

APPENDIX A

**PRDP Scale Up
Prioritization Scheme for
Proposed I-BUILD Subprojects**

Philippine Rural Development Project (PRDP) Scale Up

Updated June 9, 2023

I-BUILD Component

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I. Background and Rationale

The proposed Philippine Rural Development Project (PRDP) Scale Up is a follow-on project of the Department of Agriculture to the current PRDP which started implementation in 2015 and will be completed in 2025. Expected to be implemented from 2023 to 2029, PRDP Scale Up shall build on and expand on the gains, best practices, and lessons learned of PRDP to respond to the persistent challenges confronting the agri-fishery sector and the rural communities in the country. The Project aims to improve farmers and fisherfolk access to markets and increase income from selected agri-fishery value chains by adopting the clustering and consolidation strategy of farmers and fisherfolk groups producing priority commodities that are within the Provincial Commodity Investment Plans and aligned with the National Agriculture and Fisheries Modernization and Industrialization Plan (NAFMIP). Interventions shall include, among others, the emphasis on rebuilding the whole value chain and logistics, prioritizing farm-to-market roads (FMRs) and other value chain infrastructure support.

PRDP has seen a strong and growing demand for rural infrastructure investments particularly FMRs aimed at boosting local agri-fishery developments in the rural areas of the country. This is shown in the robust pipeline of I-BUILD subproject proposals received by the Project from interested Local Government Units (LGUs) since PRDP started in 2015. With the limited budget of PRDP under the three (3) World Bank loans vis-à-vis the high demand, the Project developed and implemented in 2018 a prioritization scheme for I-BUILD subprojects proposed for funding under the first Additional Financing (AF1) that aimed to prioritize subprojects that are technically and economically viable and will create the greatest socio-economic impact as well as look at the performance of LGUs that have implemented subprojects under PRDP. A modified and updated prioritization scheme and guidelines were implemented in May 2021 under the Second Additional Financing (AF2).

The high demand for I-BUILD subprojects continues under the PRDP Scale Up with a pipeline worth nearly thrice the allocated I-BUILD budget. Hence, it is deemed necessary for the Project to continue adopting a mechanism to prioritize the funding of subprojects based on key socio-economic indicators that have the greatest impact and are aligned with the development objectives and thrusts of the new project.

Setting criteria for prioritization of subprojects will aid the decision makers in selecting subprojects for funding. The prioritization scheme will serve as a tool to rationalize programming of the I-BUILD Component given the limited resources and to justify the selection of subprojects to participating LGUs.

I-BUILD Component**II. I-BUILD Prioritization Scheme**

Under the PRDP Scale Up, the Project shall adopt and implement a modified I-BUILD Subproject Prioritization Scheme and Guidelines based on experience and learnings in the implementation of the scheme under AF1 and AF2, and in support to the achievement of the project development objectives. This scheme would aid in streamlining the demand for I-BUILD infrastructure subprojects by prioritizing subprojects to be initially reviewed by the PRDP Scale Up technical review team. The project's immediate strategy for programming annual I-BUILD portfolio includes:

- (a) expanding the project's support to LGUs yet to propose subprojects under PRDP,
- (b) increasing diversity in the portfolio of I-BUILD infrastructure subprojects,
- (c) maximizing potential impacts of rural development projects, and
- (d) ensuring subprojects approved are in line with Commodity Investment Plans (CIP).

This document is an updated version of the May 2021 I-BUILD Prioritization Scheme and Guidelines which will be applied to new subproject proposals submitted by interested LGUs for possible funding under the PRDP Scale Up. Subproject proposals evaluated and had passed previous prioritization runs under AF2 (or AF2-EU) shall not be required to undergo subproject prioritization except in the following cases:

- (a) Subproject proposal has been revised (i.e., new location or change in LGU proponent or change in target influence or service area). Such subproject shall be considered as a new proposal and shall be subjected to the new prioritization guidelines; and,
- (b) If the LGU proponent has an unresolved grievance or long-overdue non-compliance on environmental and social safeguards, the LGU proposal will be tagged as deferred until such time that the grievance or non-compliance has been satisfactorily cleared.

The framework and process flow of the prioritization scheme are shown in Figures 1 to 2.

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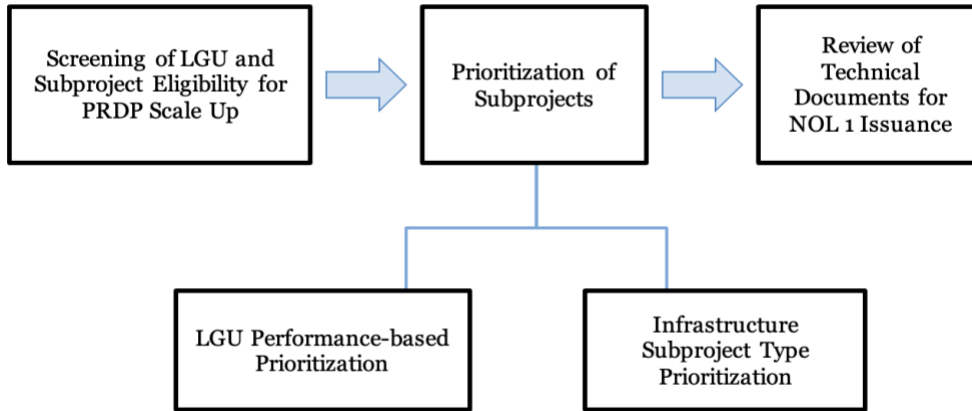


