet annual projections from Year 2 to Year 10 Others, as necessary
3.	Financial Analysis	Compute the financial ratios: NPV, FIRR, BCR, Payback period, Break even analysis per product
4.	Sensitivity Analysis	Compute and discuss the results of subjecting the enterprise into different financial risks and cases: - 10% increase in costs - 10% decrease in revenue - 10% increase in costs and 10% decrease in revenue - 15% increase in costs - 15% decrease in revenue
5.	Recording system	How are financial transactions going to be recorded and kept? What are the internal control mechanisms that will be employed by the enterprise?

VIII. **ECONOMIC IMPACT** (Describe the economic impact of benefits that the community will generate as a result of the enterprise)

	ELEMENTS	DESCRIPTION
1.	Increase Farmers Income	Describe how the income of farmers will be affected? Compare the income of farmers before and after the Project.
2.	Employment Generation	 Is the enterprise going to provide employment opportunities to the community? How may will be employed? Provide comparison on the number of people employed before and after the Project
3.	Other Economic Impact	Discuss other targeted or potential impact of the Project

IX. SUSTAINABILITY MECHANISM

- How is the enterprise going to sustain its operation? Describe the sustainability plan for the enterprise in terms of the following:
 - Expanding operation (could either be in terms of expanding source of raw materials and/or increasing enterprise output/capacity, upgrading facilities and equipment, etc)
 - Expanding membership
 - Utilization of net income or profit (how will the income be used?)
- What are the required technical assistance to ensure continuous operation. The technical assistance could be for the farmers and/or the enterprise itself. Who will provide the technical assistance? What is the nature of the assistance and the costs involved? (*This could be provided in tabular format*)

Annex 12-A – I-REAP Business Plan Outline

SECTION	DESCRIPTION
Enterprise General Profile (SEE ANNEX 12C)	One page 'Cover Sheet' that presents the following: (i) title of the subproject/enterprise; (ii) location of the subproject; (iii) Proponent Group/Lead Proponent; iv) name and telephone number of the contact person or lead firm that will represent the cluster of business enterprises; (v) the composition of the cluster of enterprises; target markets with corresponding volume; (vi) summary table of subproject's investment requirement by component and by source of fund (vii) role of the enterprise in value chain upgrading; (viii) enterprise objectives brief description of the subproject; (ix)economic benefits; (x) financial indicators; and (xi)Summary Data Sheet which contains the M and E parameters
Executive Summary	A maximum of two-page brief presenting the following key points: (i) rationale for the proposed subproject, its contribution to value chain upgrading and to farmers/fishers income; (ii) description of the business enterprise (mission statement/ goals/objectives; (iii), experiences and current state of the enterprise; (iv) operational plan; (v) economic benefits; and (v) results of the financial analysis
1. Description of the Business Enterprise	Discussion on the following: (i) opportunity for the enterprise/PG and its products (how the proposed enterprise will make money, the product and its value), should relate to the value chain upgrading; (ii) objectives of the enterprise; (iii) business overview (summary of the current state or existing projects/accomplishments of the enterprise/PG, type of business enterprise (registration), composition of the cluster of enterprises, expansion or start-up, and history of the business and its primary strengths); (iv product and services (general description of the products and services) offered/undertaken; and (v) role of the enterprise in value chain upgrading/support to commodity value chain upgrading (constraints/opportunities identified in the VCA, prioritization in the PCIP (discuss the specific segment (s) of the value chain in which the enterprise belong; constraint(s) or gap(s) which the enterprise aims to address as well as the opportunities that may help in developing or upgrading the value chain, if any; over-all contribution of the enterprise to the development of the commodity)
2. Market Analysis	Topics include (i) market characteristics (brief industry profile, industry outlook, new product development, market trends and competition); (ii) market structure (number of sellers and its general characteristics and behavior, number of buyers and its general characteristics and behavior, horizontal and vertical relationships, price and cost structure); (iii) customer analysis (description, characteristics and behavior of customers, location, channels of distribution, operations and practices, volume requirements and specifications, horizontal and vertical relationships; and (iii) supply and demand analysis (supply and demand gap).
3. Competitor Assessment	Discuss the profile of the competitors focusing on the following indicators: (i) description and product/service features of identified competitor; (ii) geographic location and area of influence; (iii) channels of distribution; (v) relationship with suppliers/buyers; (v) marketing strategies (price, product, place, positioning, promotion); (vi) market share; and (vii) financial strength/cost position
4. Marketing Plan	Discuss the 4Ps of Marketing focusing on the following: (i) product (product uses, attributes and functional benefits, quality controls/ services, standards, development and technological trends); (ii) pricing strategies (basis for pricing, how is the price going to be established; what is the difference from competitors); (iii) place (describe how the product/service will be distributed and what geographical area); and (iv) promotion.
5. Operational Plan	Describes the following: (i) ownership and management (including organizational structure); (ii) resources and production (production methods-the process and the inputs required for each process, and staffing); (iii) facilities and equipment, full description and specifications of the facilities and equipment needed in the operation of the enterprise and the location, esp of the civil works (including sources and estimated costs); (iv) operations (operational schedules and procedures); (v) implementation plan (gantt chart of activities); and compliance to local and national regulations (business permits, license, etc.)
6. Social and Environmental Assessment	Discuss the following: (i) Social Safeguards – subproject beneficiaries, indigienous community, site and right of way acquisition, damage to standing crops/house/properties,

SECTION	DESCRIPTION
	physical displacement of persons, economic displacement of persons (ii) Environmental Assessment – natural habitat, physical-cultural resources, hazard and risk assessment
7. Financial Plan	Covers the following: (i) Investment requirement by component and by fund source (identify and discuss the detailed investment requirement by subproject component, identify fund source – fixed assets and operating expenses (variable and fixed costs)); (ii) financial analysis (setting of assumptions – production schedule, sales schedule, costs schedule, etc, compute for monthly income statement and monthly cash flow for the 1 st Year of operation, financial projections for 10 years (income statement, cash flow, balance sheet, compute and discuss financial indicators – NPV, FIRR, BCR, ROI, Payback period, break-even analysis); (iii) risks and Sensitivity Analysis (discuss the risks and uncertainties that may be experienced by the enterprise including the mitigating measures— environmental, organization, operational and social, compute sensitivity scenarios: a)10% increase in cost; b)10% decrease in revenue; c)10% increase in cost and 10% decrease in revenue; d) 15% increase in cost; and e) 15% decrease in revenue); and (iv) financial recording and management system (discuss record keeping and financial management system that will be adopted by the enterprise)
8. Socio-Economic Benefits	Discussion on the future plans of the enterprise, how is the income going to utilize (i) Increase in farmers income (comparison before and after PRDP computed for the 10-year period, number of farmers involved; (ii) employment generation (comparison before and after PRDP; (iii) Other potential benefits
9. Sustainability Mechanism	Discussion on the following: (i) future plans of the PG on the operations of the enterprise (how will the income generated from the subproject be going to be utilized, any plans on expansion; and (ii)provision of technical assistance/support (when will the PG and its cluster members including the farmers members get the needed technical support, how will it be availed; who will provide it; what mechanism, source of fund for the technical support.
10. Annexes	Annex A – Work and Financial Plan Annex B- Procurement Plan Annex C – PRA-RSA (for GEF sites and NRM related enterprises only) Annex D – Detailed Engineering Design (DED) (inc. facilities and equipment technical plan) Annex E – Program of Works (POW) (inc. construction Schedule (bar chart/s-curve) for the facilities and equipment)
11 Attachments	See checklist of requirements for the attachments (Annex 13-A)

Annex 12-B – SUBPROJECT PROPOSAL OUTLINE FOR MICRO-ENTERPRISE SUBPROJECTS

SECTION	DESCRIPTION
Enterprise General Profile (SEE ANNEX 12C)	One page 'Cover Sheet' that presents the following: (i) title of the subproject/enterprise; (ii) location of the subproject; (iii) Proponent Group/Lead Proponent; iv) name and telephone number of the contact person or lead firm that will represent the cluster of business enterprises; (v) the composition of the cluster of enterprises; target markets with corresponding volume; (vi) summary table of subproject's investment requirement by component and by source of fund (vii) role of the enterprise in value chain upgrading; (viii) enterprise objectives brief description of the subproject; (ix)economic benefits; (x) financial indicators; and (xi)Summary Data Sheet which contains the M and E parameters
Executive Summary	A maximum of two-page brief presenting the following key points: (i) rationale for the proposed subproject, its contribution to value chain upgrading and to farmers/fishers income or damage caused by the calamity or conflict and objectives of the enterprise; (ii) brief description of the proponent, target market, management and ownership of the enterprise, operational plan; (iii), result of financial analysis; (iv) economic benefits; and (v) sustainability mechanism
1. Project Rationale	Discussion on the following: (i) background or justification for the proposal; (ii) objectives of the enterprise; (iii) business overview (summary of the current state or existing projects/accomplishments of the enterprise/PG, type of business enterprise (registration), composition of the cluster of enterprises (if any), expansion or start-up, and history of the business and its primary strengths); and (v) role of the enterprise in value chain upgrading/support to commodity value chain upgrading (discuss the specific segment (s) of the value chain in which the enterprise belong; constraint(s) or gap(s) which the enterprise aims to address as well as the opportunities that may help in developing or upgrading the value chain, if any; over-all contribution of the enterprise to the development of the commodity)
Market Study	Discussion on the following: (i) product description - discuss the kind of product to be produced by the project including quantity to be sold, quality standards/specifications; (ii) target market/buyer including volume requirement and marketing arrangements; (iii) supply and demand situation discuss the availability of supply, major producing municipalities, volume and hectarage, discuss the market demand, major buyers, and volume requirements; (iv) Marketing strategies - discuss how the PG intend to market its product including the form of product to be sold, the packaging to be used, brand (if any), pricing strategy for the product, place of distribution and how will the product arrive at the place of distribution (mode of transportation used), picked-up or delivered, frequency of selling, and the promotional activities that will be undertaken to make the product known to the target consumers
Operational Plan	Discuss the following: (i) Ownership and Management- how the subproject will be managed including organizational structure, project management and its roles and functions; capability of the PO to handle the project; does the staff have the necessary skills; training needs; number of personnel needed for the project implementation and operation; include when the organization will be registered to CDA or SEC, if not yet registered); (iii) production and operational process - (discuss how the project will be operationalized, provide process flow, resources needed); (iii) facilities and equipment - discuss the facilities and equipment required including specifications and capacity; for civil works or infrastructure describe where it will be located, access to road network, technical design or specifications; include where to source the facilities and equipment and estimated costs by fund source)
4. Social and Environmental Assessment	Discuss the following: (i) Social Safeguards – subproject beneficiaries, indigienous community, site and right of way acquisition, damage to standing crops/house/properties, physical displacement of persons, economic displacement of persons (ii) Environmental Assessment – natural habitat, physical-cultural resources, hazard and risk assessment
Financial Plan	Present and discuss the following: (i) financial assumptions used in computing the investment/project cost, sales and expenses; (ii) Investment/Project Cost (in details including fixed capital, working capital and pre-operating expenses); (iii) Financial assumptions - production Schedule and sales schedule (at least one-year period for restoration/rehabilitation subproject or at least 3-year period for other microenterprise subprojects); (iv) Financial Projections - monthly income statement and cash flow for Year 1, at least one year Income Statement (for restoration/rehabilitation subproject of at least 3 years annual income statement, balance sheet and cash flow; (v) Financial ratio — compute for ROI (for one year projection only); FIRR; NPV; BCR; Payback Period
6. Socio-Economic Benefits	Discussion on the future plans of the enterprise, how is the income going to utilize (i) Increase in farmers income (comparison before and after PRDP computed for the 10-year period, number of farmers involved; (ii) employment generation (comparison before and after PRDP; (iii) Other potential benefits
7. Sustainability Mechanism	Discussion on the following: (i) future plans of the PG on the operations of the enterprise (how will the income generated from the subproject be going to be utilized, any plans on expansion; and (ii)provision of technical assistance/support (when will the PG and its cluster members including the farmers

Philippine Rural Development Project I-REAP Operations Manual Annexes

SECTION	DESCRIPTION
	members get the needed technical support, how will it be availed; who will provide it; what mechanism, source of fund for the technical support.
8. Annexes	Annex A – Work and Financial Plan Annex B- Procurement Plan Annex C – PRA-RSA (for GEF sites and NRM related enterprises only) Annex D – Detailed Engineering Design (DED) (inc. facilities and equipment technical plan) Annex E – Program of Works (POW) (inc. construction Schedule (bar chart/s-curve) for the facilities and equipment)
9. Attachments	See checklist of requirements for the attachments (Annex 13-B)

Annex 12C – TEMPLATE OF THE ENTERPRISE GENERAL PROFILE

Subproject Title														
Subproject ID No.														
Location														
Lead Proponent Group														
Cluster Members	List down all coops/associations that are included in the subproject													
Financing Modality Based on the Amount of Subproject	Indicate if micro, small, medium subproject													
Type of PG Undertaking	Indicate if start-up, upgrading or expansion, GEF area, rehabilitation/													
	restoration													
Nature of Expansion/Upgrading (for	Increase hectarage													
SPs under the expansion/upgrading	Acquisition of new equipment Renovation of existing building													
Category)		n or ex	cisting	bullo	iing									
Commodity/Product(s)/ Service(s)	etc													
Commodity/Product(s)/ Service(s)														
Volume of Production	Existing Vo			:										
(total production of the enterprise)	Target Vol	ume (Unit):											
	Product					ume	e of	Produ	ıctio	n (l	Jnit)			
		Exist	ing (Y	(0)	Y1									Y10
						_	_							
								<u>ļ.</u>	Щ.		L . ,			
Target Market/s	Indicate na		-		ume	to	be s	old (e	xisti	ng a	and/	or tai	get	
	volume) ai	nd arra	angen	nents										
	l	1	1	_	. 1	_			_		. 1			
	Target		ting	Targ	get			ency		yme			keti	_
	Buyer (Specify)		l sold Vol nit) sold		of del		aeii	ivery Terr		rms	ns Arr		rangements	
	(Specify)	(011	(Un											
			(0.		,				+					
					_									
Total Investment Cost/ Amount of the	In Tabular	Form	broke	n dov	vn b	v fu	ınd s	ource	and	ds b	ecifi	: inve	stm	ent
Business Plan	requireme					,				0				
	'													
	Detailed		LP		GOP		Р	LGI		3U		PG Equity		у
	Item	S								r	Cash		Kind	
	Enterpris	e												
	Operatio	n												
	(specify)													
	Civil Works													
	(specify)													
										_				
										\perp				
	Total													
	Investment													
	Cost													

Support to Commodity Value Chain Upgrading	Brief description of the VCA segment being supported or strengthened by the proposed enterprise citing VCA findings on constraints/gaps and opportunities										
Brief Description of the Subproject	Briefly discuss what the subproject intends to do (description of the business model)										
Enterprise or Subproject Objectives:	 Enumerate the general and/or specific objectives of the subproject 1. 2. 3. 										
New Ways of Doing Things/ Innovations	Describe how the PRDP intervention will improve the way of doing things of the PG and its members in terms of technology, practices, processes, etc										
Socio-Economic Benefits:											
A. No. of Direct Individual Beneficiaries (specify number per	PG Cluster Member	No. o	of IP		f Non- P	Total N Individ Benefic	dual				
PG)		Male	F	М	F						
Note: PG means the affiliate	(Name of										
coop/association. Applicable only for	PG) (Name of										
clustering of proponents	PG)										
	Total										
B. No. of Household Beneficiaries						7					
b. No. of nouserious beneficialies	PG Cluster Member	No. of IP	No. o Non- IP	НН							
	(Name of PG)										
	(Name of PG)										
	Total										
Employment Generation	Job Title/ Position	′	Number of Employees								
			Existing	g 1	New/Additional		Increment				
				<u> </u>							

Investment Cost per Beneficiary	(Computed as the total cost of investment divided by the total number of direct individual beneficiaries)											
Target Increase in Farmers Income												
	Numb Farme Involve	ers	_	ge Ann ncome	ual Farmer (PhP)	`S	Total Incremental Income (PhP)					
			Before F	ore PRDP After PRDP)P						
Financial Analysis	Existing Net Income(Baseline):											
Net Income of the Enterprise:	Projected Average Net Income:											
Financial Ratios:	FIRR: Payback Period:											
	ROI: Benefit-Cost Ratio:											
Break-even Analysis (for each product):	BE Volume (unit): BE Price (PhP): BE Sales (PhP):											
Technical Support Agencies	Indicate agencies that will provide technical support/assistance, nature assistance, costs involved and arrangements											
	Agency	Tech	re of nical tance	Estin Cost		Source	of Funding					
					+							
Duration of Project Implementation:	uration of Project Implementation: Target Start Date: (target date for the first NOL2)											
	Target Comp	oletion I	Date:									

Subproject Summary Data/Monitoring Sheet (This summary data sheet should show the indicators that would be useful in measuring the impact of the subproject or PRDP interventions. The impact should indicate the Project Development Objectives and the sub-project specific objectives)

Parameters	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year10
Farmers											
income											
HH income											
Marketable											
surplus											
Income of											
enterprise											
No. of											
women											
engaged											
Employment											
generated											
Coop or											
Association											
membership											
(indicate											
other SP											
indicators)											

Annex 13-A – CHECKLIST OF REQUIREMENTS FOR SMALL AND MEDIUM ENTERPRISE SUBPROJECT



Republic of the Philippines
Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT
National Project Coordination Office
4th Floor, DA Building, Elliptical Road, Diliman
Ouezon City 1100 Philippines

FORM 1

TOTAL INVESTMENT REQUIREMENT:
ENTERPRISE PROJECT FUND:
INFRASTRUCTURE COST:
PG EQUITY:

CHECKED BY: DATE CHECKED:

	ATTA	CHED	DENA DIKO
I. Eligibility Requirements of the Proponent Group	YES	NO	REMARKS
1. Letter of Intent			
2. Certificate of Registration			
3. Certificate of Good Standing			
4. Latest Audited Financial Report in the last 3 years (for medium enterprise subproject) or Photocopy of the Official Receipt (OR) (For Small Enterprise subprojects			
5. PLGU Evaluation on the Financial and Organizational Capability of the Proponent			
6. Accomplishment Reports and Photographs of the Projects Undertaken in the Last 3 years on Agri-Fishery or Similar Projects (for medium enterprise subproject) or Accomplishment reports and photographs of agri-fishery or related projects undertaken for at least one year of operation(For Small Enterprise subproject)			
7. Proof of Equity (Cash- Bank Certificate); Land Title/ Lease Contract/ Deed of Donation, etc (as applicable)			
8. Certificate of No Unliquidated Account with PLGU			
9. Certified true copy of the Articles of Incorporation/Cooperation and by laws			
10. A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors, or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the government agency authorized to process and/or approve the proposal, the MOA and the release of funds.			
11. Sworn Affidavit of the Secretary of the NGO/PO that none of its officials are employees of the DA or the implementing LGU.			