Figure 1. Framework of I-BUILD prioritization scheme

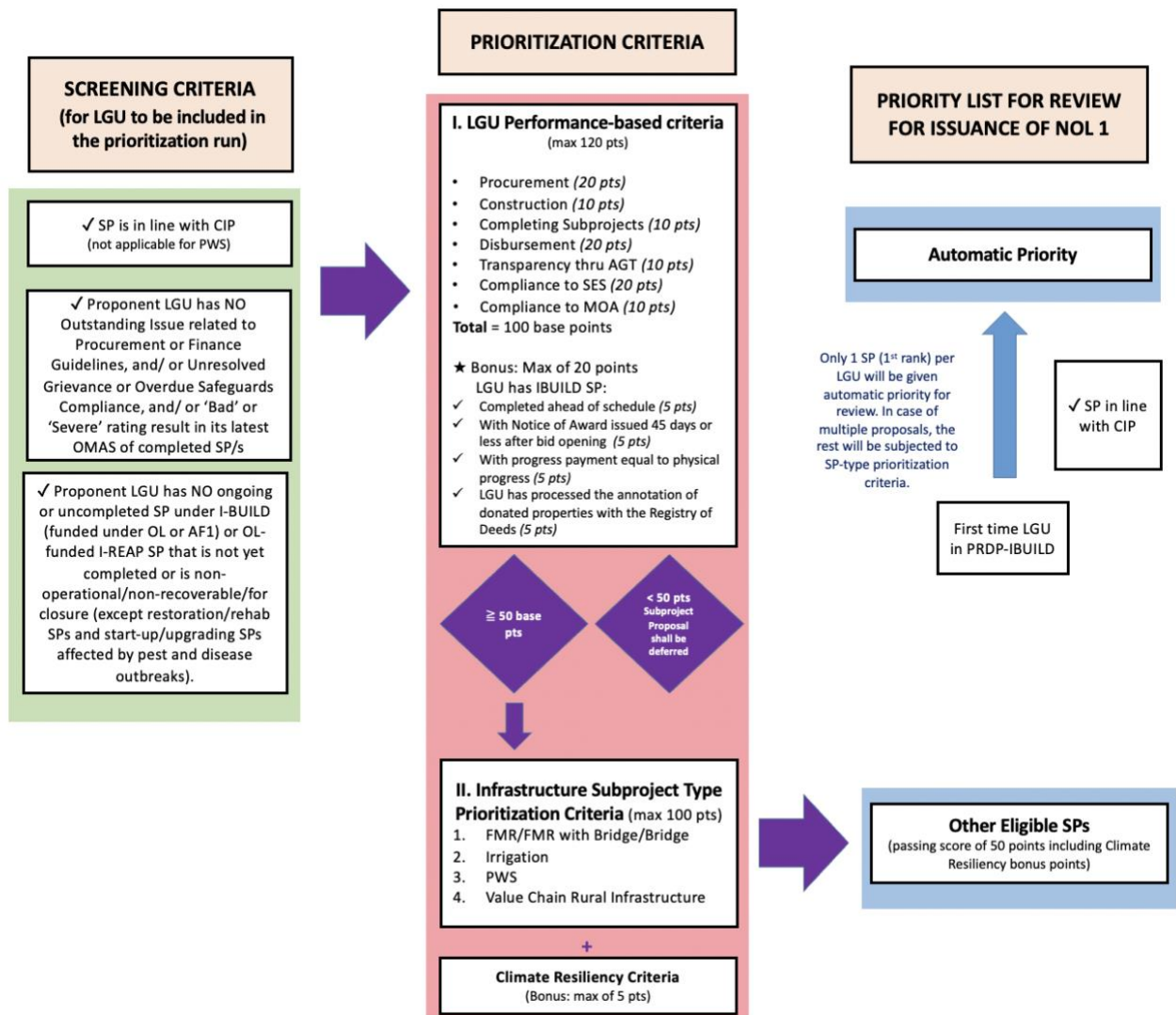


Figure 2. Process flow for implementing the prioritization scheme

I-BUILD Component**A. Screening of Subproject Proposal and LGU Eligibility for Financing Under PRDP Scale Up:**

The first screening process involves an assessment of eligibility of the subproject proposal and of the LGUs availing funds from the PRDP Scale Up. Eligibility is conditional on all items enumerated below:

Condition 1. Proposals under PRDP Scale Up must be in line with the latest updated and approved Commodity Investment Plan (CIP). Proposals not in line with CIP or from an LGU without an approved CIP will be deferred until the required document has been approved.

Condition (1) is placed to strengthen the institutionalization of CIPs and Value Chain Analysis (VCAs) as investment planning tools of the LGUs.