II During and Discount of the Control of the Contro	ATTA	CHED	DENAADVC
II. Business Plan Requirements	YES	NO	REMARKS
1. Value Chain Analysis (VCA)			
2. Approved PCIP			
3. Form 2A – Business Plan Tracking Form			
4. Annex 6- Enterprise Prioritization result (Duly signed by PPMIU I-REAP Head)			
5. Annex 9 - Proponent Group Selection result (Duly signed by PPMIU I-REAP Head)			
6. Annex 15 - I-REAP Initial Evaluation Form (Evaluated by RPCO I-REAP Staff, verified by RPCO I-REAP Head, endorsed by RPCO Alternate Focal and noted by RPCO Project Director)			
7. Annex 16- Business Plan Appraisal or Evaluation Form (using I-REAP Score sheet) – signed			
8. Technical and Evaluation Review Report duly signed by the Technical Review Team			
9. Proponent Group Profile			
10. Farmers Profile			
11. PRA-RSA (for GEF sites and NRM related enterprises only)			
12. Supply Contract with participating farmers			
13. Marketing Contract with buyers			

II. For Infrastructure Component (Please check Annex B: Review Checklist for Buildings of the I-REAP Technical Guidelines for details		CHED	REMARKS
per requirement)	YES	NO	
. Detailed Engineering Design – signed by the Governor			
a. Coversheet			
b. Index of Drawings			
c. Details of Architectural Drawings			
i. Title/ Signatory Block			
ii. Vicinity Map/ Location Plan			
iii. Site Development Plan			
iv. Perspective, drawn at any convenient scale			
v. Floor Plan(s)			
vi. Elevations, at least four (4)			
vii. Sections, at least two (2)			
viii. Ceiling Plan(s)			
ix. Roof Plan			
x. Details, in the form of plans, elevations/ sections (min. scale of 1:50)			
xi. Schedule of Doors and Windows			
xii. Schedule of Finishes (in graphic form)			
d. Details of Structural Drawings			
i. Foundation Plan			
ii. Floor Framing Plan(s)			
iii. Roof Framing Plan			

iv	, , , , ,	
В	eams/ Slabs	
v. W	. Details of Trusses/ Connections or Details of Shear Valls/ Elevator Shaft	
vi	i. Details of Stair(s)	
vi	ii. Structural Design Analysis/ Computations	
e. D	Details of Plumbing Drawings	
i.	Location Plan and Site Development Plan	
ii.		
iii		
iv		
V.		
vi	i. Detail of Elevated Water Tank, if any	
vi	ii. Legend and General Notes	
f. D	Details of Electrical Drawings	
i.		
ii.	. Legend of Symbols	
iii	i. General Notes and/ or Specifications	
iv	v. Plan for Power	
V.	. Plans for Lighting and Receptacle Outlets	
vi	i. Plans for Fire Detection and Alarm Circuits	
vi	ii. Fire Alarm Riser Diagram	
vi	iii. Schedule of Loads	
ix	c. One Line Diagram	
x.	. Other Details	
xi	i. Plans for Lightning Protection	
xi Si	ii. Plans and Specifications for Indoor or Outdoor ubstation	
xi	iii. Title/ Signatory Block	
xi	iv. Design Analysis	
χı	v. Technical Specifications	
	vi. Detailed Quantity Estimates	
g. D	petails of Mechanical Drawings	
i.	= = = = = = = = = = = = = = = = = = = =	
ii.		
iii	<u> </u>	
iv		
vi	· · · · · · · · · · · · · · · · · · ·	
Vi		
	iii. Other Details	
ix		
X.		
x.		
XI Xi		
	iii. Detailed Quantity Estimates	
	Details of Electronics Drawings	
i.	Location Plan and Site Development Plan	

ii. Legend or Symbols	
iii. General Notes or Specifications	
iv. Plans for Auxiliary/ Communication Systems	
v. Auxiliary Communication Riser Diagrams	
vi. Other Details	
vii. Title/ Signatory Block	
viii. Design Analysis	
ix. Technical Specifications	
x. Detailed Quantity Estimates	
2. Program of Works (POW) – signed by the Governor	

IV. Social Environmental Safeguard (SES) Requirements (Large Scale	ATT	ACHED	REMARKS
Enterprise)	YES	NO	
1. Duly signed (by PPMIU, PSO, and RPCO) Annex A-2 SES Screening Form			
2. SA/EA of the Business Plan			
a. Consultation/s: Minutes, attendance and photos during all consultations (project beneficiaries meeting, PAPs consultation, FPIC or broad based consultation, Tribal Chieftain Certification)			
b. Executive Order with Grievance Redress Mechanism Point Person or Committee and discussion in the BP (2015 and beyond) for the LGUs. For PGs, a Grievance Point person should be identified.			
c. Letter of Requests: DENR for ECC and cutting permit; PCA for cutting permit; NCIP for Certificate of Pre-Condition; Electric Coop for transfer of electric posts (whatever is applicable) For NOL 2, permits/certifications should already be secured and attached accordingly.			
d. Annex H-1 IP/ICC Plan (refer to PRDP's IESSF for guidance on when the IP Plan is required)			
3. Duly signed ESMP attached with Annex H-2 Archaeological and Paleontological Chance Finds (Templates have been provided depending on the Category of the Enterprise)			
4. Site Acquisition Documents such as:			
a. Form 1 – Entitlement Survey of Affected Persons			
b. Form 2 – Inventory of Entitlement Survey of Affected Persons			
c. Proof of ownership (Title or Deed of Sale of the site, Deed of Sale or Transfer Certificate Title/TCT)			
d. Notarized Waiver/Quit Claims and/or Notarized Deed of Donations			
e. Contract of Lease for 50 years and subject for renewal or option to buy. Contract of Usufruct for 25 years and subject for renewal.			
f. Rehabilitation/Relocation/Resettlement Action Plan and Agreement between Proponent LGU and PAPs if with Resettlement			
g. Agreement between the PAPs and LGU for the compensation of their properties			
5. Disclosure of SES Documents by the PSO – SES Unit (SA/EA of the BP; IEE/EIA; ECC; Duly signed ESMP)			

6. Social Inclusiveness Scoring Sheet for PG Seeking I-REAP Funding

V. Commission of Commission Heit (CCII) Possion and	ATTA	ACHED	DEMADE	
V. Geomapping and Governance Unit (GGU) Requirements	YES	NO	REMARKS	
Community Livelihood/Enterprise Subproject				
Placemark of Local Government Office (i.e. Capitol, Municipal Hall, Barangay hall) where the subproject is under its jurisdiction				
Digitized track of the nearest route from Local Government Office to the proposed subproject site				
3. Office location of the proponent group				
4. Office location of Cluster Group/ Coop/ organization office				
5. Placemark where it is applicable , depending on the business plan:				
a. Location of local major target markets (within the province);				
 b. Location of non-local major target markets (excluding overseas); 				
c. Location of major competitors;				
d. Location of (existing & proposed) garage (hauling truck, farm tractor, delivery van);				
e. Location of existing & proposed Dock (motorized banca, module, fish cage);				
f. Other Related /Similar Structure with the same line of business (existing & proposed);				
6. Proposed Construction site of Permanent Structures (i.e processing plant, warehouse, dryer etc.)				
a) Geotagged photos (at least four geotagged photo of site and existing permanent structure) of the proposed site;				
b) Digitized polygon of the vicinity or site development;				
7. Source Location of Raw Material				
Raw material source location determines the availability and sufficiency of raw material to supplied/processed in the propose business enterprise. The following are the classification where it is applicable to business plan;				
a.1) Commodity Polygon (digitized; at least 50% of the total commodity area as stated in the business plan) or 100% if the proposal include production support				
a.2) Minimum of four (4) geotagged photo (commodity) is required per participating cluster.				
b. Farm Animal (carabaos, cows, goat, hog, chicken)Placemark/marker;				
c. Farm machinery target user (ie. Tractor rental/services for land preparation); (polygon)				
7. Placemark & geotagged photos (KMZ) submitted to RPCO-GGU				

Philippine Rural Development Project I-REAP Operations Manual Annexes

VI. Procurement Requirements	ATTA	CHED	REMARKS
The Trock Concinction of the Concinction	YES	NO	
1. Procurement Plan – at least signed by the PG, and PPMIU BAC, however, on the final submission the document must be signed by the Governor			
2. Complete specifications – goods			
3. Philippine Bidding Documents for works/infrastructure (electronic or digital copy)			
4. Philippine Bidding Documents for goods using NCB as mode of Procurement (electronic or digital copy)			

VII. Finance Requirements	ATTA	ACHED	REMARKS
vii. Finance requirements	YES	NO	
1. Memorandum of Agreement (MOA) between DA and LGU			
2. RPAB Resolution			
3. SP Resolution Authorizing the LCE to sign IMA, Appropriation Ordinance, Contract to provide funds and others.			
4. Local Finance Committee (LFC) certificate of the LGU equity/ Appropriation Ordinance			
5. Work and Financial Plan (WFP) – signed by PG, PPMIU and Governor			

VIII. M & E Requirements	ATTACHED		REMARKS
VIII. W & E REQUIREMENTS	YES	NO	
1. Subproject Profile – signed			
2. Data Capture Form – signed			

Final Business Plan should be submitted in soft bind with attachments in ring bind with e-copy in CD format. Final business plan with complete attachments should be prepared in 5 copies to be distributed as follows: 1) PG copy; 2) LGU copy; 3) 1 RPCO copy; 4) PSO copy; 5) NPCO copy; 6) WB copy (only if WB will issue the NOL)

Annex 13-B - CHECKLIST OF REQUIREMENTS FOR MICRO-ENTERPRISE SUBPROJECT



Republic of the Philippines
Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT
National Project Coordination Office
4th Floor, DA Building, Elliptical Road, Diliman

FORM 1

SUB-PROJECT TITLE:
LOCATION:
PROPONENT GROUP:
TOTAL INVESTMENT REQUIREMENT:
ENTERPRISE PROJECT FUND:
INFRASTRUCTURE COST:
PG EQUITY:

CHECKED BY: DATE CHECKED:

I FILE IN THE PARTY OF THE PART	ATTACHED		DEMARRIE
I. Eligibility Requirements of the Proponent Group	YES	NO	REMARKS
1. Letter of Intent			
2. Certificate of Registration			
3. Certificate of Good Standing			
4. Photocopy of Official Receipt			
5. Certified true copy of the policies, systems and procedures/ Certified true copy of the Articles of Incorporation/Cooperation and by laws			
6. Proof of Equity (Cash- Bank Certificate); Land Title/ Lease Contract/ Deed of Donation, etc (as applicable)			
7. Certificate of No Unliquidated Account with PLGU			
8. A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors, or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the government agency authorized to process and/or approve the proposal, the MOA and the release of funds			
9. Sworn Affidavit of the Secretary of the NGO/PO that none of its officials are employees of the DA or the implementing LGU.			

II Dusinges Blan Banningersente	ATTACHED		DEMARKS
II. Business Plan Requirements	YES	NO	REMARKS
1. Value Chain Analysis (VCA)			
2. Approved PCIP			
3. Form 2A – Business Plan Tracking Form			
4. Annex 6- Enterprise Prioritization result (Duly signed by PPMIU I-REAP Head)			
5. Annex 9 - Proponent Group Selection result (Duly signed by PPMIU I-REAP Head)			

6. Annex 15 - I-REAP Initial Evaluation Form (Evaluated by RPCO I-REAP Staff, verified by RPCO I-REAP Head, endorsed by RPCO Alternate Focal and noted by RPCO Project Director)		
7. Annex 16- Business Plan Appraisal or Evaluation Form (using I-REAP Score sheet) – signed		
8. Technical and Evaluation Review Report duly signed by the Technical Review Team		
9. Proponent Group Profile		
10. Farmers Profile		
11. PRA-RSA (for GEF sites and NRM related enterprises only)		
12. Supply Contract with participating farmers		
13. Marketing Contract with buyers		

II. For Infrastructure Component (Please check Annex B: Review Checklist for Buildings of the I-REAP Technical Guidelines for details		CHED	REMARKS	
er requirement)	YES	NO		
Detailed Engineering Design – signed by the Governor				
a. Coversheet				
b. Index of Drawings				
c. Details of Architectural Drawings				
i. Title/ Signatory Block				
ii. Vicinity Map/ Location Plan				
iii. Site Development Plan				
iv. Perspective, drawn at any convenient scale				
v. Floor Plan(s)				
vi. Elevations, at least four (4)				
vii. Sections, at least two (2)				
viii. Ceiling Plan(s)				
ix. Roof Plan				
x. Details, in the form of plans, elevations/ sections (min. scale of 1:50)				
xi. Schedule of Doors and Windows				
xii. Schedule of Finishes (in graphic form)				
d. Details of Structural Drawings				
i. Foundation Plan				
ii. Floor Framing Plan(s)				
iii. Roof Framing Plan				
iv. Schedule/ Details of Footings/ Columns/ Girders/Beams/ Slabs				
v. Details of Trusses/ Connections or Details of Shear Walls/ Elevator Shaft				
vi. Details of Stair(s)				
vii. Structural Design Analysis/ Computations				
e. Details of Plumbing Drawings				
i. Location Plan and Site Development Plan				
ii. Plumbing Plans				
iii. Isometric Drawings				

	iv. Detail of Septic Tank, Sedimentation Tank, if any	
	v. Detail of Catch Basins	
	vi. Detail of Elevated Water Tank, if any	
	vii. Legend and General Notes	
f.	Details of Electrical Drawings	
	i. Location Plan and Site Development Plan	
	ii. Legend of Symbols	
	iii. General Notes and/ or Specifications	
	iv. Plan for Power	
	v. Plans for Lighting and Receptacle Outlets	
	vi. Plans for Fire Detection and Alarm Circuits	
	vii. Fire Alarm Riser Diagram	
	viii. Schedule of Loads	
	ix. One Line Diagram	
	x. Other Details	
	xi. Plans for Lightning Protection	
	xii. Plans and Specifications for Indoor or Outdoor Substation	
	xiii. Title/ Signatory Block	
	xiv. Design Analysis	
	xv. Technical Specifications	
	xvi. Detailed Quantity Estimates	
g.	Details of Mechanical Drawings	
8.	i. Legend of Symbols	
	ii. General Notes and/ or Specifications	
	ii. General Notes and, or specifications	
	iii. Plans for Air Conditioning and Ventilation Systems	
	iv. Plans for Water Pumping System	
	v. Plans for Fire Suppression System	
	vi. Plans for Elevator	
	vii. Plans for Generating Sets	
	viii. Other Details	
	ix. Other Plans	
	x. Title/ Signatory Block	
	xi. Design Analysis	
	xii. Technical Specifications	
	xiii. Detailed Quantity Estimates	
h.	Details of Electronics Drawings	
	i. Location Plan and Site Development Plan	
	ii. Legend or Symbols	
	iii. General Notes or Specifications	
	iv. Plans for Auxiliary/ Communication Systems	
	v. Auxiliary Communication Riser Diagrams	
	vi. Other Details	
	vii. Title/ Signatory Block	
	viii. Design Analysis	
-		

	ix.	Technical Specifications		
	x.	Detailed Quantity Estimates		
2.	Prograi	m of Works (POW) – signed by the Governor		

IV. Social Environmental Safeguard (SES) Requirements (Large	Social Environmental Safeguard (SES) Requirements (Large ATTACHED		
Scale Enterprise)	YES	NO	
1. Duly signed (by PPMIU, PSO, and RPCO) Annex A-2 SES Screening Form			
2. SA/EA of the Business Plan			
a. Consultation/s: Minutes, attendance and photos during all consultations (project beneficiaries meeting, PAPs consultation, FPIC or broad based consultation, Tribal Chieftain Certification)			
 Executive Order with Grievance Redress Mechanism Point Person or Committee and discussion in the BP (2015 and beyond) for the LGUs. For PGs, a Grievance Point person should be identified. 			
c. Letter of Requests: DENR for ECC and cutting permit; PCA for cutting permit; NCIP for Certificate of Pre-Condition; Electric Coop for transfer of electric posts (whatever is applicable) For NOL 2, permits/certifications should already be secured and attached accordingly.			
d. Annex H-1 IP/ICC Plan (refer to PRDP's IESSF for guidance on when the IP Plan is required)			
3. Duly signed ESMP attached with Annex H-2 Archaeological and Paleontological Chance Finds (Templates have been provided depending on the Category of the Enterprise)			
4. Site Acquisition Documents such as:			
a. Form 1 – Entitlement Survey of Affected Persons			
b. Form 2 – Inventory of Entitlement Survey of Affected Persons			
c. Proof of ownership (Title or Deed of Sale of the site, Deed of Sale or Transfer Certificate Title/TCT)			
d. Notarized Waiver/Quit Claims and/or Notarized Deed of Donations			
e. Contract of Lease for 50 years and subject for renewal or option to buy. Contract of Usufruct for 25 years and subject for renewal.			
f. Rehabilitation/Relocation/Resettlement Action Plan and Agreement between Proponent LGU and PAPs if with Resettlement			
g. Agreement between the PAPs and LGU for the compensation of their properties			
5. Disclosure of SES Documents by the PSO – SES Unit (SA/EA of the BP; IEE/EIA; ECC; Duly signed ESMP)			
6. Social Inclusiveness Scoring Sheet for PG Seeking I-REAP Funding			

V. Geomapping and Governance Unit (GGU) Requirements		CHED	REMARKS
		NO	
Community Livelihood/Enterprise Subproject			
Placemark of Local Government Office (i.e. Capitol, Municipal Hall, Barangay hall) where the subproject is under its jurisdiction			

	igitized track of the nearest route from Local Government to the proposed subproject site	
3. O	ffice location of the proponent group	
4. O	ffice location of Cluster Group/ Coop/ organization office	
5. Pl plan:	acemark where it is applicable, depending on the business	
a.	Location of local major target markets (within the province);	
	Location of non-local major target markets (excluding verseas);	
c. Lo	cation of major competitors;	
	Location of (existing & proposed) garage (hauling truck, farm actor, delivery van);	
	Location of existing & proposed Dock (motorized banca, odule, fish cage);	
	Other Related /Similar Structure with the same line of usiness (existing & proposed);	
	roposed Construction site of Permanent Structures (i.e ssing plant, warehouse, dryer etc.)	
	Geotagged photos (at least four geotagged photo of site and isting permanent structure) of the proposed site;	
b) Dig	gitized polygon of the vicinity or site development;	
7. S c	ource Location of Raw Material	
sufficie busine	material source location determines the availability and ency of raw material to supplied/processed in the propose ess enterprise. The following are the classification where it is able to business plan;	
a.1		
	2) Minimum of four (4) geotagged photo (commodity) is quired per participating cluster.	
b. Pla	Farm Animal (carabaos, cows, goat, hog, chicken) acemark/marker;	
C.	Farm machinery target user (ie. Tractor rental/services for	
lar	nd preparation); (polygon)	
	nd preparation); (polygon) Placemark & geotagged photos (KMZ) submitted to RPCO-GGU	

VI. Procurement Requirements	ATTA	CHED	REMARKS
• • • • • • • • • • • • • • • • • • • •	YES	NO	
1. Procurement Plan – at least signed by the PG, and PPMIU BAC, however, on the final submission the document must be signed by the Governor			
2. Complete specifications - goods			
3. Philippine Bidding Documents for works/infrastructure (electronic or digital copy)			
4. Philippine Bidding Documents for goods using NCB as mode of Procurement (electronic or digital copy)			

Philippine Rural Development Project I-REAP Operations Manual Annexes

VII. Finance Requirements	ATTA	REMARKS	
vii. Finance Requirements	YES	NO	
1. Memorandum of Agreement (MOA) between DA and LGU			
2. RPAB Resolution			
3. SP Resolution Authorizing the LCE to sign IMA, Appropriation Ordinance, Contract to provide funds and others.			
4. Local Finance Committee (LFC) certificate of the LGU equity/ Appropriation Ordinance			
5. Work and Financial Plan (WFP) – signed by PG, PPMIU and Governor			

VIII. M & E Requirements		ATTA	REMARKS	
		YES	NO	
1.	Subproject Profile – signed			
2.	Data Capture Form – signed			

Final Subproject Proposal should be submitted in soft bind with attachments in ring bind with e-copy in CD format. Final business plan with complete attachments should be prepared in 5 copies to be distributed as follows: 1) PG copy; 2) LGU copy; 3) 1 RPCO copy; 4) PSO copy; 5) NPCO copy

Annex 14. GUIDE IN THE CONDUCT OF THE PARTICIPATORY RESOURCE ASSESSMENT – RESOURCES AND SOCIAL ASSESSMENT (PRA-RSA)

Background

The Philippine rural economy has been characterized for many years by the low income levels of primary producers, low levels of rural employment, lack of food security, weak agricultural competitiveness and an overall high level of rural poverty. The underlying reasons for the relatively poor performance of the sector have been extensively studied³⁵. Among the factors affecting the sector are poorly developed infrastructure and limited production areas.

Beyond these institutional issues, the Philippines must also contend with the continuing degradation of its natural resources and loss of biodiversity. It has experienced one of the highest biodiversity loss rates in the world with 284 species considered endangered. Likewise, coastal and marine resources continue to be degraded, with less than 3% of the coral reefs still in excellent condition and only 5% of mangrove cover considered to be "old growth". Although the Philippines has established approximately 1,300 marine protected areas (MPAs), unfortunately only 10 to 15% are managed properly. Around 50% of these MPAs are less than 10 hectares in total area; hence, only 2% of the country's marine area is under any form of protection. The inadequacy of technical and human resource capabilities along with the lack of sustainable management of coastal and marine areas has greatly reduced the health of local fisheries and ecosystem services.

Compounding the environmental degradation is the damage caused by frequent destructive weather conditions, which over the past decade have resulted in losses averaging US\$ 500 million annually. Losses have been most severe in the agriculture sector and on the lives of those affected, for whom it can take several years to recover. With the Philippines being ranked high among the major global climate hotspots, sea level rise, temperature increase, changes in rainfall patterns and increasing frequency and intensity of extreme weather events can also be expected.

Results from the Coastal and Marine Biodiversity Conservation (CMBC) component, implemented under the first phase of the Mindanao Rural Development Program (MRDP-1), provided valuable experiences and lessons, such as the need to undertake a landscape/ecosystem approach to ensure sustainable conservation and management of the coastal resources. Experiences in CMBC1 show that siltation and sedimentation, brought about by destructive agricultural land utilization in the upland and forest areas, threaten the condition and recovery of coral reefs, mangroves and seagrass beds.

By integrating upland development with coastal resources management as an overall approach of natural resources management, there is potential for broader and sustainable impact on the income of communities and overall improvement in their quality of lives.

For the second phase of MRDP 2, interventions in coastal resources management incorporated the lessons from CMBC1 and was scaled up to include sustainable land management in the uplands, where land degradation affects the biodiversity and productivity of coastal areas, and expanded to other sites where such upland-lowland coastal linkages are evident. An integrative ecosystem/watershed management approach was utilized and implemented in 35 municipalities where local NRM benefits and multiple global environmental benefits could be generated from sustainable land management and in selected critical biodiversity-rich sites' municipalities.

The NRM and GEF activities under MRDP2 also featured key institutional partnerships at the regional, provincial, municipal and barangay levels. These included several national government agencies and the

³⁵World Bank Analytical and Advisory Assistance for Agriculture and Rural Development in the Philippines (Agricultural productivity and Agribusiness); a Synthesis Paper (2011).

entire LGU communities, households, people's organizations, non-government organizations, academic institutions and other civil society sectors in Mindanao.

To ensure that NRM is fully and successfully integrated in the broader value chain of the priority commodity under PRDP it is important that the stakeholders, most specially the project implementers, gain a shared understanding of its operating mechanisms through participatory and demand-driven approaches and strategies.

Rationale

The implementation of the NRM interventions within the commodity value-chain, a fundamental operational and strategic feature of the Philippine Rural Development Program (PRDP) requires the understanding of the current status of the products' natural resource base and the factors affecting its condition and sustainability.

Communities settled within and around the target coastal and watershed areas are the immediate beneficiaries or users of the natural resources. However, they and their practices are also the major causes that result in the degradation and destruction of the upland and coastal ecosystems, the resource base from which the priority commodities rely upon. It is therefore important to involve the communities or resource users in the identification of problems, formulation, implementation and monitoring of any developmental effort that will address enhancement and sustaining the integrity of the critical and relevant ecosystems.

It is thus important to conduct a landscape characterization both for the coastal and upland ecosystems through a Participatory Resource Appraisal-Resource and Social Assessment (PRA-RSA) that would focus on the current situation of the environment and natural resources. The process should be consultative, multisectoral and multidisciplinary that would ensure participation and cooperation among the different stakeholders that include NGOs, POs and communities, LGU, RPCO, and support from local and national agencies. The approach would also minimize organizational problems because stakeholders are involved in all stages of problem identification and project identification and planning. The process also emphasizes that the different communities are not only resource users but key decision makers as far as the health and well-being of their immediate environment and sustainable use of the natural resources are concerned.

The conduct of PRA-RSA activities therefore would generate appropriate data and information on biophysical features, demography, socio-economic and political characteristics and the current status of the environment and natural resources with emphasis on the watershed area. The activity also would generate appropriate intervention strategies for landscape enhancement and rehabilitation and livelihood activities that would be sustainable and which will either support sustainable resource utilization or draw the communities away from practices that are destructive to the environment.

Objectives

The primary objective of PRA-RSA is to assess the status of the priority commodities' natural resources base through a participative, consultative, multi-sectoral and multidisciplinary process.

Specifically, the PRA-RSA will seek to achieve the following:

- Measure, analyze and establish relevant information on forestland, upland, lowland, settlements/ built-up, fresh water and coastal ecosystems both qualitatively and quantitatively within the major watershed area(s).
- Identify and establish the current and potential environment and natural resources management issues, problems, concerns that need to be addressed.
- Identify strength, weaknesses, opportunities and threats that pertain to the current status and sustainability of the natural resources;

- Identify practices, sources of livelihoods and other economic activities and examine the extent to
 which communities depend on natural resources for their sustenance and day-to-day household
 requirements.
- Identify and assess past and current NRM efforts.
- Assess the capacity of the stakeholders and beneficiaries to undertake NRM intervention activities.
- Provide recommendations pertaining to the conservation, protection and enhancement of natural critical to the priority commodity.

Modalities

Under PRDP, PRA-RSA will be done in two modalities. The first modality is a comprehensive and technically detailed PRA-RSA design adapting from the MRDP2's PRA-RSA framework. In this modality, the PRA-RSA will cover both the broad and detailed assessment of the ecosystems directly relevant to the identified marine protected areas (MPAs) within the selected GEF sites. Both terrestrial and coastal resources will be surveyed and analyzed with respect to their condition, management, and utilization. There will be special emphasis on the factors affecting biodiversity conservation and improving management effectiveness. The PRA-RSA will provide the key technical baseline information complementing the results of the METT and MEAT for each of the GEF sites. This modality will be coordinated and facilitated through the I-PLAN component.

The second modality is the rapid and purposive approach. This modality is enterprise-based, as opposed to the ecosystems-based orientation of the first modality. The purpose of this approach is to determine the relationship between the prioritized commodity and the natural resource base. The determination of this relationship, along with understanding the threats and opportunities that relate to the natural resource base, will aid in assessing the needed NRM interventions that are expected to contribute to ensuring quality and sustained inputs within the commodity value-chain. This modality will mainly employ simple participatory rural assessment methods such as community mapping, focus group discussions, ocular inspections, and key informant interviews, among others. This modality will mainly be done in the I-REAP component. The rapid PRA-RSA will be part of the formulation of the Business Plan.

Procedures and Processes

For the Full PRA-RSA modality, activities will be mainly conducted by qualified specialists (entities can take the form of a consultancy firm, academic institution, or civil society organization). Through a contract, the services of the entity are specified as well as the levels of supervision and expected deliverables. The Full PRA-RSA for the GEF sites is expected to cover not more than 90 days, inclusive of stakeholder consultation, map generation, and report writing.

The Rapid PRA-RSA for identified priority commodities will be undertaken by the designated NRM focal person in the RPCO assisted by local technicians from DA, BFAR, DENR, and BSWM. This modality should not take more than 10 days. The table below shows, in a summary and indicative format, the relevant features of each of the PRA-RSA modality.

Rapid I PRA-RSA	I-REAP	To assess the condition of the natural resource base of the priority	Depending on the priority commodity, the activities for the rapid PRA-RSA are as follows.	FGD, KII, secondary data review, community	coordination
		commodity and provide recommendations for addressing threats and concerns regarding the management of the resource base	 Coastal Meeting with the LGU and the MPA managers to review of MPA plans and budget Conduct assessment of relevant ecosystem and habitat (e.g., mangroves, coral reefs, etc.) Inventory of relevant resource base Identify and agree on proposed interventions Terrestrial Meeting with the LGU and the PO to review of CLUP and FLUP and budget Conduct of site visit survey and assessment (e.g., forests, riverbanks, water sources and systems, etc.) Identify and agree on proposed interventions 	mapping, SWOT analysis, Institutions Mapping, Issues Tree/Web Mapping, GIS (Geo-mapping and Geo-tagging)	and with assistance from BFAR, BSWM, and DENR

Guide Questions for Focus Group Discussions and Key Informant Interviews in Rapid PRA-RSA³⁶

MAJOR AREAS	TERRESTRIAL	COASTAL
Institutional	organization located? Is the organization registered or accredited? If so, when was it accredited or registered? If not, why is it not registered or accredited? Who assisted in the establishment and developmen Does the organization have financial resources? If so, how much of its budget is allocated for the ma What activities are being supported by this budget? If there is no financial resource or budget, where do Does the organization have policies and programs resource.	where are they from? Who are the members? Where is this t of the organization? magement of the resources? mes the organization get financial support? melevant to the management of the resources? What are they? mes currently undertaking a project directly relevant to the
Governance	 Is the municipal or provincial local government active. Does the municipal or provincial local government in management of the resources? If so, how much is being allocated for the project/prowere done? If not, why? Does the LGU have a Municipal or provincial ENRO? If none, who in the LGU is responsible for addressing 	rely involved in the management of the resources? have any policies, programs or projects directly relevant to the rogram? Who in the LGU is directly responsible? What activities

³⁶The primary respondents are members or representatives of the organization of the resource managers and the local government unit. This instrument should be complemented by other Participatory Rural Appraisal tools such as secondary data review, community mapping, issues tree, SWOT analysis, institutions mapping, among others. More importantly, this approach is intended to build on the Value Chain Analysis.

	• If so, when was this? What activities were done? How much was provided? How long was the project? What were the				
	outputs and outcomes?				
	Have there been any apprehensions and sanctions again	Have there been any apprehensions and sanctions against people or groups doing illegal resource extraction activities?			
	If so, how many in the last year? Where are they from? What specific illegal activities were done?				
Technical	Has any assessment, survey or inventory done on the resources?				
	 If yes, who did this? When was this done? What were the results? What activities were done as follow-up? 				
	Do the resource management organization and LGU ha	ive the appropriate technical capacity and manpower to			
	properly manage the resources?				
	• If no, why?				
	 If yes, what technical capacities are present? 				
	Do the LGU and resource managers undertake regular	monitoring of the resources?			
	If yes, how? If no, why?	-			
Biophysical	 What are the various land use and vegetation cover of the area? 	What are the various marine and coastal flora and fauna found in the area?			
	 What are the approximate sizes (in hectares) of these 	Where are these located and found?			
	features?	What is the approximate size of the various coastal			
	 What crops are being planted in agricultural areas? 	ecosystems (e.g., coral reefs, sea grass, sandy, etc.)?			
	 What are the tree species and plant composition found in the forest? 	 Are there any areas designated for protection, conservation and management? 			
	What animals can be found in the forest?	If yes, how big are these areas? Who is managing?			
	What major water systems are found in the forest	Does it have a tenure instrument (e.g., municipal			
	(springs, waterfalls, rivers, etc.)? What flora and	ordinance, barangay resolution, etc.)? Does it have a			
	fauna are found in these water systems? Are these	management plan? Is it delineated? Are there zones			
	water systems being for domestic and agricultural	(e.g., buffer, protection, etc.)? What activities are			
	purposes? How?	being dome in the area (e.g., enforcement,			
		monitoring, etc.)? How much is being provided to do these			
	What tenure instruments have been provided for the	activities? If none, why?			
	use of the areas (e.g., PLAs, SIFMAs, CBFMAs, etc)?				
	 What resource extraction activities are being done in the forest areas? 	 What extraction activities are being done in the area? 			
	Are there illegal resource extraction activities in the	 What types of resources are being extracted? 			
	forest areas?	What types of gears are being used?			
	 If yes, when did these started? Who are doing these? 	How big are the boats?			
	Where are they from? What are being extracted?				

	 Has there been any presence of conflict with regards to the use and management of the forest resources? If, yes, how was this managed/resolved? Are there any production, recreation, and protection zones in the forests? If yes, who designated these? Why? What are the sizes of these areas? What activities are being done in these areas? How much is being provided to do these activities? What areas are prone or vulnerable to floods, erosion, landslides, and other geophysical events? What have been the damages? What other natural risks are present (e.g., soil loss, pest, water shortage, draught, etc.)? What actions have been done to minimize these risks? Are these man-made risks present (e.g., industrial waste, domestic pollution, land conversion, etc.)? What are the sources of these risks? What is being done to address these?
Socio-Economic	 What are the main livelihood activities of the people? What are the other livelihood activities that augment family income? What are the programs and projects of the LGU to assist communities in their livelihood and income? When did these happen/start? What were the results? Are there groups and non-government organizations that provide livelihood assistance? What are these? Who are these groups? What activities were done? When did this start? What were the results?
Cultural	 Are there any IP communities living adjacent or within the forest areas? If so, what ethno-linguistic group do they belong to? How many are they? What activities do they do relevant to resource management and use? Do they practice their indigenous systems in using and conserving the resources? If yes, how? Have these systems been successful? Are these groups assimilated with the migrant communities? If so, to what extent are they assimilated? If not, are the IP communities receiving specific assistance in terms of livelihood support and provision of basic services?