Exemption to Condition 1. *Potable Water System (PWS) Proposals will be exempt from satisfying condition 1. The main purpose of providing a PWS subproject is to address social needs, especially health and sanitation concerns of farmers and fishers. Moreover, these subprojects are not commodity--- driven and will not necessarily require linkage in support of the locality's priority commodity. It is for these reasons that the PWS will be exempt from lining up with the CIP (condition 1).*

However, Condition 2 (see below) must still be satisfied for the PWS proposal to be considered for automatic priority while Conditions 3 and 4 must be satisfied for the proposal to be included in the pool of subprojects to be assessed through the Prioritization of Subprojects based on LGU's Performance and the Proposal's Infrastructure Subproject Type.

Condition 2. LGUs with no approved PRDP I-BUILD subproject but have signified interest and commitment to the Project by submitting proposals will be accommodated and given high priority.

However, priority on proposals from first-time LGUs will be limited to one (1) subproject per proponent, whether Province LGU, City LGU or Municipal LGU. In case of multiple proposals from LGUs, only one subproject will be given automatic priority and gain maximum points under the I-BUILD Subproject Prioritization Scheme. In this case, the proponent LGU shall rank its proposals and only the first-ranked proposal shall be given automatic priority while the other proposals will be subjected to the Subproject Prioritization Criteria.

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In attaining inclusiveness of all LGUs in PRDP, the Project will make efforts to consciously seek their participation. Part of the strategy is to provide priority to their first I-BUILD proposals, whether it be FMR, communal irrigation system (CIS) or small-scale irrigation system (SSIP), PWS or other value-chain rural Infrastructures.

Condition 3. Proposals of LGUs with I-BUILD subprojects funded/approved under PRDP Phase I (i.e., Original Loan (OL), AF1, AF2 and AF2-EU that have: a) an unresolved or outstanding issue/s relating to non-conformance with PRDP Procurement and Finance Guidelines; and/or b) unresolved grievance related to subproject implementation or overdue compliance of environmental and social safeguards requirements; and/or, c) a completed I-BUILD or I-REAP subproject (civil works only) with ‘Bad’ or ‘Severe’ rating in the latest PRDP Operations and Maintenance Audit System (OMAS) conducted, shall be deferred until the unresolved issue/grievance has been settled and the safeguards have been complied with, and until the OMAS rating improves to either ‘Fair’ or ‘Good’.

Condition (3) aims to further promote efficient implementation of I-BUILD subprojects. Part of effective project implementation involves diligently complying to PRDP environmental and social safeguards and guidelines as well as proactively resolving grievances. The condition likewise aims to ensure that LGUs with completed subprojects are properly operated and maintained based on prescribed standards and guidelines under the OMAS. Thus, considering the repercussions to both the LGU and the Project of unresolved issues relating to non-conformance with PRDP Procurement and Finance Guidelines, unresolved grievance related to subproject implementation or overdue compliance of safeguards requirements, and a ‘bad’ or ‘severe’ rating as the latest result for completed subproject/s subjected to the OMAS, LGUs cannot proceed to attaining and implementing additional I-BUILD subprojects under PRDP Scale Up unless such concerns have been dutifully and satisfactorily addressed.

Condition 4. A proponent LGU with incomplete I-BUILD subproject funded under OL/AF1 or I-REAP subproject funded under OL, shall not be eligible for inclusion in the prioritization run. Ineligibility shall be lifted upon the issuance of Certificate of Completion by PRDP for the aforesaid subproject. In case the LGU proponent has an OL-funded I-REAP subproject (except: a) restoration or rehabilitation small livelihood subprojects, and b) start-up and upgrading subprojects affected by pest and disease outbreaks) that is non-operational or was declared non-recoverable and for closure at the time the I-BUILD proposal is submitted for prioritization, the LGU I-BUILD proposal shall also be deferred until NPCO I-REAP certifies that said SP has

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recovered or is operational.

Safeguards have various instruments in ensuring that the adverse environmental and social impacts of the Project will be avoided or minimized through appropriate mitigation/ management measures. Such instruments are based on the Integrated WB Safeguards Policies and Environmental and Social Safeguards Framework (IESSF) of the Project such as the Social Assessment and Environmental Assessment (SA/EA) of the Feasibility Study; Environmental and Social Management/Mitigation Plan (ESMP); Guidelines in Selection and Operation of Waste Disposal, Quarry Site, Borrow pit, and Batching Plant; DOLE – Approved Occupational Health and Safety Plan (DOLE---OSH Plan); Resettlement/Relocation Action Plan (RAP); Indigenous Peoples/Indigenous Cultural Community Plan (IP/ICC Plan); among others. These instruments are either the responsibility of the LGUs and/or Contractor and such are being regularly monitored and supervised by the Project to ensure safeguards compliance.

Overdue safeguards compliance means that there have been at least three (3) monitoring and supervision activities conducted by the Project and non---compliance to the safeguards instruments are still observed. Thus, considering that the safeguards objectives are not being met, LGUs cannot proceed to attaining additional I-BUILD subprojects under the PRDP Scale Up unless such concerns have been dutifully and satisfactorily addressed.