Site Visit and Field Observation Activities for Rapid PRA-RSA

The ocular observations and site visits are means to validate and put into spatial context the information gathered from the focus group discussions (FGDs) and key informant interviews (KIIs). The activities are consistent with Participatory Rural Appraisal methodologies. The coastal assessment activities are simplified and adapted from the Participatory Coastal Resources Assessment (PCRA) Handbook. For both observations and coastal areas, common activities are locating specific key points on a map and visits to the market to determine types of products being extracted from the locality (crops and fish). The activities presented are by no means complete and should only serve as a guide and starting point for practitioners to explore and apply more appropriate approaches to achieve the expected and desired result.

Coastal

- 1. Locate the following key structures and biophysical features on a map
 - a. Marine protected areas
 - b. Coral reefs
 - c. Mangroves
 - d. Seagrass
 - e. Hatching areas
 - f. Ports and fish landings
 - g. Public market
 - h. Waste sources

2. By boat travel and site visit

- a. Assess the condition of the mangroves following using vegetation type, vegetative health and density as indicators (poor, fair, good, excellent); a simple and short line-transect method may be used
- b. Identify variety of animals located in the mangrove noting its size, specie, and distribution
- C. Note areas where extraction activities or destruction from natural forces are happening
- d. Note where management activities are being done (e.g., rehabilitation, protection, etc.)
- e. Note the sources of waste, sedimentation and siltation and the its level/degree (none, light, heavy, severe)

3. By diving or snorkelling

- a. Assess the condition of the coral reef or identified MPA/FS using coral species/coral diversity, coral cover/density, distribution, and physical condition (damaged fro dynamite and cyanide fishing, bleaching, crown of thorns infestation, etc.) as indicators (bad, fair, good, and excellent); line transect or quadrant techniques can be used for this purpose
- b. Identify the marine life found in the coral reefs or identified MPA/FS noting specie types, size, and number/population (density), one can employ fish visual census technique.

Terrestrial

- 1. Locate the following key structures and biophysical features on a map
 - a. Major and micro watersheds
 - b. Vegetation types and land use
 - c. Residential and built-up areas
 - d. Extraction areas (timber and NTFP)
 - e. Water sources and springs

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- f. Rivers and tributaries
- g. Irrigation canals
- h. Agricultural areas
- i. Industrial and commercial infrastructures
- j. Roads
- 2. By site visit (in agricultural areas, forests, water sources, etc.)
 - a. Assess the condition of the forests using vegetation type, size, and distribution as indicators (poor, fair, good, excellent); simple line transects method can be done
 - b. Locate areas under stress (from man-made and natural activities) and determine extent of damage (type and method of extraction, forces causing damage, extent of damage, etc.)
 - C. Identify animals found in the area noting specie, size, location, and population
 - d. Identify crops located in the area and determine extent and frequency of planting activities
 - e. Determine the soil type and slope of the area, especially in the upland areas

Annex 15 - BUSINESS PLAN REVIEW TRACKING FORM



Republic of the Philippines
Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT
National Project Coordination Office
4th Floor, DA Building, Elliptical Road, Diliman

SUB-PROJECT TITLE:
LOCATION:
PROPONENT GROUP:
TOTAL INVESTMENT REQUIREMENT:
ENTERPRISE PROJECT FUND
INFRASTRUCTURE COST:
PG EQUITY:

REVIEWED BY: DATE REVIEWED:

UNIT	COMMENTS/FINDINGS	RECOMMENDATIONS

Annex 16 - I-REAP INITIAL EVALUATION FORM

I. Proponent's Profile

Name of Proponent:
Commodity line: Product form:
Nature of business: []1 st level production []processing []trading [] others
Office Address:
Contact Person: Designation:
Contact Number:Email:
Registrations: []SEC
[]Others (list all)
let Assets (as of 201_) Total Enterprise Project Cost:
inancing Mode: [] Micro-enterprise [] Small enterprise [] Medium enterprise
[] Restoration/Rehabilitation (calamity or conflict area)
[] GEF area []Start-up Enterprise []Upgrading/ Expansion of Enterprises

II. Evaluating the PG eligibility

Criteria	Yes	No	Remarks
Completeness of submitted eligibility documents			(indicate docs
			submitted and
			lacking docs)
Actor in the commodity value chain			(indicate role)
Producer group/ Smallholder groups/ MSME processor, consolidator,			
exporter			
Operational			(indicate existing
			business activities
Willing to adopt clustering or joint business planning with other groups			(indicate whether
and forge contracts or formal marketing agreements with buyers or			vertical or
private intermediaries			horizontal
			integration)

III. Evaluating proposals against negative list of fund utilization

Negative list of fund utilization	Yes	No
Money market placement, time-deposit or other forms of investment		
Cash advance of any official of the PG unless related to the implementation of enterprise		
Payment of salaries, honoraria or any form of allowances of the personnel of LGU		
Purchase of supplies, materials, equipment and motor vehicles of the LGU		
Acquisition of assets of the PG, unless necessary for the execution of the enterprise and		
specifically stipulated in the EPF		
Purchase of weapons		
Financing of political and religious activities		
Purchase of chemical fertilizers, pesticides, insecticides and herbicides, asbestos and other		
potentially dangerous and dangerous materials and equipment		
Financing of sawmills		
Consumption items or events		
Financing of activities that have an alternative prior source of committed funding		
Purchase or repair of vehicles for government offices		

Salaried activities that employ children under 16 years of age	
Financing activities that unfairly exploit women or men at any age	
Use of mangrove or coral reefs as building materials	
Purchase of fishing boats and other related equipment unless directly related or needed in	
the enterprise	
Construction of enterprise support facilities in protected areas	
Use of funds for purchase or compensation of land	
Construction or repair and buying of equipment for government offices and places of worship	
Micro-financing activities	
Financing labor and fuel expenses	
Financing other costs that could be provided by the PG in kind	
Financing salaries and wages, utilities, repair and maintenance, permits and licenses	
Potable water system	
	 •

IV. Evaluating the proposal's objectives and impacts

PRDP Objective	Yes	No	Remarks/Explain
To increase productivity and marketability of agriculture			(indicate target increase
and fishery products			in production volume and
			sales volume of the
			enterprise)
To increase farm and fishery household incomes			(indicate target increase
			in income of farmer-
			beneficiaries)
To improve the protection and conservation of the natural			(indicate NRM activities
resource base of identified enterprises			specially for GEF sites)

V. Evaluating the proposal's benefits and outcomes

Potential Impact	Remarks (include target groups and numbers)
Farmer/Fishers benefitted	
Formalized marketing arrangements	
Formalized Technical arrangements	
0 6:	
Benefits to the environment	
Insurance disease the second	
Improved resiliency to climate change and	
adverse weather condition	
Evaluated by:	Verified by:
(RPCO I-REAP Staff)	(RPCO I-REAP Head)
Endorsed by:	Noted by:
(RPCO Deputy Project Director)	(RPCO Project Director)

Annex 17 - Sample Business Plan or Subproject Proposal Appraisal or Evaluation Form

Business Plan Evalua	tion Form	
Part I. General Information	To be filled-up by the	Technical Review Team
Name of enterprise:		
Address:		
Contact person:		
Product/s:		
Brief Description of the Enterprise		
Enterprise Project Fund (EPF): PhP		
Total counterpart of Proponent Group: PhP		
Infrastructure Cost: PhP		
Target starting Date of Operation:		
Date Business Plan was Received:		
Date Business Plan was Evaluated:		
1. 2. 3. 4. 5.		
Part II. Checklist of Requirements	Yes or No? (specify)	If Yes, check if info is correct, if No, request for missing data
1. Are the eligibility requirement documents completely submitted?		
2. Are the required documents and attachments submitted? (SEE CHECKLIST OF REQTS – ANNEX 13 OF THE OM)		
A. Business Plan Attachments		
B. I-BUILD Requirements		
C. SES Documentary Requirements		
D. GGU Requirements		
E. Procurement Requirements		
F. Finance Requirements		
G. M and E Requirements		

Instructions: Rate the content of the business plan from 1-5 with 1 as the lowest and 5 as the highest.

	COMPONENT/ PARAMETERS			RATING/SCORE			
Α.	MARKETING ASPECT (20%)	1	2	3	4	5	
1.	Basis for the sales projection sound and information reliable	_		+	<u> </u>	+	
2.	Buyers identified and has secured commitment (marketing agreement,					-	
	PO, etc)						
3.	Marketing strategies sound and well-defined?					-	
	 Product's unique selling proposition well defined 						
	 Basis for pricing sound and reliable 						
	- Subproject location strategically located from the market (market						
	accessibility)						
	- Strategies to communicate USP of the product to target customers						
	well defined						
	 Distribution network or channel established 						
4.	Characteristics of target market well discussed						
5.	Competitors identified and well-defined						
	 Profile, characteristics and practices discussed 						
	 Financial strength and position identified 						
	Score or Points						
B.	· ,						
1.	Production methods and processes well-presented and discussed in						
	detail						
2.	Production schedules						
3.	Technical assumptions well-presented (procedures, conversions,						
	recoveries, etc)						
4.	Required inputs, facilities and equipment are well defined and met						
	including specifications, volume and capacity						
5.	Suppliers of raw materials identified and secured commitment to supply						
6.	Facility and equipment lay-out well-defined and matched with the size						
	of the business operation						
7.	Production quality control systems in placed						
	Score or Points			ı	-		
C.	ORGANIZATION AND MANAGEMENT ASPECT (20%)						
1.	Ownership and management of the enterprise clearly defined and						
_	discussed					_	
2.	Organization and management plan depicts a level of skill and						
	experience for a successful operation of the enterprise						
	- All managers and employees have experience in the business						
2	- The group/entity has a legal structure Organizational short and staffing requirement matched the operational						
3.	Organizational chart and staffing requirement matched the operational						
1	plan of the enterprise Job description, duties and responsibilities of the managers and staff					+	
4.	clearly stated						
5.	Profit distribution scheme clearly presented and discussed					+	
5. 6.	Internal control measures defined and in-placed					+	
υ.	Score or Points						
D.	FINANCIAL ASPECT (20%)					_	
1.	Financial assumptions are sound and realistic and sources of revenues					+	
٠.	and costs properly identified						
2.	Presentation of financial statements (Balance Sheet, Income Statement)					+	
	correct and in order according to general accounting standards and						
	principles						
3.	Financial projections reflect the production and marketing plans					+	
4.	Financial ratio analysis presented and passed standard criteria					+	
_	Financial Internal Rate of Return (FIRR) >15%						
<u> </u>	,	1	<u> </u>				

-	Benefit-Cost Ratio (BCR) >1			
5.	Financial and non-financial risks defined and taken into account			
	Score or Points			
E.	STAKEHOLDER PARTICIPATION AND SOCIAL BENEFITS (10%)			
1.	Contribution to increase in farmers' income			
2.	Sustainable employment / impact to local employment (from seasonal			
	to regular-salary is equivalent to minimum wage or more)			
3.	Participation of smallholder farmers or fishers			
4.	Opportunities or participation of women			
5.	Opportunities or participation of indigenous people			
6.	Environmental impact and climate resiliency			
	Score or Points			
F.	SUSTAINABILITY MECHANISM (10%)			
1.	Clearly defined future plans or sustainability plan			
2.	Defined role in the commodity upgrading or value chain development			
3.	Plan for expansion or upgrading			
4.	Strategy to mitigate risks and uncertainties well-presented			
5.	Over-all strategies can contribute to the viability of the enterprise			
	Score or Points			

COMPUTATION:

- 1. Get the Percentile Score by adding the total scores per component divided by the maximum score possible for that component.
- 2. Multiply the Percentile score to the Assigned Percentage Point.
- 3. Get the Actual Score by multiplying the Percentile Score by 100.

BUSINESS PLAN APPRAISAL/EVALUATION SUMMARY:

Components	Assigned Percentage Point	Maximum Score or Points	Sample BP Score from the Technical Review Team	Percentile Score	Sample Actual score
	<u>c</u>	<u>B</u>	<u>A</u>	(A/B)	((A/B)*C)*100
1. Marketing	20%	25	20	0.8	16.00
2. Operations	20%	35	20	0.57	11.43
3. Organization and Management	20%	30	15	0.50	10.00
4. Financial	20%	25	20	0.80	16.00
5. Stakeholders Participation & Social Benefits	10%	30	25	0.83	8.33
6. Sustainability Mechanism	10%	25	18	0.72	7.20
TOTAL					79.75
Minimum Passing Score		70			

REVIEWED BY (TECHNICAL REVIEW TEAM):

NAME	OFFICE	SIGNATURE

RECOMMENDING APPROVAL:	APPROVED BY:		
I-REAP Component Head, RPCO	RPCO Project Director		

Annex 18-A Sample Implementation Management Agreement for Subprojects with Enterprise Development Only

IMA Number - PSO _____ (RPCO)-2015 (Year)-02 (Month)-001(Number)

Prescribed Format (27 February 2015)

Republic of the Philippines
Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP)
Project Support Office – ______

IMPLEMENTATION MANAGEMENT AGREEMENT Enterprise Development

This Agreement is made and entered into the between:	nis day of 2014, at	, Philippines, by and
The Department of Agriculture , an Executive D	Department of the Republic of the Philipp	pines, with principal address
at Elliptical Road, Diliman, Quezon City, rep	resented herein by Director	, Project
Director, Project Support Office –	hereinafter referred to as the I	DA ; and
The Province/City/Municipality of	, a political subdivision of the	Republic of the Philippines,
with principal address at		represented by Hon.
Gove	ernor/Mayor, hereinafter referred to as	the LGU ;
	-	

-WITNESSETH-

WHEREAS, Republic Act No. 8435, otherwise known as the Agriculture and Fisheries Modernization Act (AFMA) of 1997 sets out the Government's policies in the agriculture sector in attaining equitable distribution of opportunities, income and wealth, expanding productivity, and sustaining increase in production of goods and services thereby raising the quality of life of the people, especially the underprivileged;

WHEREAS, the DA gives foremost consideration to poverty alleviation and social equity through the development and implementation of projects and projects that provide the poor sectors of the community especially those engaged in subsistence agriculture with equitable access to resources, income opportunities, support services, and most especially rural infrastructures particularly in areas where productivity is low and the incidence of poverty is high;

WHEREAS, the Government of the Philippines (GOP) has obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD - WB) with IBRD Loan No. 8421 PH amounting to U. S. Dollar FIVE HUNDRED ONE MILLION TWO HUNDRED FIFTY THOUSAND ONLY (US\$501,250,000) for the purpose of financing the Philippine Rural Development Project (PRDP) to support the Government's effort to reduce poverty among the rural communities of eighty one (81) provinces in the country;

WHEREAS, all funds concerning the implementation of Subcomponent 3.1: Rural Agri-fishery Enterprise and Productivity Enhancement (Enterprise Project Fund) under Component 3: Enterprise Development of PRDP will be coursed through and maintained by the Project Support Office (PSO) and will be made available to participating Local Government Units (LGUs);

WHEREAS, the DA's functions relative to the Project are done through its National Project Coordination Office (NPCO) and the concerned Project Support Office (PSO) and Regional Project Coordination Office (RPCO);

WHEREAS, the PLGU manifested its interest to participate in the Project, and forwarded to the DA pertinent documentary requirements for its proposed sub project;

WHEREAS,	the has issued a No Objection Letter (NOL) 1 on, which is the basis of this Implementation Management Agreement (IMA);					
Agreement	the LGU and the DA committed to perform actions as set out in this Implementation Management (IMA) hereinafter referred to as the Agreement to ensure the successful implementation of the and thus achieve the Project's desired objectives;					
	the LGU through Sangguniang Panlalawigan/Panlungsod/Pambayan Resolution No dated uthorized the Governor/Mayor to sign this Agreement and commit the LGU to the provisions therein;					
NOW, THEF	REFORE, for and in consideration of the foregoing premises, the parties thereto agree as follows:					
	ARTICLE I – PURPOSE OF THE AGREEMENT					
Sec 1.01 Rural Deve	The Agreement sets out the commitments of the Department of Agriculture under the Philippine opment Project (PRDP) and the LGU for implementing the Subproject.					
	ARTICLE II - DEFINITION OF TERMS					
	Unless this Agreement otherwise requires, the terms or acronym used in this Agreement shall have and meanings as set out in Schedule 1 (Definition of Terms).					
	ARTICLE III - SUBPROJECT DESCRIPTION AND COST ESTIMATES					
Sec 3.01	The subproject covered by this Agreement is the under Subcomponent 3.1: Rural Agri-fishery Enterprise and Productivity Enhancement (Enterprise Project Funds) of Component 3: Enterprise Development described in detail in Schedule 2 (Description of Subproject) hereof (hereinafter referred to as the "Subproject").					
Sec 3.02	The Enterprise cost is estimated at () net of Proponent Group equity of () the breakdown of which is set forth in Schedule 3 (Estimated Subproject Cost for the Enterprise).					
Sec 3.03	Any increase or decrease in the cost but not beyond the approved sub project cost stated in this Agreement shall follow the approved financing mix and does not require amendment to IMA.					
	In case the subproject cost exceeds the amount stated in the IMA, the PLGU/PG will provide the additional cost.					
	The cost of Business Plan and all other cost of the subproject shall also be for the account of the LGU/PG.					
Sec 3.04	The DA will provide to the participating LGUs as grant equivalent to 60% from the Loan Proceeds and 20% from the Government of the Philippines (GOP) Counterpart Fund or 80% of the approved Enterprise cost, while the LGU Equity will be 20% as provided under Schedule 3 (Estimated Subproject Cost).					
	The Proponent Group will contribute an amount equal to at least 20% (cash or in kind) to the Enterprise as incremental enterprise cost.					
Sec 3.05	The DA shall make available from the Loan Proceeds the amount of (Php) and GOP Counterpart Funds in the amount of					
	(Php) as financial assistance to the LGU in the form of Grant subject to the terms and conditions of this Agreement.					

Sec 3.06	The LGU equity shall be	(Php) of the Subproject cost to
	be used exclusively for the enterprise.		

Sec 3.07 The Grant shall be allocated in accordance with the provisions of this Agreement, for expenditures incurred in respect of the approved costs of the Subproject components described and referred to in Schedule 3 and 4 (Tentative Disbursement Schedule) of this Agreement.

ARTICLE IV – SUBPROJECT ACCOUNT AND RECORDS

Sec 4.01 The LGU shall:

- a) Upon signing of this Agreement, establish and maintain in a bank acceptable to the Government one Subproject Trust Account each for:
 - (i) funds withdrawn from the DA (Grant) for the **Loan Proceed** from IBRD-WB to finance parts of the Subproject;
 - (ii) funds withdrawn from the DA (Grant) for the **GOP Counterpart Funds** from the GOP to finance parts of the subproject; and
 - (iii) funds for Equity of the LGU for the Subproject.

A subsidiary ledger shall be maintained for each of the above cited trust accounts (Grant/Equity) for proper accounting, record-keeping and monitoring of transactions and to facilitate the preparation of financial reports.

- b) Maintain a financial management system and prepares financial statement in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Participating PLGU, including the operations, resources and expenditures related to the Project, including the recovery of all costs, for carrying out the Sub-project or any part thereof;
- c) Establish and maintain separate accounts and books for the Subproject, reflecting all expenditures and on withdrawals requested and received from the DA on the basis of the Statement of Receipts and Expenditures (SRE). Maintain records adequate to reflect, in accordance with consistently sound accounting practices, the operations, resources, and expenditures, including the recovery of all costs, for carrying out the Subproject or any part thereof;
- d) Disburse the funds in accordance with the Subproject components to which the Grant were provided as presented in Schedule 2a, 2b and 3 thereof;
- e) Retain, until ten (10) years after the Closing Date, all records, pertaining to or mentioned in Subsections (a) to (c) of this Section (including contracts, orders, invoices, bills, receipts and other documents) evidencing the expenditures and payments on the accounts of the Subproject, and enable the DA's representatives to examine such records;
- f) Have its financial statements for the Project referred to above audited by Independent auditors (Commission on Audit) acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) calendar year of the participating PLGU;
- g) Furnish the DA thru the NPCO and/or PSO as soon as available, but not later than two months, an original copy of the reports of such audits, of such scope and in such detail as the NPCO and PSO shall reasonably request, including without limitations to the foregoing,

a separate opinion by the auditor "as contained in an audit certificate" in respect to the expenditures and records referred to in Subsection (b) of this Section as to whether on the basis of the SRE, the Grant withdrawn have been used for the purposes for which they were provided; and

h) Furnish the NPCO and PSO such other information concerning the said separate accounts, records and expenditures and the audit thereof as NPCO and PSO may reasonably request from time to time.

ARTICLE V - SUBPROJECT EXECUTION

- Sec 5.01 The PLGU shall start the implementation of the Subproject, based on the schedule presented in Schedule 5 (Project Implementation Plan) hereof, immediately from the date of the effectivity of this Agreement.
- Sec 5.02 Upon approval of this Agreement and in compliance with the additional conditions referred to in Section 9.02 of this Agreement, the DA -PSO will release or cause the release of Grant to the PLGU in accordance with Schedules 6 (Schedule of Release of Funds) and 7 (Schedule of Requirements for the Release of Funds) of this Agreement.
- Sec 5.03 The PLGU shall pass an ordinance appropriating the PLGU Equity for the Subproject, and deposit these in the accounts referred to in Section 4.01 Subsection (a) in the amount of and on such dates specified in Schedule 3 of this Agreement, such funds are to be withdrawn and disbursed against the claims of the contractors/creditors in accordance with the same schedule of this Agreement.
- Sec 5.04 The DA through the NPCO and/or PSO and/or RPCO shall:
 - Monitor, supervise, and evaluate the PLGU in the implementation of its Subproject and its compliance with the obligations under this Agreement;
 - b) Assist in the review of the procurement of goods, services, and equipment as well as the works/outputs of consultants/ contractors/suppliers, and
 - c) Ensure that the Subproject is implemented in accordance with the provisions of this Agreement, relevant laws, rules and regulations, and professional and technical standards.

Sec 5.05. The PLGU shall also:

- a) Carry out an environmental screening for the proposed Subproject in accordance with the provisions of the Environmental Social Safeguards Framework (ESSF) (including the EMFG);
- Prior to the commencement of any installation of equipment, facilities or services to be rendered, prepare, hold consultations on and disclose an Environmental Social management Plan (ESMP), satisfactory to the bank;
- c) Carry out the Sub-project in accordance with the ESMP;
- d) Not amend, suspend, or abrogate any of the provisions of the ESMP without prior approval of the bank;
- e) In the event an environmental compliance certificate is required under the Philippine Laws or regulations, such certificate has been obtained from DENR or its instrumentality at the regional level in respect of the activities under the said Sub-project.

Sec 5.06. The PLGU shall:

- a) Maintain, throughout the period of Project implementation, the organization, management and resources, satisfactory to the Bank, for carrying out Sub-projects;
- b) Establish, prior to the carrying out of any Subprojects, and thereafter maintain, a Provincial Project Management and Implementation Unit (PPMIU) throughout the period of Project implementation, with composition, terms of reference, staffing and other resources acceptable to the Bank, to be responsible for supporting project implementation activities, preparing annual work plans and budgets, undertaking monitoring and evaluation and overall accounting and financial management; and
- c) Carry out the Subprojects with due diligence and efficiency, and in conformity with appropriate economic, financial, administrative, technical, and agricultural practices and sound social and environmental standards, as set forth in the Operations Manuals prepared and adopted by the Project, and acceptable to the Bank, and provide promptly as needed, the funds, facilities, services and other resources required therefor.
- d) Submit monthly, quarterly and annual financial and physical progress reports regularly to PSO through RPCO on or before due dates;
- e) Comply with all the provisions applicable in the PRDP Operations Manuals and Guidelines in subproject implementation.

Sec 5.07. Each participating PLGU shall:

- a) In the procurement of goods, equipment and services, the PLGU shall comply with PRDP Procurement Manual and the World Bank Procurement Guidelines and Republic Act No.9184, known as the "Government Procurement Reform Act, their allied statutes and their respective Implementing Rules and Regulations, and in accordance with the relevant provisions of the Loan Agreement shall be suppletory in character;
- b) Ensure that said goods are insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the purchaser thereof to replace or repair such goods; and
- c) Ensure that said goods, equipment, facilities and services included in the project are utilized exclusively for the purpose of carrying out the Project.

ARTICLE VI - MONITORING, REPORTING AND EVALUATION

- Sec 6.01 The PLGU, through the P/MPMIU, shall comply with the procedures and guidelines for monitoring and reporting as prescribed by the PRDP.
- Sec 6.02 The DA shall, on behalf of NPCO, PSO and RPCO, undertake overall monitoring and evaluation of the performance of the PLGU in carrying out the tasks, responsibilities and obligations set forth in this Agreement.
- Sec 6.03 The PLGU shall enable the WB, NPCO, PSO and RPCO to monitor, examine all goods, facilities, sites and equipment included in the Project, the operation thereof, and any relevant records and documents. The findings of the monitoring team shall be forwarded to the NPCO, PSO and/or RPCO Directors, copies of which should be furnished to the PLGU.
- Sec 6.04 Status reports such as Statement of Expenditures (SRE), Statement of Sources and Application of Funds (SSAF), financial statements (Trial Balance, Cash Flow Statement and Bank

Reconciliation Statement) attached as **Schedule 8 (Format of Financial Reports and Statements)** and Monthly Progress Report on the Subproject shall be forwarded by the PLGU to the PSO through RPCO on or before the 5th day of the ensuing month in such details and frequency as may reasonably be requested subject to validation by the PSO and/or RPCO.

Sec 6.05 The PLGU shall:

- Maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the performance indicators in the Loan Agreement, their carrying out of the Sub-projects; and
- b) Prepare, under the terms of reference satisfactory to the Bank, a semi-annual report summarizing the results of the monitoring and evaluation activities performed on progress achieved in carrying out the Sub-projects during the preceding calendar semester and setting out the measures recommended to during the next semi-annual period following such date and furnish the same to RPCO/PSO/NPCO to enable them to consolidate and submit the information to the Bank.
- **Sec 6.06** The PLGU shall allow the WB, NPCO, PSO and RPCO to conduct audit inspection and review of financial accounting records.
- Sec 6.07 In the event that the performance of the PLGU falls short of the agreed objectives, targets or projects, the PLGU shall notify the NPCO, PSO and RPCO in writing within fifteen (15) calendar days from the receipt of the latest monthly accomplishment report, so that necessary adjustments, modifications or amendments will be made or to be made in accordance with the provisions of this Agreement without prejudice to the remedies available to the DA.

ARTICLE VII - OTHER COVENANTS

- Sec 7.01 All national and local taxes, duties, fees, levies and other government impositions on the Subproject shall be for the account of the PLGU.
- Sec 7.02 The PLGU shall be responsible for bank charges and other expenses associated with remittances to and from the Subproject Trust Account established by the PLGU in accordance with Section 4.01, paragraph (a) i iii of this Agreement.
- Sec 7.03 The NPCO, PSO and RPCO shall maintain a monitoring and record system reflecting all the funds released and the expenditures made for the execution of the Subproject.
- Sec 7.04 The PLGU warrants that the Sangguniang Panlalawigan has passed a resolution, as shown in Schedule 9 (Sangguniang Panlalawigan Resolution No.____) that:
 - a) Authorize the Local Chief Executive (LCE) to enter into contracts with the winning bidders for consultancy, procurement of goods/equipment and other agreements required to be done to put this Agreement I nto full effect, and
 - b) Commits resources and logistical support for the effective implementation of the Subproject
- Sec 7.05 The PLGU shall submit the Sub-project Completion Report not later than six (6) months after the last payment was made by the PLGU to the contractor and/or to the proponent group.
- Sec 7.06 Upon the issuance of the Certificate of Completion, the PLGU shall turn-over the structures, facilities and equipment provided for the Subproject and shall cause the Proponent Group to operate and maintain, or cause to be operated and maintained properly, the structures, systems and facilities installed or established under the Subproject and shall pass a Resolution providing for the funds, facilities, services and other resources required for the purpose for the next ten

(10) years after subproject completion. The DA-RFO shall be copy furnished with the copy of the Resolution for monitoring purposes.

- Sec 7.07
- a) Any notice or request required or permitted to be given or made in this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered to NPCO or PSO; the Office of the LCE, in case of the PLGU, or such other address which the Parties hereto may specify in writing.
- b) Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement, on behalf of the DA, may be taken or executed by the PSO Project Director or his authorized representative.
- c) Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement, on behalf of the PLGU, may be taken or executed by the LCE except those expressly reserved in this Agreement to be taken by the PLGU's Sanggunian Panlalawigan.
- Sec 7.08 By mutual consent, this Agreement or any part thereof may be changed, modified, revised and amended or supplemented for the purpose of effective implementation and management of the Subproject. All other parties concerned shall be notified/informed of such changes, revisions and amendments.
- Sec 7.09 All disputes or controversies between the parties arising out of or in connection with this Agreement which is not settled between the parties shall be elevated initially to the DA.
- Sec 7.10 Notarial fees and expenses incidental to the processing of this document shall be chargeable against the PLGU funds.

ARTICLE VIII- REMEDIES

- **Sec 8.01** The DA shall suspend the subsequent releases of the Grant if any of the following occurs:
 - a) The PLGU has no or insufficient equity for the Subproject;
 - b) Unsatisfactory performance of the PLGU in the implementation and execution of the Sub-project. (There is unsatisfactory performance if there is delay in the delivery, compliance or installation of more than seven (7) calendar days for goods or equipment procured locally or forty five (45) calendar days in case of goods or equipment to be procured abroad, save the existing approved extension or suspension of delivery or installation or compliance, of goods, services, equipment and facilities by the winning bidder/contractor/consultant/supplier.)
 - c) At any time the NPCO, PSO or RPCO determines, during the conduct of review and monitoring activities, that the procurement of any contract to be financed by Grant is inconsistent with the procedures set forth or referred to by the applicable Manuals and Guidelines of the PRDP and in reference with the WB and GOP guidelines; and
 - d) Extraordinary conditions such as force majeure, fortuitous events, and the like which shall make it necessary to suspend the implementation of the Subproject.
- Sec 8.02 The DA, at its own sole option, reserves the right to lift such suspension for the resumption of releases of Grant for the Subproject of the PLGU.
- Sec 8.03 Upon the recommendation of NPCO or PSO, the concerned Regional Project Advisory Board (RPAB) shall cancel the IMA if any of the following occur:

- a) Non-compliance or violation by the PLGU of any provisions of this Agreement;
- b) The NPCO and/or PSO found out, with respect to any contract to be financed by the Grant, that corrupt or fraudulent practices as provided for under R.A. 3019 or otherwise known as Anti-Graft and Corrupt practices Act were engaged in by representatives of the PLGU or a beneficiary of the Grant during the procurement and execution of such contract, without the PLGU having taken timely and appropriate action satisfactory to the NPCO and/or PSO to remedy the situation;
- c) At any time, when the extent of the events mentioned in **Section 8.01(d)** escalates that shall make it improbable for the Subproject to continue to be carried out; and
- d) Upon the request of the PLGU.
- Sec 8.04 In such case that the Subproject is partially or fully cancelled due to the fault of the PLGU as in Section 8.01 Sub-sections (a), (b), and (c) the following provisions shall apply:
 - The PLGU shall be obliged to return to DA the unexpended and/or unliquidated balance of the released Grant of the Subproject within one month from the date of receipt of the notice of cancellation of IMA, and
 - b) The amount of Grant utilized shall be refunded to DA within three (3) months from the date of receipt of cancellation of IMA.
- Sec 8.05 In case of cancellation of IMA due to force majeure, as stated in Section 8.01(d), the amount disbursed and paid for the actual accomplishment of the subproject may not be returned however, any unexpended and /or unliquidated balance should be returned not later than two (2) months from the receipt of the notice of approval of cancellation of IMA.
- Sec 8.06 In case of cancellation upon the request of PLGU as stated in Section 8.03 (d), the total amount of grant released should be returned within two (2) months after receipt of notice of approval of the cancellation.
- Sec 8.07 The PLGUs who's IMA were cancelled but did not refund or return the grant funds in full to DA will not be considered for on-going and future projects and projects of the department.
- Failure to comply with the Operational Plan: Should the PLGU fail to properly operate the subproject and/or provide necessary budget allocations as per Operational Plan in Schedule 10 (Operational Plan) and assessment criteria, DA shall review its option to deny/withhold similar assistance in the future until such time that it is convinced that a reconsideration on the matter should be effected.

ARTICLE IX - EFFECTIVITY

- Sec 9.01 Compliance of Preconditions by the PLGU for the effectivity of this Agreement:
 - a) A Sangguniang Panlalawigan Resolution and Appropriation Ordinance has been passed committing logistical and funding support to the PLGU and the Subproject, particularly with respect to the equity contribution and operations and maintenance of completed or installed structures, systems and facilities.
- Sec 9.02 This Agreement shall become effective upon signing of the parties concerned and compliance by the PLGU of the additional preconditions for effectiveness referred to in Section 9.01 of this Agreement and shall subsist and remain in full force and effect ten (10) years after the subproject has been turned over and at such time the parties hereto shall be mutually released from all obligations hereunder.