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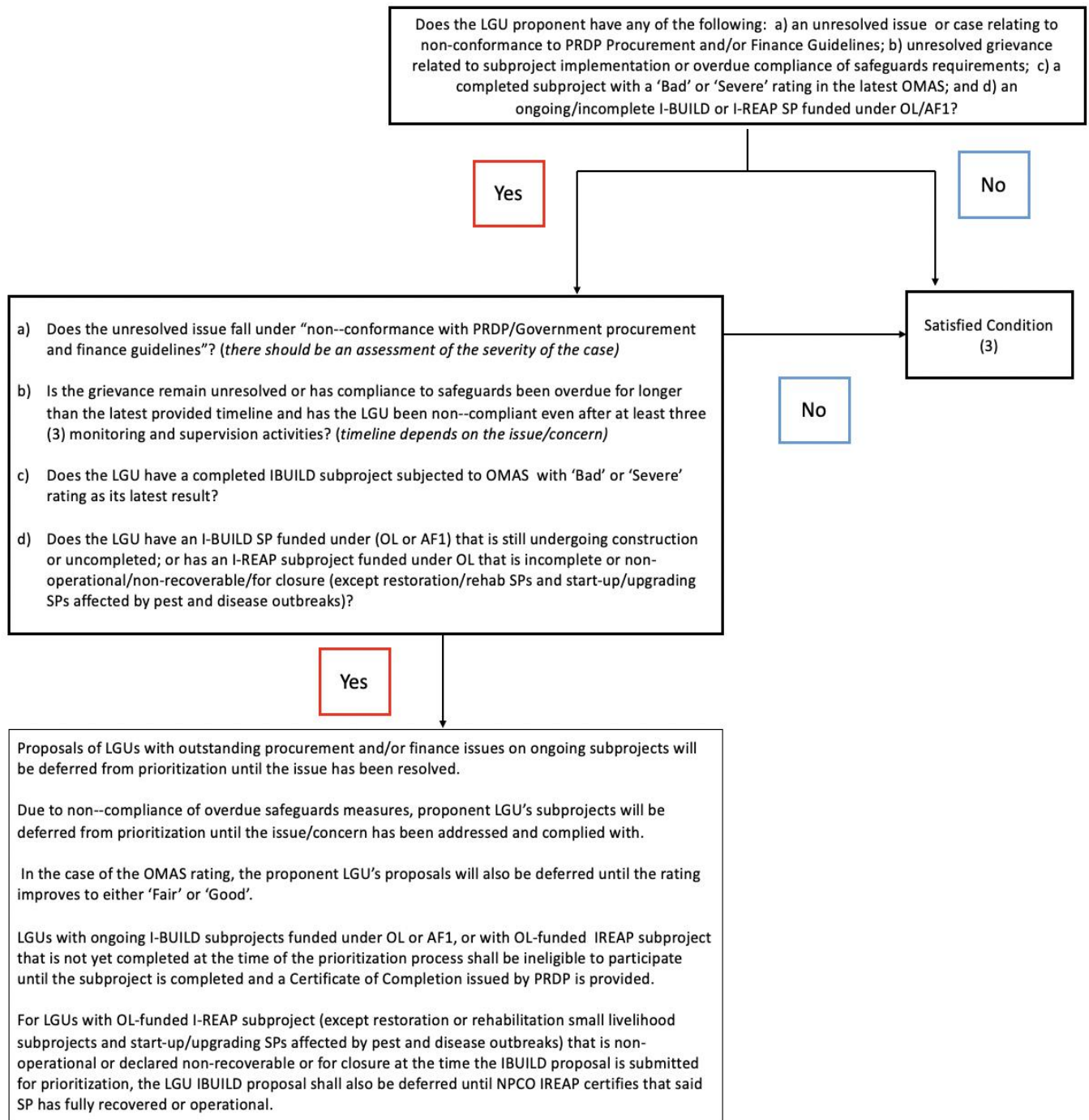


Figure 3. Process flow for assessing Conditions 3 and 4

I-BUILD Component**B. Prioritization of Subprojects based on the Proponent LGU's Implementation Performance and the Proposal's Infrastructure Subproject Type**

Once LGUs have satisfied the screening conditions, their proposals will be subjected to prioritization based on their performance in previous implementation of I-BUILD subprojects and the current proposal's infrastructure type.

Moreover, in support of the Risk Resiliency & Sustainability Program of the Climate Change Cabinet Cluster, bonus points under the Climate Resiliency Criteria will be provided for provinces located within the identified vulnerable water basins. Through this, the Project aims to strengthen the strategic provision of climate---resilient interventions.

Details of the prioritization criteria and scoring system are further discussed in Section III of this Guideline.