IN WITNESS WHEREOF, the Parti, Philippines on this		Implementation Management Agreement to be sign	ied in
Ву:	By:		
Project Director Project Support Office (PSO) –		Governor	
Ву:			
		 rector	
Regi		ation Office (RPCO)	
	wit	NESSES:	
PRDP Focal Person – RPCO	Provincial A	ccountant/Treasurer	
Project Accountant – PSO	 SP Memb	er, Finance Committee	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPF	PINES)) S.S.		
Before me thisappeared:	day of	2014, at	personally
Name		Competent Evidence of Identity	Place and Date Issued
acknowledged to be the represent.	same is of their	the same persons who executed the fore own free and voluntary act and deed an and at the place first written above.	
	NC	DTARY PUBLIC	
Until December 31, 2015			
PTR No			
Doc No Page No Book No Series of 2015			

SCHEDULES

Schedule 1	-	Definition of Terms
Schedule 2	-	Description of Subproject
Schedule 3	-	Estimated Subproject Cost for Enterprise
Schedule 4	-	Tentative Disbursement Schedule
Schedule 5	-	Project Implementation Plan
Schedule 6	-	Schedule of Release of Funds
Schedule 7	-	Schedule of Requirements for the Release of Funds
Schedule 8	-	Format of Financial Reports and Statements
		 a) Statement of Receipts And Expenditures (SRE) b) Statement of Sources and Application of Funds (SSAF) c) Trial Balance d) Balance Sheet e) Cash Flow Statement
Schedule 9	-	Sangguniang Panlalawigan (SP) Resolution – Resolution Authorizing the Provincial Governor to Execute and Enter into an IMA and Approving the Appropriation for the LGU Equity of the Subproject Cost
Schedule 10	-	Operational Plan

Annex 18-B Sample Implementation Management Agreement for Subprojects with Enterprise Development and Civil Works

Prescribed Format (27 February 2015) Republic of the Philippines Department of Agriculture PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP) Project Support Office —	
Department of Agriculture PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP)	
PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP)	
· ,	
IMPLEMENTATION MANAGEMENT AGREEMENT Enterprise Development with Civil Works	
This Agreement is made and entered into this day of 2014, at, Philippines, by an between:	and
The Department of Agriculture , an Executive Department of the Republic of the Philippines, with principal addre at Elliptical Road, Diliman, Quezon City, represented herein by Director	
Project Director, Project Support Office – hereinafter referred to as the DA; and	
The Province of , a political subdivision of the Republic of the Philippines, with princip	pal
address at Provincial Capitol Building,, represented by Ho	on.
Governor, hereinafter referred to as the PLGU;	
- WITNESSETH -	

WHEREAS, Republic Act No. 8435, otherwise known as the Agriculture and Fisheries Modernization Act (AFMA) of 1997 sets out the Government's policies in the agriculture sector in attaining equitable distribution of opportunities, income and wealth, expanding productivity, and sustaining increase in production of goods and

services thereby raising the quality of life of the people, especially the underprivileged;

WHEREAS, the DA gives foremost consideration to poverty alleviation and social equity through the development and implementation of projects and projects that provide the poor sectors of the community especially those engaged in subsistence agriculture with equitable access to resources, income opportunities, support services, and most especially rural infrastructures particularly in areas where productivity is low and the incidence of poverty is high;

WHEREAS, the Government of the Philippines (GOP) has obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD - WB) with IBRD Loan No. 8421 PH amounting to U. S. Dollar FIVE HUNDRED ONE MILLION TWO HUNDRED FIFTY THOUSAND ONLY (US\$501,250,000) for the purpose of financing the Philippine Rural Development Project (PRDP) to support the Government's effort to reduce poverty among the rural communities of eighty one (81) provinces in the country;

WHEREAS, all funds concerning the implementation of Subcomponent 3.1: Rural Agri-fishery Enterprise and Productivity Enhancement (Enterprise Project Fund) under Component 3: Enterprise Development (I-REAP) of PRDP will be coursed through and maintained by the Project Support Office (PSO) and will be made available to participating Local Government Units (LGUs);

WHEREAS, the DA's functions relative to the Project are done through its National Project Coordination Office (NPCO) and the concerned Project Support Office (PSO) and Regional Project Coordination Office (RPCO);

WHEREAS , t documentary					•	•	in the F	Proje	ct, a	nd forw	arded	to th	e DA pe	ertin	ent
WHEREAS,	the					has	issued	а	No	Objecti	on L	etter	(NOL)	1	on
		, wh	ich is the	basis c	of this I	mplem	entation	Mai	nage	ment Ag	reem	ent (IN	ЛA);		
WHEREAS, to Agreement (subproject, a	(IMA) he	ereinafter	referred	to as t	the Agi	reemer	nt to en			-				_	
WHEREAS , to Governor to											d		authori	zed [·]	the
NOW, THER	E FORE , f	or and in c	onsidera	tion of	the for	egoing	premise	s, th	e pai	ties the	reto a	gree a	s follow	s:	
			ARTI	CLE I –	PURPO	SE OF	THE AGE	REEN	1ENT						
Sec 1.01		Agreement I Developn					-			_				lippi	ine
			Δ	ARTICLE	II - DE	FINITIC	N OF TE	ERMS	5						
Sec 2.01		this Agree ions and m			-				-			Agreer	ment sh	all ha	ave
		ARTIC	LE III - SU	IBPROJ	ECT DE	SCRIPT	ION AN	D CO	ST E	STIMATI	ES .				
Sec 3.01	The s	ubproject	covered	by this	Agree	ment is	the							_ un	der
		Enterprise roject) her									hedul	le 2 (Descrip	tion	of
Sec 3.02	The	Subprojec	t cost i	is esti	mated	at PI	sos _							_ (F	Php
) t	he break	down c	of which	n is set	forth in	Sche	dule	3 (Estin	nated	Subpr	oject Co	ost).	
Sec 3.03	The	portion	of C	Civil \	Works	in (Php_ _		-	rojeo the	t is breakdo		nated which		PES forth	
	Sche	dule 3A (Es	timated	Subpro	oject Co	ost for	the Civil	Wor	ks).						
Sec 3.04	a) The	e DA shall	make av	/ailable					_	ty d ten բ		•			
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	•	rtion in th istance to		•						•		•			
		LGU equit) of 1	the

Sec 3.05	The portion of the Enterprise cost in the subproject is estimated at PESOS (Php) the breakdown of which is set forth in Schedule 3B
	(Estimated Subproject Cost for the Enterprise).
Sec 3.06	a) The DA shall make available from the Loan Proceeds sixty percent (60%) or PESOS
	b) The LGU equity shall be twenty percent (20%) or PESOS (Php) of the Enterprise portion of the Subproject to be used exclusively for the enterprise.
	c) The Proponent Group will contribute an amount equal to at least 20% (cash or in kind) to the Enterprise as incremental enterprise cost.
Sec 3.07	Any increase or decrease in the cost but not beyond the approved sub project cost stated in this Agreement shall follow the approved financing mix and does not require amendment to IMA.In case the subproject cost exceeds the amount stated in the IMA, the PLGU/PG will provide the additional cost. The cost of Business Plan and all other cost of the subproject shall also be for the account of the PLGU/PG.
Sec 3.08	The Grant shall be allocated in accordance with the provisions of this Agreement, for expenditures incurred in respect of the approved costs of the Subproject components described and referred to in Schedule 3 and 4 (Tentative Disbursement Schedule) of this Agreement.
	ARTICLE IV – SUBPROJECT ACCOUNT AND RECORDS
Sec 4.01	The PLGU shall:
	a) Upon signing of this Agreement, establish and maintain in a bank acceptable to the Government one Subproject Trust Account each for:
	(i) funds withdrawn from the DA (Grant) for the Loan Proceed from IBRD-WB to finance parts of the Subproject;
	(ii) funds withdrawn from the DA (Grant) for the GOP Counterpart Funds from the GOP to finance parts of the subproject; and
	(iii) funds for Equity of the PLGU for the Subproject.
	A subsidiary ledger shall be maintained for each of the above cited trust accounts (Grant/Equity) for proper accounting, record-keeping and monitoring of transactions and to facilitate the preparation of financial reports.
	b) Maintain a financial management system and prepares financial statement in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Participating PLGU, including the operations, resources and expenditures related to the Project, including the recovery of all costs, for carrying out the Sub-project or any part thereof;

c) Establish and maintain separate accounts and books for the Subproject, reflecting all expenditures and on withdrawals requested and received from the DA on the basis of the Statement of Receipts and Expenditures (SRE). Maintain records adequate to reflect, in accordance with consistently sound accounting practices, the operations, resources, and expenditures, including the recovery of all costs, for carrying out the Subproject or any part thereof;

- d) Disburse the funds in accordance with the Subproject components to which the Grant were provided as presented in Schedule 2a, 2b and 3 thereof;
- e) Retain, until ten (10) years after the Closing Date, all records, pertaining to or mentioned in Subsections (a) to (c) of this Section (including contracts, orders, invoices, bills, receipts and other documents) evidencing the expenditures and payments on the accounts of the Subproject, and enable the DA's representatives to examine such records;
- f) Have its financial statements for the Project referred to above audited by Independent auditors (Commission on Audit) acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) calendar year of the participating PLGU;
- g) Furnish the DA thru the NPCO and/or PSO as soon as available, but not later than two months, an original copy of the reports of such audits, of such scope and in such detail as the NPCO and PSO shall reasonably request, including without limitations to the foregoing, a separate opinion by the auditor "as contained in an audit certificate" in respect to the expenditures and records referred to in Subsection (b) of this Section as to whether on the basis of the SRE, the Grant withdrawn have been used for the purposes for which they were provided; and
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- Sec 5.03 The PLGU shall pass an ordinance appropriating the PLGU Equity for the Subproject, and deposit these in the accounts referred to in Section 4.01 Subsection (a) in the amount of and on such dates specified in Schedule 3 of this Agreement, such funds are to be withdrawn and disbursed against the claims of the contractors/creditors in accordance with the same schedule of this Agreement.
- Sec 5.04 The DA through the NPCO and/or PSO and/or RPCO shall:
 - a) Monitor, supervise, and evaluate the PLGU in the implementation of its Subproject and its compliance with the obligations under this Agreement;

- b) Assist in the review of the procurement of goods, services, and equipment as well as the works/outputs of consultants/contractors/suppliers, and
- c) Ensure that the Subproject is implemented in accordance with the provisions of this Agreement, relevant laws, rules and regulations, and professional and technical standards.

Sec 5.05. The PLGU shall also:

- a) Carry out an environmental screening for the proposed Subproject in accordance with the provisions of the Environmental Social Safeguards Framework (ESSF) (including the EMFG);
- b) Prior to the commencement of any installation of equipment, facilities or services to be rendered, prepare, hold consultations on and disclose an Environmental Social management Plan (ESMP), satisfactory to the bank;
- c) Carry out the Sub-project in accordance with the ESMP;
- d) Not amend, suspend, or abrogate any of the provisions of the ESMP without prior approval of the bank;
- e) In the event an environmental compliance certificate is required under the Philippine Laws or regulations, such certificate has been obtained from DENR or its instrumentality at the regional level in respect of the activities under the said Sub-project.

Sec 5.06. The PLGU shall:

- a) Maintain, throughout the period of Project implementation, the organization, management and resources, satisfactory to the Bank, for carrying out Sub-projects;
- b) Establish, prior to the carrying out of any Subprojects, and thereafter maintain, a Provincial Project Management and Implementation Unit (PPMIU) throughout the period of Project implementation, with composition, terms of reference, staffing and other resources acceptable to the Bank, to be responsible for supporting project implementation activities, preparing annual work plans and budgets, undertaking monitoring and evaluation and overall accounting and financial management; and
- c) Carry out the Subprojects with due diligence and efficiency, and in conformity with appropriate economic, financial, administrative, technical, and agricultural practices and sound social and environmental standards, as set forth in the Operations Manuals prepared and adopted by the Project, and acceptable to the Bank, and provide promptly as needed, the funds, facilities, services and other resources required therefor.
- d) Submit monthly, quarterly and annual financial and physical progress reports regularly to PSO through RPCO on or before due dates;
- e) Comply with all the provisions applicable in the PRDP Operations Manuals and Guidelines in subproject implementation.

Sec 5.07. Each participating PLGU shall:

a) In the procurement of goods, equipment and services, the PLGU shall comply with PRDP Procurement Manual and the World Bank Procurement Guidelines and Republic Act No.9184, known as the "Government Procurement Reform Act, their allied statutes and their respective Implementing Rules and Regulations, and in accordance with the relevant provisions of the Loan Agreement shall be suppletory in character;

- b) Ensure that said goods are insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the purchaser thereof to replace or repair such goods; and
- c) Ensure that said goods, equipment, facilities and services included in the project are utilized exclusively for the purpose of carrying out the Project.

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- Sec 6.01 The PLGU, through the P/MPMIU, shall comply with the procedures and guidelines for monitoring and reporting as prescribed by the PRDP.
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- The PLGU shall enable the WB, NPCO, PSO and RPCO to monitor, examine all goods, facilities, sites and equipment included in the Project, the operation thereof, and any relevant records and documents. The findings of the monitoring team shall be forwarded to the NPCO, PSO and/or RPCO Directors, copies of which should be furnished to the PLGU.
- Status reports such as Statement of Expenditures (SRE), Statement of Sources and Application of Funds (SSAF), financial statements (Trial Balance, Cash Flow Statement and Bank Reconciliation Statement) attached as **Schedule 8 (Format of Financial Reports and Statements)** and Monthly Progress Report on the Subproject shall be forwarded by the PLGU to the PSO through RPCO on or before the 5th day of the ensuing month in such details and frequency as may reasonably be requested subject to validation by the PSO and/or RPCO.

Sec 6.05 The PLGU shall:

- Maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the performance indicators in the Loan Agreement, their carrying out of the Sub-projects; and
- b) Prepare, under the terms of reference satisfactory to the Bank, a semi-annual report summarizing the results of the monitoring and evaluation activities performed on progress achieved in carrying out the Sub-projects during the preceding calendar semester and setting out the measures recommended to during the next semi-annual period following such date and furnish the same to RPCO/PSO/NPCO to enable them to consolidate and submit the information to the Bank.
- **Sec 6.06** The PLGU shall allow the WB, NPCO, PSO and RPCO to conduct audit inspection and review of financial accounting records.
- Sec 6.07 In the event that the performance of the PLGU falls short of the agreed objectives, targets or projects, the PLGU shall notify the NPCO, PSO and RPCO in writing within fifteen (15) calendar days from the receipt of the latest monthly accomplishment report, so that necessary adjustments, modifications or amendments will be made or to be made in accordance with the provisions of this Agreement without prejudice to the remedies available to the DA.

ARTICLE VII - OTHER COVENANTS

- Sec 7.01 All national and local taxes, duties, fees, levies and other government impositions on the Subproject shall be for the account of the PLGU and the Proponent Group who will consequently implement the Subproject.
- Sec 7.02 The PLGU shall be responsible for bank charges and other expenses associated with remittances to and from the Subproject Trust Account established by the PLGU in accordance with Section 4.01, paragraph (a) i iii of this Agreement.
- Sec 7.03 The NPCO, PSO and RPCO shall maintain a monitoring and record system reflecting all the funds released and the expenditures made for the execution of the Subproject.
- Sec 7.04 The PLGU warrants that the *Sangguniang Panlalawigan* has passed a resolution, as shown in Schedule 9 (Sangguniang Panlalawigan Resolution No.____) that:
 - Authorize the Local Chief Executive (LCE) to enter into contracts with the winning bidders for consultancy, procurement of goods/equipment and other agreements required to be done to put this Agreement into full effect, and
 - b) Commits resources and logistical support for the effective implementation of the Subproject
- Sec 7.05 The PLGU shall submit the Sub-project Completion Report not later than six (6) months after the last payment was made by the PLGU to the contractor and/or to the proponent group.
- Sec 7.06 Upon the issuance of the Certificate of Completion, the PLGU shall turn-over the structures, facilities and equipment provided for the Subproject and shall cause the Proponent Group to operate and maintain, or cause to be operated and maintained properly, the structures, systems and facilities installed or established under the Subproject and shall pass a Resolution providing for the funds, facilities, services and other resources required for the purpose for the next ten (10) years after subproject completion. The DA-RFO shall be copy furnished with the copy of the Resolution for monitoring purposes.
- Sec 7.07
 a) Any notice or request required or permitted to be given or made in this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered to NPCO or PSO; the Office of the LCE, in case of the PLGU, or such other address which the Parties hereto may specify in writing.
 - b) Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement, on behalf of the DA, may be taken or executed by the PSO Project Director or his authorized representative.
 - c) Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement, on behalf of the PLGU, may be taken or executed by the LCE except those expressly reserved in this Agreement to be taken by the PLGU's Sanggunian Panlalawigan.
- Sec 7.08 By mutual consent, this Agreement or any part thereof may be changed, modified, revised and amended or supplemented for the purpose of effective implementation and management of the Subproject. All other parties concerned shall be notified/informed of such changes, revisions and amendments.

- Sec 7.09 All disputes or controversies between the parties arising out of or in connection with this Agreement which is not settled between the parties shall be elevated initially to the DA.
- Sec 7.10 Notarial fees and expenses incidental to the processing of this document shall be chargeable against the PLGU funds.

ARTICLE VIII- REMEDIES

- **Sec 8.01** The DA shall suspend the subsequent releases of the Grant if any of the following occurs:
 - a) The PLGU has no or insufficient equity for the Subproject;
 - b) Unsatisfactory performance of the PLGU in the implementation and execution of the Subproject. (There is unsatisfactory performance if there is delay in the delivery, compliance or installation of more than seven (7) calendar days for goods or equipment procured locally or forty five (45) calendar days in case of goods or equipment to be procured abroad, save the existing approved extension or suspension of delivery or installation or compliance, of goods, services, equipment and facilities by the winning bidder/contractor/consultant/supplier.)
 - c) At any time the NPCO, PSO or RPCO determines, during the conduct of review and monitoring activities, that the procurement of any contract to be financed by Grant is inconsistent with the procedures set forth or referred to by the applicable Manuals and Guidelines of the PRDP and in reference with the WB and GOP guidelines; and
 - d) Extraordinary conditions such as force majeure, fortuitous events, and the like which shall make it necessary to suspend the implementation of the Subproject.
- Sec 8.02 The DA, at its own sole option, reserves the right to lift such suspension for the resumption of releases of Grant for the Subproject of the PLGU.
- Sec 8.03 Upon the recommendation of NPCO or PSO, the concerned Regional Project Advisory Board (RPAB) shall cancel the IMA if any of the following occur:
 - (i) Non-compliance or violation by the PLGU of any provisions of this Agreement;
 - (ii) The NPCO and/or PSO found out, with respect to any contract to be financed by the Grant, that corrupt or fraudulent practices as provided for under R.A. 3019 or otherwise known as Anti-Graft and Corrupt practices Act were engaged in by representatives of the PLGU or a beneficiary of the Grant during the procurement and execution of such contract, without the PLGU having taken timely and appropriate action satisfactory to the NPCO and/or PSO to remedy the situation;
 - (iii) At any time, when the extent of the events mentioned in **Section 8.01(d)** escalates that shall make it improbable for the Subproject to continue to be carried out; and
 - (iv) Upon the request of the PLGU.