B.1 LGU Performance---based Prioritization

LGUs to be subjected to this aspect of prioritization are those who have already been awarded subprojects by PRDP and are proposing additional infrastructure subprojects for funding under PRDP Scale Up in line with the LGU's investment plans. LGU's performance in I-BUILD subprojects funded under the PRDP Original Loan and the two additional financing loans as well as civil works of I-REAP subprojects funded under the PRDP Original Loan will be assessed in the following areas: procurement, construction and/or completing construction, disbursement, transparency compliance, compliances to social and environmental safeguards, and provisions/conditions in the Memorandum of Agreement (MOA) forged between DA and the LGU under the PRDP Scale Up. Bonus points will also be awarded to LGUs with above standard performance. To incentivize the well---performing LGUs, their proposals will be given relatively higher priority, subject to the following performance---based criteria:

Table 1. LGU Performance---based criteria

Criteria	% Weight
Procurement Performance	20%
Construction Performance	10%
Performance in Completing Subprojects	10%
Disbursement Performance	20%
Transparency Compliance thru Applied Geotagging Tool (AGT)	10%

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Compliance to Social and Environmental Safeguards	20%
Compliance to MOA Conditions	10%
TOTAL BASE POINTS = 100	100%
Criteria	% Weight
<i>Bonus (a): LGU has I-BUILD SP completed ahead of schedule</i>	5 points
<i>Bonus (b): LGU has I-BUILD SP with Notice of Award (NOA) issued 60 days or less after bid opening</i>	5 points
<i>Bonus (c): LGU has I-BUILD SP with progress payment that is equal to physical progress</i>	5 points
<i>Bonus (d): LGU has processed the annotation of land title of donated properties to the Registry of Deeds</i>	5 points
<i>Subtotal Bonus points</i>	20 points
<i>Maximum number of points</i>	120

Decision Rule:

- Passing score for LGU performance = 50 points (50% of basic points)
- If an LGU scores less than 50 points, subproject proposal shall be deferred and will not be subjected to subproject-type prioritization

B.2 Infrastructure Subproject Type Prioritization

Except for the first-ranked subproject proposal of a first-time LGU proponent, all I-BUILD subproject proposals shall be subjected to a set of technical and socio-economic criteria for each subproject type. Proposals with the highest potential socio-economic impact to rural development in consonance with the development objectives of PRDP Scale Up shall be given higher points in the priority pipeline of the project for technical review.

Table 2. Prioritization Criteria of Proposed FMR Subprojects (including FMR with Bridge and Stand-alone Bridge)

Criteria	% Weight
Poverty Incidence of municipality/city (SP location)	20%
E---VSA Ranking	20%
Road Influence Area (RIA) Density (agricultural area in ha/km)	20%
Number of Direct Household Beneficiaries per Kilometer (or per SP if Bridge)	20%
Proportion (%) of farmer/fisher household beneficiaries among total direct household beneficiaries	20%
TOTAL	100%

I-BUILD Component**Table 3. Prioritization Criteria of Proposed Irrigation and Value Chain Infrastructure Subprojects**

Criteria	% Weight
Poverty Incidence of municipality/city (SP location)	40%
Investment cost per direct beneficiary served	40%
E---VSA Ranking	20%
TOTAL	100%

Table 4. Prioritization Criteria of Proposed Potable Water System Subprojects

Criteria	% Weight
Poverty Incidence of municipality/city (SP location)	40%
Investment cost per direct household beneficiary	40%
Proportion (%) of farmer/fisher household beneficiaries among total direct household beneficiaries	20%
TOTAL	100%

C. Climate Resiliency Criteria (Bonus Points)

In support of the Risk Resiliency Program (RRP) of the Cabinet Cluster on Climate Change Adaptation, Mitigation and Disaster Risk Reduction (CCAM-DRR)¹, headed by the Department of Environment and Natural Resources (DENR) with the Department of Agriculture as a member, PRDP Scale Up incorporates a Climate Resiliency Criteria into the I-BUILD SP Prioritization Scheme. The Project will put premium on subproject proposals located in the 24 priority vulnerable provinces (**see Table 5**) identified in the CCAM-DRR Cabinet Cluster Road Map.² Bonus points shall be based on the amount of per capita I-BUILD investment in the province' rural population.

¹The Risk Resiliency Program is a national convergence program aimed to assist the Philippine Government to deliver climate change adaptation and mitigation outcomes, particularly on strengthening the resiliency of natural ecosystems and the adaptive capacity of vulnerable communities to short- and long-term risks in key Philippine landscape. The Program has four (4) desired outcomes: 1) increased adaptive capacities of vulnerable communities; 2) ensure adequate supply of clean air, water and other natural resources; 3) increased resiliency of critical infrastructure; and 4) enhanced knowledge, access to information and institutional capacities.

²The CCAM-DRR Cabinet Cluster Roadmap for 2018-2022 initially identified 22 priority vulnerable provinces with two (2) additional provinces (Masbate and Sorsogon) and four (4) major urban centers (Metro Manila, Metro Cebu, Metro Iloilo and Metro Davao) as per the April 14, 2023 RRP Technical Review Committee (TRC) meeting. DA is a member of the TRC. (Source: Climate Change Service, DENR)

I-BUILD Component**Table 5. List of provinces most vulnerable to risks of climate change**

	Cluster	Region	Province
1	North Luzon	CAR	Apayao
2	North Luzon	CAR	Ifugao
3	North Luzon	CAR	Kalinga
4	North Luzon	CAR	Mountain Province
5	South Luzon	Region 5	Catanduanes
6	South Luzon	Region 5	Masbate
7	South Luzon	Region 5	Sorsogon
8	Visayas	Region 7	Negros Oriental
9	Visayas	Region 7	Siquijor
10	Visayas	Region 8	Eastern Samar
11	Visayas	Region 8	Northern Samar
12	Visayas	Region 8	Samar
13	Visayas	Region 8	Southern Leyte
14	Mindanao	Region 9	Zamboanga del Norte
15	Mindanao	Region 10	Bukidnon
16	Mindanao	Region 12	North Cotabato
17	Mindanao	Region 12	Sarangani
18	Mindanao	Region 12	Sultan Kudarat
19	Mindanao	Region 13	Surigao del Norte
20	Mindanao	Region 13	Surigao del Sur
21	Mindanao	Region 13	Dinagat Islands
22	Mindanao	BARMM	Lanao del Sur
23	Mindanao	BARMM	Maguindanao
24	Mindanao	BARMM	Sulu

Decision Rule:

Passing score for subprojects based on SP-type criteria including climate resiliency bonus points = 50 points

Subproject proposals that pass the LGU performance criteria and SP-type prioritization criteria shall be included in the priority pipeline of I-BUILD for technical review. A subproject proposal of an LGU proponent that passed the performance criteria but fails to garner the minimum 50 points in the SP-type prioritization and climate resiliency criteria will not be included in the priority pipeline of I-BUILD.

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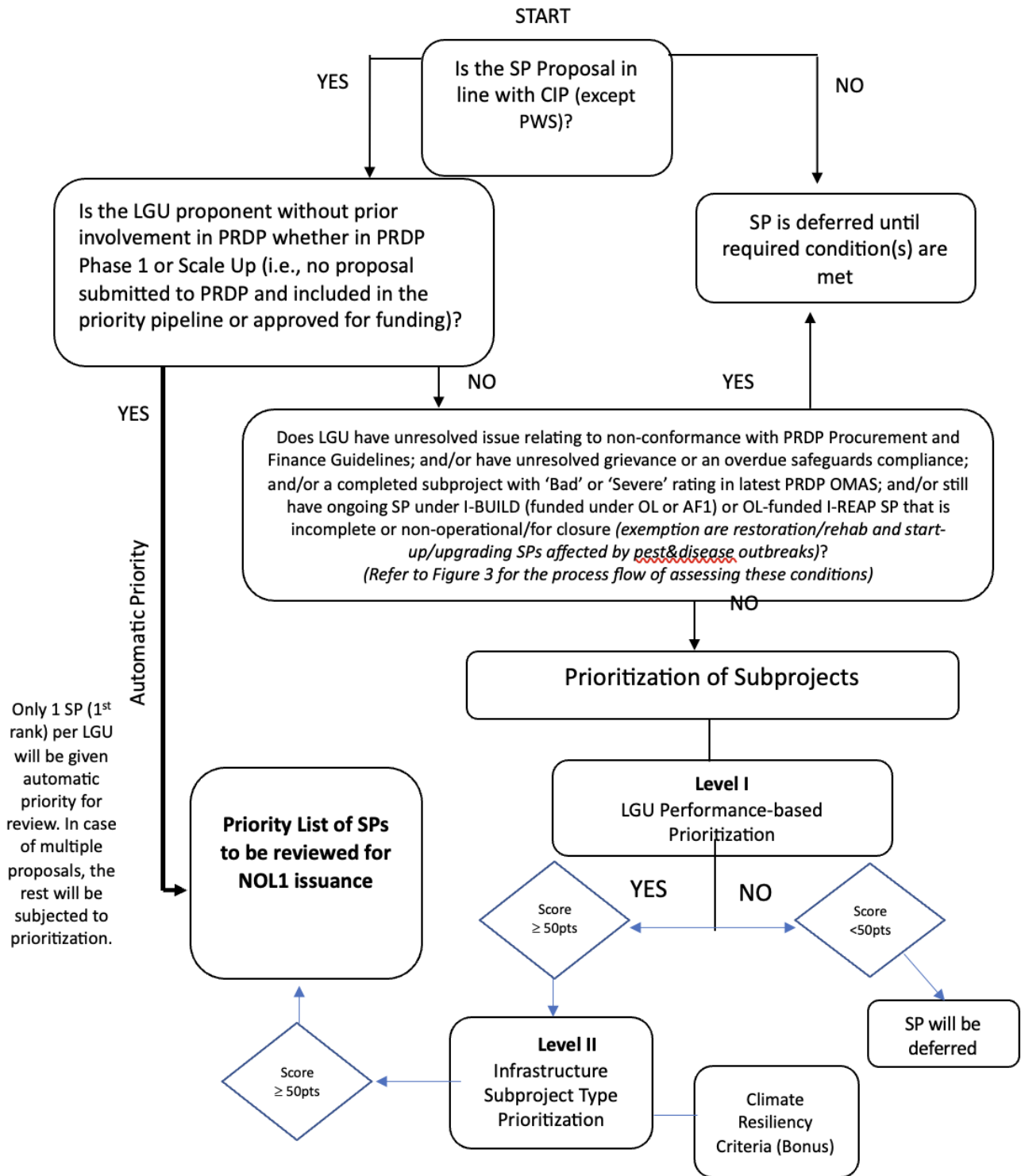