- Sec 8.04 In such case that the Subproject is partially or fully cancelled due to the fault of the PLGU as in Section 8.01 Sub-sections (a), (b), and (c) the following provisions shall apply:
 - The PLGU shall be obliged to return to DA the unexpended and/or unliquidated balance of the released Grant of the Subproject within one month from the date of receipt of the notice of cancellation of IMA, and
 - b) The amount of Grant utilized shall be refunded to DA within three (3) months from the date of receipt of cancellation of IMA.
- Sec 8.05 In case of cancellation of IMA due to force majeure, as stated in Section 8.01(d), the amount disbursed and paid for the actual accomplishment of the subproject may not be returned however, any unexpended and /or unliquidated balance should be returned not later than two (2) months from the receipt of the notice of approval of cancellation of IMA.
- Sec 8.06 In case of cancellation upon the request of PLGU as stated in Section 8.03 (d), the total amount of grant released should be returned within two (2) months after receipt of notice of approval of the cancellation.
- Sec 8.07 The PLGUs who's IMA were cancelled but did not refund or return the grant funds in full to DA will not be considered for on- going and future projects and projects of the department.
- Failure to comply with the Operational Plan: Should the PLGU fail to ensure that the subproject is properly implemented by the PG as stated in the Operational Plan in Schedule 10 (Operational Plan) and assessment criteria, DA shall review its option to deny/withhold similar assistance in the future until such time that it is convinced that a reconsideration on the matter should be effected.

ARTICLE IX - EFFECTIVITY

Sec 9.01 Compliance of Preconditions by the PLGU for the effectivity of this Agreement:

A Sangguniang Panlalawigan Resolution and Appropriation Ordinance has been passed committing logistical and funding support to the PLGU and the Subproject, particularly with respect to the equity contribution

Sec 9.02 This Agreement shall become effective upon signing of the parties concerned and compliance by the PLGU of the additional preconditions for effectiveness referred to in Section 9.01 of this Agreement and shall subsist and remain in full force and effect ten (10) years after the subproject has been turned over and at such time the parties hereto shall be mutually released from all obligations hereunder.

Philippine Rural Development Project I-REAP Operations Manual Annexes

IN WITNESS WHEREOF , the Parti, Philippines on this			-
Ву:	Ву:		
	,		
Project Director		Governor	
Project Support Office (PSO) –			
By:			
·			
		·····	
	_		
	D	irector	
Regi	ional Project Coordin	ation Office (RPCO)	
Кеві	ionari roject coordii		
	WI	TNESSES:	
PRDP Focal Person – RPCO	Provincial A	Accountant/Treasurer	
			
Project Accountant – PSO	SP Mem	her Finance Committee	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINE	ES)		
) S.S.		
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SCHEDULES

Schedule 1	-	Definition of Terms
Schedule 2	-	Description of Subproject
Schedule 3	-	Estimated Total Subproject Cost
Schedule 3A	-	Estimated Subproject Cost for Civil Works
Schedule 3B	-	Estimated Subproject Cost for Enterprise
Schedule 4	-	Tentative Disbursement Schedule
Schedule 5	-	Project Implementation Plan
Schedule 6	-	Schedule of Release of Funds – Consolidated
Schedule 6A	-	Schedule of Release of Funds – Civil Works
Schedule 6B	-	Schedule of Release of Funds – Enterprises
Schedule 7	-	Schedule of Requirements for the Release of Funds
Schedule 8	-	Format of Financial Reports and Statements
		 a.) Statement of Receipts And Expenditures (SRE) b.) Statement of Sources and Application of Funds (SSAF) c.) Trial Balance d.) Balance Sheet e.) Cash Flow Statement
Schedule 9	-	Sangguniang Panlalawigan (SP) Resolution – Resolution Authorizing the Provincial Governor to Execute and Enter into an IMA and Approving the Appropriation for the LGU Equity of the Subproject Cost
Schedule 10	-	Operational Plan

Annex 19 - Sample Enterprise Investment Agreement (EA)

Republic of the Philippines

Province of ______

PHILIPPINE RURAL DEVELOPMENT PROJECT

ENTERPRISE INVESTMENT AGREEMENT

KNOW ALL MEN BY THE	SE PRESENTS:	
THIS AGREEMENT is mad	de this day of	, 201_, by and between the following:
with principal addres		Local Government Unit of the Republic of the Philippines, represented herein by its Provincial Governor, the "PLGU"
	1	and
		organization of the Republic of the Philippines, under the
		to as the "PROPONENT GROUP" ;

-WITNESSETH-

WHEREAS, the DA is implementing the Philippine Rural Development Project (PRDP) aimed at increasing farm and fishery productivity and incomes in target areas in all 16 regions of the country by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services;

WHEREAS, the Enterprise Development Component (I-REAP) of PRDP intends to strengthen and develop viable agri-fishery based enterprises through the development of efficient value chains of key agricultural and fishery products in targeted program areas;

WHEREAS, all funds concerning the implementation of the enterprise will be coursed through the Project Support Office (PSO) and will be made available to participating provincial LGUs and proponent groups;

WHEREAS, the Local Government Code rationalizes the need for upgrading local government capabilities through direct project implementation in collaboration with National Government Agencies (NGAs) and the private sector;

WHEREAS, the Local Government Code of 1991 extends genuine and meaningful local autonomy to the LGUs to enable them to attain their fullest development as self-reliant communities and to make them more effective partners in the attainment of national goals;

WHEREAS, the Local Government Code of 1991 devolves the DA function - the provision of agricultural support services, agricultural extension and on-site research services and facilities to the LGUs;

	ne Province of identified(title of the proposed enterprise) as its priori r PRDP as indicated in the approved PCIP;
	e Proponent Group submitted project proposal entitled "
WHEREAS, th approved by F	ne proposal of (title of the enterprise) was endorsed by PLGU and Regional Project Advisory Board (RPAB) per RPAB Resolution No. dated;
	ne World Bank/NPCO/PSO has issued a No Objection Letter (NOL 1) on the business plan
Thousand and	d 44/100 Pesos (PhP 12,042,000.44) net of the Proponent Group's equity;
NOW THEREF	ORE, the parties hereto hereby agree as follows.
	ARTICLE I DEFINITION OF TERMS
Sec. 1.01	Unless this Agreement otherwise requires, the terms of acronym used in this Agreement shave definitions and meanings as set out in Schedule 1 (Definition of Terms) .
	ARTICLE II SCOPE OF AGREEMENT
Sec. 2.01	This agreement shall cover the implementation of (title of the enterprise referred as the "Enterprise" in accordance with the approved Business Plan to be located
	ARTICLE III SUBPROJECT DESCRIPTION AND COST ESTIMATES
Sec. 3.01	The subproject covered by this agreement is (title of the Enterprise), wi a total cost of excluding Proponent Group equity described in detail Schedule 2 (Description of Enterprise).
Sec. 3.02	The Enterprise cost is (amount in words) (Php net of civil works the breakdown of which is set forth in Schedule 3 Estimated Subproject Cofor (title of the enterprise)).
Sec. 3.03	The PLGU shall make available from the Enterprise Fund eighty percent (80%) ———————————————————————————————————
Sec. 3.04	The Proponent Group equity shall be at least twenty percent (20%) of the total Enterprise Cowhich consists of cash equity in the amount of
Sec. 3.05	Any increase in enterprise cost but not beyond the approved cost of business plan shall follow the approved financing mix and does not require amendment to EA. In case the subproject context of the amount stated, the PG will provide additional amount.

Sec. 3.06 The Grant shall be allocated in accordance with the provisions of this Agreement, for expenditures incurred in respect of the approved costs of the Enterprise described and referred to in accordance with Annex A (Work and Financial Plan) and as provided in the submitted and approved Annex B (Procurement Plan) of this Agreement.

ARTICLE IV SUBPROJECT ACCOUNT AND RECORDS

Sec. 4.01 The PG shall:

- a) Upon signing of this Agreement, establish and maintain current account in a Commercial Bank acceptable to the PSO and to PLGU;
- Maintain a financial management system and prepare financial statement in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Participating PG;
- Establish and maintain accounts and books for the Enterprise, reflecting all expenditures and on withdrawals requested and received from the PLGU on the basis of the Statement of Receipts and Expenditures (SRE);
- d) Disburse the funds in accordance with the Subproject components to which the Grant were provided as presented in **Schedule 4 (Tentative Disbursement Schedule)** thereof;
- e) Retain, until ten (10) years after the Closing Date, all records, pertaining to or mentioned in Subsections (a) to (c) of this Section (including contracts, orders, invoices, bills, receipts and other documents) evidencing the expenditures and payments on the accounts of the Enterprise and enable the DA and PLGU representatives to examine such records;
- f) Have its financial statements for the Project referred to above audited by independent auditors acceptable to the Bank, NPCO, PSO and PLGU. Each audit of these financial statements shall cover the period of one (1) calendar year of the participating PG;
- g) Furnish the PLGU thru the PPMIU as soon as available, but not later than two months, an original copy of the reports of such audits, of such scope and in such detail as the PLGU shall reasonably request; and
- h) Furnish the PLGU such other information concerning the said separate accounts, records and expenditures and the audit thereof as PLGU may reasonably request from time to time.

ARTICLE V DUTIES AND RESPONSIBILITIES

- Sec 5.01 The PLGU through the Provincial Program Management and Implementing Unit (PPMIU) shall have the following duties and responsibilities:
 - a) Make available to the Proponent Group the enterprise fund and its timely releases as per approved work and financial plan corresponding to the detailed implementation plan and and/or program of works;
 - b) Provide technical support to the Proponent Group in all aspects of enterprise development including conduct of capacity building interventions;

- c) Ensure that goods and works are procured in accordance to the Enterprise Development Operations Manual and Procurement Guidelines of PRDP;
- d) Assist the Proponent Group in installing financial records to facilitate proper disbursement of funds, liquidation and records keeping;
- e) Assign a focal person to conduct periodic monitoring and evaluation of enterprise implementation and operation and provide regular feedback to Proponent Group;
- f) Ensure adherence of the Proponent Group to PRDP processes as provided in the PRDP Enterprise Development Operations Manual;
- g) Submit regularly the monitoring and evaluation reports to the RPCO as defined in the Results-Based Monitoring and Evaluation (RBME) Guidelines for PRDP; and
- Facilitate the turn-over to the Proponent Group of goods and works procured for the enterprise upon subproject completion thru a Deed of Donation and Certificate of Turn-Over.

Sec 5.02 The Proponent Group shall:

- Ensure smooth implementation of the enterprise according to the approved business plan and detailed implementation plan and/or program of works and in adherence to social and environmental standards;
- b) Ensure broad participation of farmers and other key stakeholders in the enterprise activities;
- c) Undertake operations and maintenance of the facilities and other properties relevant to the enterprise;
- d) Enable the PLGU and other entities to examine goods and works procured and the operation thereof including any relevant records and documents;
- e) Implement continuous capability building and capacity improvement for the enterprise and other farmers stakeholders;
- f) All expenses that will be incurred in the enterprise implementation in excess of the approved enterprise fund shall be fully assumed by the Proponent Group. However, if the actual cost incurred is lower than the approved amount, the Proponent Group may request the PLGU to reprogram the fund for similar project provided it shall not require additional funds from the province;
- g) Maintain financial records to properly disburse and liquidate enterprise funds; and
- h) Submit required physical and financial reports to the PLGU. These reports shall be made accessible to all PRDP implementing units.

ARTICLE VI SUBPROJECT EXECUTION

Sec 6.01 The PG shall start the implementation of the Enterprise, based on the presented Schedule 5 (Implementation Plan) and in accordance with the approved business plan, immediately from the date of the effectivity of this Agreement.

- Sec 6.02 Upon approval of this Agreement, the PLGU will release or cause the release of Grant to the PG in accordance with Schedule 6 (Schedule and Requirements for the Release of Funds) of this Agreement.
- Sec 6.03 The PLGU through the PPMIU shall:
 - (a) Monitor, supervise, and evaluate the PG in the implementation of its Enterprise and its compliance with the obligations under this Agreement;
 - (b) Assist the Proponent Group in the formation of a procurement committee as stated in article VIII Sec. 8.03 of this Agreement;
 - (c) Assist in the review of the procurement of goods, services, civil works and equipment as well as the works/outputs of consultants/contractors;
 - (d) If the PG upon assessment is not capable in the procurement process of PRDP, the PLGU shall, in behalf of the PG, shall procure the goods, services or works necessary for the implementation of the enterprise; and
 - (e) Ensure that the Enterprise is implemented in accordance with the provisions of this Agreement, relevant laws, rules and regulations, and professional and technical standards.
- Sec 6.04 The PG shall
 - (a) Submit monthly, quarterly and annual financial and physical progress reports regularly to PLGU through RPCO on or before due dates.
 - (b) Comply with all the provisions applicable in the PRDP Operations Manuals and Guidelines in subproject implementation.
- Sec 6.05 In the procurement of infrastructure, goods, supplies and consultancy services, the PLGU shall comply with World Bank Procurement Guidelines and Republic Act No. 9184, known as the "Government Procurement Reform Act", their allied statutes and their respective Implementing Rules and Regulations, and the NEDA Guidelines on the Procurement of Consulting Services for Government Projects (Implementing Rules and Regulations) respectively.

ARTICLE VII MONITORING, REPORTING AND EVALUATION

- Sec 7.01 The PLGU, through the PPMIU, shall comply with the procedures and guidelines for monitoring and reporting as prescribed by the PRDP.
- Sec 7.02 The PLGU shall, on behalf of NPCO, PSO and RPCO, undertake overall monitoring and evaluation of the performance of the PG in carrying out the tasks, responsibilities and obligations set forth in this Agreement.
- The WB, NPCO, PSO, RPCO and PLGU shall audit, monitor and evaluate the progress and status of the implementation and management of the Enterprise. The findings of the monitoring team shall be forwarded to the NPCO, PSO and/or RPCO Directors, copies of which should be furnished to the PLGU and PG.

- Status reports such as Statement of Receipts and Expenditures (SRE), and/or Monthly progress Report on the Subproject shall be forwarded by the PG to the PLGU on or before the 5th day of the ensuing month in such details and frequency as may reasonably be requested subject to validation by the PLGU and RPCO.
- Sec 7.05 The PG shall allow the WB, NPCO, PSO, RPCO and PLGU to conduct audit inspection and review of financial accounting records.
- Sec 7.06 In the event that the performance of the PG falls short of the agreed objectives, targets or programs, the PG shall notify the PLGU in writing of the necessary adjustments, modifications or amendments made or to be made in accordance with the provisions of this Agreement without prejudice to the remedies available to the PLGU.

ARTICLE VIII OTHER COVENANTS

- Sec 8.01 The PG shall be responsible for bank charges and other expenses associated with remittances to and from the Enterprise Bank Account established by the PG in accordance with this Agreement.
- Sec 8.02 The PG shall maintain a monitoring and record system reflecting all the funds released and the expenditures made for the execution of the Subproject.
- Sec 8.03 The PG may manage procurement of goods, works and services. This will depend on the established capacity of the PG. The basic requirement/capacity of the PG to manage the procurement within the prescribed threshold shall include formation (if no existing procurement committee) of bidding/procurement committee, experience and knowledge on procurement/purchasing and should have attended the procurement training under the PRDP.
- Sec 8.04 The PG shall submit the Subproject Completion Report not later than three (3) months after the date of issuance of Certificate of Completion to the LGU.
- Sec 8.05 Upon the issuance of the Certificate of Completion, the PG shall operate and maintain, or cause to be operated and maintained properly, the structures, systems and facilities constructed, installed or established under the Enterprise
- Sec 8.06 (a) Any notice or request required or permitted to be given or made in this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered to PG; or such other address which the Parties hereto may specify in writing.
 - (b) Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement, on behalf of the LGU, may be taken or executed by the Local Chief Executive (LCE) or his authorized representative.
 - (c) Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement, on behalf of the LGU, may be taken or executed by the LCE except those expressly reserved in this Agreement to be taken by the LGU's Sanggunian Panlalawigan.
- Sec 8.07 By mutual consent, this Agreement or any part thereof may be changed, modified, revised and amended or supplemented for the purpose of effective implementation and management of the Subproject. All other parties concerned shall be notified/informed of such changes, revisions and amendments.

- Sec 8.08 All disputes or controversies between the parties arising out of or in connection with this Agreement which is not settled between the parties shall be elevated initially to the DA-PRDP RPCO_.
- Sec 8.09 Notarial fees and expenses incidental to the processing of this document shall be chargeable against the PG funds.

ARTICLE IX REMEDIES

- Sec 9.01 The PLGU, after according due process to PG, shall suspend the subsequent releases of the Grant if any of the following occurs:
 - (a) The PG has no or insufficient equity for the Subproject;
 - (b) Unsatisfactory performance of the PG in the implementation and execution of the Subproject;
 - (c) At any time the NPCO, PSO, RPCO and PLGU determines, during the conduct of review and monitoring activities, that the procurement of any contract to be financed by Grant is inconsistent with the procedures set forth or referred to by the WB and GOP; and/or
 - (d) Extraordinary conditions such as force majeure, fortuitous events, and the like which shall make it necessary to suspend the implementation of the Subproject.
- Sec 9.02 The LGU, at its own sole option, reserves the right to lift such suspension for the resumption of releases of Grant for the Subproject of the PG.
- Sec 9.03 Upon the recommendation of the PPMIU, the LCE shall cancel the EA if any of the following occur:
 - (a) Non-compliance or violation by the PG of any provisions of this Agreement;
 - (b) The NPCO, PSO, RPCO and/or PLGU found out, with respect to any contract to be financed by the Grant, that corrupt or fraudulent practices were engaged in by representatives of the PG or a beneficiary of the Grant during the procurement and execution of such contract, without the PG having taken timely and appropriate action satisfactory to the NPCO, PSO, RPCO and/or PLGU to remedy the situation;
 - (c) At any time, when the extent of the events mentioned in **Section 9.01(d)** escalates that shall make it improbable for the Subproject to continue to be carried out; and/or
 - (d) Upon the request of the PG.
- Sec 9.04 In such case that the Subproject is suspended or cancelled due to the fault of the PG as in Section 9.01 Sub-sections (a), (b), and (c) the following provisions shall apply:
 - (a) The PG shall be obliged to return to PLGU the unexpended and/or unliquidated balance of the released Grant of the Subproject within one month from the date of receipt of the notice of cancellation of EA.
 - (b) The amount of Grant utilized shall be refunded to LGU within three (3) months from the date of receipt of cancellation of EA.

- Sec 9.05 In case of cancellation of EA due to force majeure, as stated in Section 9.01(d), the amount disbursed and paid for the actual accomplishment of the subproject may not be returned however, any unexpended and/or unliquidated balance should be returned not later than two (2) months from the receipt of the notice of approval of cancellation of EA.
- Sec 9.06 In case of cancellation upon the request of PG as stated in Section 9.03 (d), the total amount of grant released should be returned within two (2) months after receipt of notice of approval of the cancellation.
- Sec 9.07 The PGs whose EA were cancelled but did not refund or return the grant funds in full to PLGU will not be considered for on-going and future projects and programs of the DA and PLGU, without prejudice to the filing of case against the responsible officials of PG.
- Sec 9.08 Failure to comply with Operational Plan: Should the PG fail to properly operate the enterprise in accordance with Schedule 7 (Operational Plan) and assessment criteria for a continuous period of one (1) year without justifiable cause and within the ten (10) year period from issuance of Certificate of Completion, the PLGU shall have the right to recover ownership over the facilities and/or equipment which are covered by this Agreement subject to existing laws, rules and regulations.

ARTICLE X GENERAL PROVISIONS

Sec. 10.01 Amendments and Effectiveness. The parties may, by mutual agreement, amend, alter, or modify this Agreement anytime an addendum signed by both parties. This Agreement shall take effect on the date of signing of both parties, unless sooner terminated by either party, provided further that such termination will not prejudice any ongoing subproject

IN WITNESS WHEREOF, the partners have duly executed this Agreement on the day and year set forth hereinabove.

The Provincial Government of	The Proponent Group
Governor	Position, (Name of the PG)
	WITNESSES:

ACKNOWLEDGEMENT

Republic of the Phili		
BEFORE M appeared:	E, a Notary Public for and in,	this day of 201_, personall
Name	Competent Evidence of Identity	Date/Place of Issue
	me known to be same persons who executed the feto be the same are their free and voluntary act an	
WITNESS MY HAND	AND SEAL on the date and the place first above w	ritten.
		NOTARY PUBLIC
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LIST OF ANNEXES

Annex A	_	Approved Work and Financial Plan
Annex B	_	Approved Procurement Plan

LIST OF SCHEDULES

Schedule 1	-	Definition of Terms
Schedule 2	-	Description of Enterprise
Schedule 3	-	Estimated Subproject Cost of the Enterprise
Schedule 4	-	Tentative Disbursement Schedule
Schedule 5	-	Implementation Plan
Schedule 6	-	Schedule and Requirements for the Release of Funds
Schedule 7	-	Operational Plan
Schedule 8	-	Documentary Requirements for the Liquidation of Fund Transfer

Annex 20 - SUPPLEMENTAL GUIDELINES FOR THE IMPLEMENTATION OF SMALL I-REAP LIVELIHOOD SUBPROJECT IN YOLANDA AND EARTHQUAKE AFFECTED AREAS (REGIONS 6, 7,8) OF THE PHILIPPINE RURAL DEVELOPMENT PROJECT

I. RATIONALE

The Philippine Rural Development Project (PRDP) is a six-year (2013-2018) initiative envisioned to increase farm and fishery productivity and incomes in target areas in all 16 regions of the country. The project seeks to achieve this objective by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services. Specific investments and interventions are to be implemented under four central components of the project, namely: 1) Local Planning (IPLAN); 2) Infrastructure Development (I-BUILD); 3) Enterprise Development (I-REAP); and 4) Project Support (I-SUPPORT).

As supported in World Bank's Project Appraisal Document, the first year of project implementation would pay special attention to those areas affected by Typhoon Yolanda (Haiyan) and theBohol earthquake (See Annex A for the list). The types of enterprises and infrastructure to be supported are flexible in these affected areas such that it will specifically target the gaps. For example small-scale farmers and fishers who have lost productive assets (boats, coconut trees, etc.,) coconut nursery development linked with replanting by groups of small-scale farmers or boat building linked to fisheries or seaweed production, among others.

II. SCOPE AND COVERAGE

The guidelines contain only the guiding principles in the identification and approval of IREAP Year 1 subprojects in areas affected by Typhoon Yolanda (Haiyan) and the earthquake in Bohol.

Procedures and requirements in financing the subproject, downloading of funds, procurement process and monitoring and evaluation shall follow the Financial Guidelines, Procurement Guidelines and RBME Guidelines, respectively.

III. OBJECTIVES

In general, this aims to provide sustainable income generating activities to farmers and fishers whose livelihood were affected.

Specifically, it aims to:

- 1. Provide food security interventions to affected farmers and fishers to respond quickly to their basic needs;
- 2. Bring back livelihood of the farmers and fishers damaged by Typhoon Haiyan and the earthquake by giving needed interventions; and
- 3. Augment the income of the farmers and fishers in affected areas by providing production and marketing support

IV. ELIGIBLE SUBPROJECTS

All agri-based and agribusiness subprojects are eligible. However, focus will be given to projects or enterprises of the farmers and fishers that were damaged or affected by Typhoon Haiyan and the earthquake in Bohol and those that will provide immediate livelihood to farmers and fisherfolk. Subprojects that will complement the livelihood activities received by the project beneficiaries through the RAY Program and from other donors may also qualify.

V. ELIGIBILITY REQUIREMENTS FOR THE PROPONENT GROUP

A **Proponent Group (PG)** is defined as organization of farmers or fishers in the affected areas which may or may not be registered with DOLE, CDA or SEC.

- 1. Letter of Intent addressed to the LGU
- 2. LGU Evaluation on the Financial and Organizational Capability of the Proponent Group
- 3. A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors, or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the government implementing agency authorized to process and/or approve the proposal, the MOA and the release of funds. Relationship of this nature shall automatically disqualify the NGO/PO from being granted the fund
- 4. Certificate of No Unliquidated Account with LGU and DA.
- 5. Capacity to provide an equity or counterpart of at least 20% in cash and/or kind to the total enterprise cost; Proof of Equity (Cash- Bank Certificate); Land Title/ Lease Contract/ Deed of Donation, etc (as applicable)

VI. IMPLEMENTATION PROCEDURES

1. Identification of Subproject

Identification of subproject will be based on the immediate need of the farmers and fishers whose livelihood has been damaged and affected by typhoon Haiyan and the earthquake. The subproject may also focus on establishing marketable surplus, production support and common service facilities. The subproject may emanate directly from the possible proponents or from the local government units.

2. Conduct of Site Validation and Evaluation

The Regional Project Coordination Office (RPCO) together with the P/M/CPMIU shall conduct site validation and evaluation of the proposed proponent group (PG). The criteria for selection of PG stated in Annex 8 of the I-REAP Operations Manual may be used in identifying the PG who will implement the subproject.

3. Preparation of Subproject Proposal/Business Plan

After identification of subproject and the PG, the P/M/CPMIU will facilitate the preparation of the subproject proposal and documentary attachments (See Annex A for the Subproject Proposal Outline).

The P/M/CPMIU will also assist the PG in complying with all the documentary requirements of PRDP including requirements for infrastructure (if any) and Social and Environmental Safeguards as stated in the I-BUILD Operations Manual and SES Guidelines, respectively. The PG and the PPMIU/MPMIU/CPMIU as the case maybe should help each other in the subproject proposal preparation.

The subproject proposal including all its attachments should be approved by the Governor or City/Municipal Mayor, as the case maybe and shall be endorsed to the RPCO for Technical Review.

4. Review and Approval of Subprojects

a. RPCO Technical Review

The RPCO upon receipt of the subproject proposal and all its attachments shall convene a Technical Review Committee which will be composed of members from RPCO I-REAP, commodity expert from

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concerned agency or DA banner program and experts from other government agency and the private sector. The technical evaluation will be done using the I-REAP Appraisal Form (Annex 13 of the I-REAP OM). A technical review report duly signed by the RPCO I-REAP Head and approved by the Regional Executive Director or RPCO Focal Person shall be prepared by the RPCO highlighting their findings on the subproject proposal. If the review is found to be satisfactory or depending on the findings of the Technical Review Team, the RPCO shall endorse the subproject proposal including all its attachments and a copy of the signed Appraisal Form and technical review report to the PSO.

For infrastructure component of the I-REAP subproject, the Detailed Engineering Design (DED), Bill of Materials and Program of Works and other supporting documents shall be reviewed by I-BUILD.

b. Compliance Review

The PSO shall conduct Compliance Review to the submitted subproject proposal and its attachments. The PSO shall validate and confirm the technical review conducted by the RPCO and the compliance of the subproject to the PRDP requirements. The PSO shall prepare Compliance Review Report highlighting its findings. It will endorse its findings to the RPCO.

c. RPAB Approval

Subprojects which satisfactorily passed technical review and compliance review will be endorsed by the RPCO to the RPAB for approval. An RPAB Resolution will be prepared by the RPCO which will be the basis of approving the subproject and the preparation of the Implementation Management Agreement (IMA).

5. Issuance of No Objection

Livelihood subprojects will be issued No Objection Letter by the PSO. Procedures and thresholds set in theI-REAP Operations Manual will be followed.

6. Signing of the Implementation Management Agreement (IMA)

Upon RPAB Approval, the PSO shall draft the IMA which will serve as the agreement between the PSO, RPCO and the P/M/C LGU in the implementation of the I-REAP subproject. A separate IMA shall be prepared for the enterprise operation and the infrastructure component of the subproject.

Annex 21 - SUBPROJECT PROPOSAL OUTLINE

SUBPROJECT PROFILE (2 pages max)

Title	(Indicate place, product and enterprise intervention in the title)
Location	(Indicate Municipalities covered in the enterprise intervention)
Components	(Indicate one or more enterprise interventions based on enterprise prioritization results and describe briefly how each component will contribute to the development of the industry and the goals of PRDP) ☐ Input Provision; Production; Ostharvest; Processing; ☐ Marketing/Trading
Products and/or Services	(Indicate product/s form / common name and or services, annual capacity and seasonality, if applicable) Product/s: Service/s: Annual capacity: Seasonality:
Stage of enterprise/s	Start-up; Expansion; Upgrading
Name of the Proponent Group	(Indicate official name of proponent group as registered based on proponent group selection results)
Contact Person / Designation	
Address	
Contact Numbers	Landline: Fax: Mobile: E-mail:
Business Registration	☐ Cooperative Development Authority; Year Registered: ☐ Securities and Exchange Commission; Year Registered: ☐ Department of Labor & Employment; Year Registered:
Enterprise Clusters or other participating groups	
Producers/ Suppliers	(Indicate groups and their corresponding no. of producers, production area, estimated yield, show seasonality if applicable)
Target Buyers	(Indicate buyers and their respective and volume requirement per season or year including marketing arrangements e.g. contract, P.O)

Investment Capital Requirement

Components / Line Items(should be specific)	Amount, PhP	Fund Sources (PhP)				
		I D (Cach)	con	LCII	Proponent Group	
			GOP (Cash)	LGU (Cash)	Cash	In-Kind

NG-LGU Cost Sharing

Fund Source	Enterprise Cost		Infrastructure Cost		Livelihood
	Amount (PhP)	Cost Sharing (%)	Amount (PhP)	Cost Sharing (%)	Proposal Amount (PhP)
LP		60		80	
GOP		20		10	
LGU		20		10	
Total		100			
PG Equity		20			
Total with PG					

EXECUTIVE SUMMARY (1-2-page summary of the sub-project proposal highlighting key points such as: description of the subproject and its components, project rationale, damage caused by the typhoon/earthquake, brief description of the proponent, target market, management and ownership of the enterprise, operational plan, financing requirement including cost sharing and equity and financial returns)

I.PROJECT RATIONALE

- Focusing on the effect of the typhoon/earthquake to the economic situation of the beneficiaries, discuss
 in detail why the project/enterprise is being proposed. What is the previous status of the organization
 (economic activities undertaken) and the status of the farmers before the calamity, what is their current
 status and what is the expected impact of the subproject to their economic upliftment.
- 2. Discuss the profile of the proponent, the projects or activities undertaken, organizational status (new or existing), reason for selecting the proponent, number and profile of its members.
- 3. State the project objectives (general and specific).

II.MARKET STUDY

- 1. Product Description (discuss the kind of product to be produced by the project including quantity to be sold, quality standards/specifications)
- 2. Discuss the target market/buyer, the volume requirement, marketing arrangements
- 3. Supply and Demand Situation (if data is available)
 - discuss the availability of supply, major producing municipalities, volume and hectarage
 - discuss the market demand, major buyers, and volume requirements
- 4. Marketing Strategies (discuss how the PG intend to market its product including the form of product to be sold, the packaging to be used, brand (if any), pricing strategy for the product, place of distribution and how will the product arrive at the place of distribution (mode of transportation used), picked-up or delivered, frequency of selling, and the promotional activities that will be undertaken to make the product known to the target consumers).

III. OPERATIONAL PLAN

- Ownership and Management (discuss how the subproject will be managed including organizational structure, project management and its roles and functions; capability of the PO to handle the project; does the staff have the necessary skills; training needs; number of personnel needed for the project implementation and operation; include when the organization will be registered to CDA or SEC, if not yet registered)
- 2. Production and Operation Process (discuss how the project will be operationalized, provide process flow, resources needed)
- 3. Facilities and equipment (discuss the facilities and equipment required including specifications and capacity; for civil works or infrastructure describe where it will be located, access to road network, technical design or specifications; include where to source the facilities and equipment and estimated costs by fund source)

IV. SOCIAL AND ENVIRONMENTAL SAFEGUARDS

1. Social Safeguard Aspect

A. Subproject Beneficiaries

Who are the beneficiaries of the subproject? What is their socioeconomic status? Have they been consulted? Describe the consultation process (indicate date, location and attendees of meetings). Have they accepted the proposed project? What are their concerns and inputs? Describe the minutes of the meetings if any? Are the women represented in these consultations (describe attendance of women)? What are their concerns/inputs (describe any particular inputs from women, if any)? (Attach minutes of the meeting/s, attendance, photos during consultation/s).

B. Indigenous Cultural

Community/Indigenous Peoples (ICC/IP)— Is the project located inside an ancestral domain? If the project is not situated inside any ancestral domain, is it going to affect any extant IP/ICC community or are there beneficiaries who are members of the IP/ICC community? What particular IP/ICC community is involved? What is their socioeconomic status as compared to the mainstream group? Did the IP/ICC community solicit the subproject themselves? If they did not solicit the project, have they been consulted and have they given their endorsement of the project? Describe the consultation process thus far conducted. Indicate date, location and attendees of meetings. Describe the minutes of the meetings if any. What are their concerns and inputs?

Note that: If the Project is inside any ancestral domain, or if there are any intact ICC/IP community to be affected by the project, either of the following should be secured:

Certificate from the local tribal chieftain, or from the local tribal council or from NCIP that the project is part of the ICC-IP's development plan or is part of their Ancestral Domain Sustainable Development and Protection Plan (ADSDPP);

Certificate from the local tribal chieftain that the project is solicited by the ICC-IP themselves; or, An endorsement (e.g. in a form of a Resolution) from ICC/IP community together with evidence of consultations conducted (e.g. minutes of meetings and list of attendees, issues and concerns raised and how they were addressed).

C. Status of Land Ownership

What is the ownership status of the proposed site or production area? Describe the site requirement in terms of area (sq. m), land tenure, and existing land use.

If documents or proofs of land ownership were lost in the Yolanda disaster and securing new documents will take a long time, then secure a certificate from the Municipal Assessors or the Mayor certifying the identities of the PG members and status of ownership of the lot they will use for the subproject.

If the subproject is inside Ancestral Domain or if not inside, it adversely affects an extant IP/ICC community who are not themselves beneficiaries of the subprojects, then an FPIC/CP should be secured under the auspices of the NCIP.

2. Environmental Safeguard Aspect

A. Natural habitat

Describe the project site (i.e., the lands to be traversed by the proposed road, the actual site of the PWS or structure, etc.) in terms of land use, vegetation, wildlife, presence of water ecosystems, endangered and other important species. How are they going to be impacted by the project? Is the project site within an officially declared or proposed protected area of natural habitat?

B. Hazards/Risk Assessment (Drainage Situations, Erosion and Flooding Potential) – describe the drainage situations, erosion and flooding potential of the project site. How does it going to be impacted on the proposed subproject?

Note that: PRDP loan should not be used to fund subprojects involving civil works that encroach into Protected Areas of natural habitat such as areas declared as Natural Parks under NIPAS, except for NRM subprojects that are allowed as per provisions of the NIPAS law of Buffer Zone, or Multiple Use Zone, and the law creating the Natural Park.

C. Social and Environmental Impact (-attach the ESMP)

(Template for subproject type will be provided to the PG. Waste management and use of pesticides and agrochemicals or even IPM will be discussed in this section. Please be reminded that usage of any pesticide will be charged against the PG equity, and red labeled pesticide are not allowed)

V. FINANCIAL ASPECT

- 1. Indicate financial assumptions used in computing the investment/project cost, sales and expenses
- 2. Investment/Project Cost (in details including fixed capital, working capital and preoperating expenses)
- 3. Production Schedule (one-year period)
- 4. Production Costs and Returns (one-cycle)
- 5. Projected Sales (one-year period)
- 6. Projected Income Statement (one year period)
- 7. Financial Analysis (return on investment)