Figure 4. Flow chart of operationalization of the prioritization scheme

I-BUILD Component**III. Prioritization Scoring System for LGU Performance---based Criteria and Subproject Infrastructure Type Criteria****A. LGU Performance---based Prioritization Scoring System**

These criteria consider the performance of the LGU during the procurement, construction and disbursement stages, its performance in completing subprojects, as well as transparency compliance thru AGT, compliance to Social and Environmental Safeguards, and compliance to pertinent conditions in the MOA. LGU performance will have a maximum basic points of 100. Bonus points are also provided to specific LGU proponents with I-BUILD subprojects completed ahead of schedule, with Notice of Award (NOA) issued **45 days or less** after bid opening, and those with progress payment that is equal to physical progress of the subproject. This system favors LGUs that have proven effective and efficient in subproject implementation.

Assessment of the LGU proponent's performance in all stages (procurement, construction, and disbursement) as well as performance in completing subprojects, transparency compliance thru Applied Geotagging Tool (AGT), and compliance to social and environmental safeguards, covers all completed and ongoing I-BUILD subprojects, and I-REAP subprojects funded under the Original Loan, where such criteria is applicable.

1) Procurement Performance Scoring System

This criterion is given a weight of 20% of the maximum basic score of 100 points. The scoring system is shown in Table 6 below.

Table 6. Procurement Performance Scoring System – 20% weight

No. of Days of Delay in Completing Procurement (Against Prescribed Procurement Duration)	Score
No delay / Ahead of Schedule	20
1 to 30 days delay	19
31 to 60 days delay	18
61 to 90 days delay	17
91 to 120 days delay	16
121 to 150 days delay	15
151 to 180 days delay	14
181 to 210 days delay	13
211 to 240 days delay	12

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241 to 270 days delay	11
271 to 300 days delay	10
301 to 330 days delay	8
331 to 360 days delay	6
361 to 390 days delay	4
391 to 420 days delay	2
421 days and above/Rebidding	0

Procurement performance will be assessed based on the timeliness of preparing procurement documents (from preparation of bidding documents to preparation of Bid Evaluation Report or BER). The longer the delay, the lower is the score.

Assessment of the LGU's procurement performance covers all completed and ongoing I-BUILD and I-REAP subprojects, including subprojects with community procurement. In the case of I-REAP subprojects, the total number of days delay of all procurement packages for each subproject shall be computed, as long as the cause of delay/s is adjudged as within the control of the LGU. For an LGU with more than one (1) subproject to be assessed, the score will be computed based on the average number of delays for all subprojects.

2) Construction Performance Scoring System

The percentage weight for construction performance is 10% in case the LGU proponent has both ongoing and completed subprojects, or 20% in case the LGU has only ongoing subprojects and no completed subprojects yet.

Table 7. Construction Performance Scoring System (Case 1) – 10% weight

Level of Slippage	Score
0% and positive	10
>0% to 5%	8
>5% to 10%	5
>10% to 15%	2
>15%	0

Performance on construction will be evaluated based on the targeted schedule of accomplishment as indicated in the S---curve. In cases when there will be approved work extensions, the assessment and scoring will be based on the revised S---curve.

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In case the LGU has ongoing subprojects and no completed subprojects yet, this criterion will be given 20% weight instead and the scoring system will be as follows:

Table 8. Construction Performance Scoring System (Case 2) – 20% weight

Level of Slippage	Score
0% and positive	20
>0% to 5%	15
>5% to 10%	10
>10% to 15%	5
>15%	0

Assessment will be based on the individual performance of the LGU proponent and covers ongoing I-BUILD and I-REAP (civil works only) subprojects. For an LGU with more than one (1) subproject to be assessed, the score will be computed based on the average slippage for all subprojects.

3) Performance in Completing Subprojects Scoring System

The percentage weight for this criterion is 10% in case the LGU proponent has both ongoing and completed subprojects, or 20% in case the LGU has only completed subprojects and no ongoing subprojects.

Table 9. Performance in Completing Subprojects Scoring System (Case 1) – 10% weight

% of Liquidated Damages (LD)	Score
0% LD	10
> 0% to 5% LD	7
>5% to 10% LD	3
= 10% LD	0

LGU's performance in completing subprojects will be evaluated based on the percentage of liquidated damages imposed. Computation for liquidated damages is one-tenth of one percent of the cost of the unfinished work. The resulting amount is divided by the contract cost to get the percentage liquidated amount.

In case the LGU has only completed subprojects and no ongoing subprojects at the time of evaluation, this criterion will be given 20% weight instead and the scoring system will be as follows:

I-BUILD Component**Table 10. Performance in Completing Subprojects Scoring System (Case 2) – 20% weight**

% of Liquidated Damages (LD)	Score
0% LD	20
> 0% to 5% LD	14
5% - ≤ 10% LD	6
= 10% LD	0

Assessment will be based on the individual performance of the LGU proponent and covers completed I-BUILD and I-REAP (civil works only) subprojects. For an LGU with more than one (1) subproject to be assessed, the score will be computed based on the average percentage of liquidated damages for all subprojects.

4) Disbursement Performance Scoring System**Table 11. Disbursement Performance Scoring System – 20% weight**

Average Monthly No. of Days of Delay in Submission of Financial Reports (Against Due Date)	Score
No delay / Ahead of schedule	20
1---10 days delay	18
11---25	16
26---45	12
46---70	8
71---100	4
101 days and above	0

This scoring system depends on the average monthly number of days of delays across whole subproject life. To determine this, the cumulative monthly delays in submission of financial reports for the whole subproject implementation period will be calculated. This cumulative total will then be divided by the number of months of implementation to get the monthly average delay in submission. Then, the scoring system above will be adopted accordingly.

Assessment will be based on the individual performance of the LGU proponent and covers all completed and ongoing I-BUILD subprojects, I-REAP subprojects funded under OL (civil works only). For an LGU with more than one (1) subproject to be assessed, the score will be computed based on the average number of delays for all subprojects.

I-BUILD Component**5) Transparency Compliance to the AGT Scoring System**

Assessment will be based on the individual performance of the LGU proponent and covers all completed and ongoing I-BUILD subprojects and I-REAP subprojects funded under OL (civil works only). For an LGU with more than one (1) subproject to be assessed, the average score for all subprojects will be computed.

Table 12. Transparency Compliance thru AGT Scoring System – 10% weight

Compliance	Score
Monthly Submission of Progress Geotag	3.5
Minimum Material Testing Requirement Geotag	3.5
Geotag Transparency Wall at Construction Site	3.0
Partial compliance to the items above	score to be calculated relative to the compliance to the items above (in % completion) and their corresponding scores

Calculation of scores is dependent on the level of compliance (in percentage) to the components of this criterion. For the 'monthly submission of progress geotag' and 'minimum material testing requirement geotag' components, the corresponding score will be multiplied to the compliance level in terms of percent completion. For example, if the LGU has submitted 80% of the required progress geotag, the score calculation is as follows: 0.8×3.5 . The same applies for calculating score for the second component.

On the other hand, setting of score for the 'geotag transparency wall at construction site' component is conditional on the presence of the transparency wall. If this wall is already constructed, the proposal will be given a score of 3.0. If not, a score of 0 will be provided.

In summary, the total score will be calculated using the following formula:

*(Compliance to component 1 (%) * corresponding score for component 1) + (Compliance to component 2 (%) * corresponding score for component 2) + (Presence (1) or absence (0) of component 3 * corresponding score for component 3)*

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6) Compliance to Social and Environmental Safeguards Scoring System – 20% weight

Assessment will be based on the individual performance of the LGU proponent and covers all completed and ongoing I-BUILD subprojects funded under PRDP OL and the two additional financing loans and I-REAP subprojects funded under OL. For an LGU with more than one (1) subproject to be assessed, the average score for all subprojects will be computed.

Assessment of the LGU’s compliance to Social and Environmental Safeguards will be based on a set of criteria depending on the stage of implementation of the LGU’s approved II-BUILD and I-REAP subproject/s:

If the subproject/s has been issued a NOL 2 and/or still undergoing procurement, the following criteria will be applied:

Table 13. Compliance to SES Criteria for SPs w/ NOL2 and/or Undergoing Procurement Scoring System

Criteria and Indicators	Scoring
Compliance during NOL issuance (total of 20 points)	
No pending NOL 2 requirements (i.e., Execution of RAP, IP Plan and full compensation, transfer of electric posts, and tree replacement plan)	20 Points --- No pending requirements 5 points --- With pending requirements

LGU’s full compliance to the indicators listed shall be given the full 20 points while those with pending requirements shall be given five (5) points.

If the subproject/s’ construction is on---going, the following criteria will be applied:

Table 14. Compliance to SES Criteria for SPs under Construction Scoring System

Criteria and Indicators	Scoring
Compliance during implementation/construction stage (20 points)	

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<p>Implementation of Social and Environmental Safeguards compliance (20 points)</p> <ul style="list-style-type: none"> ● Proper Waste Management and Housekeeping ● Occupational and Community health and safety (In cases where the contractor is at fault but the LGU is responsive and proactive, points will still be credited to the LGU) ● Execution of RAP, IA Plan and full compensation; transfer of electric posts, and tree replacement plan ● Monthly submission of the compliance monitoring report 	<p>20 points – Compliant</p> <p>0 point – Non-compliant</p>
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LGU's full compliance to the indicators listed shall be given the full 20 points while non-compliance is equivalent to zero (0) point.

7) Compliance to Memorandum of Agreement (MOA) Provisions/Conditions Scoring System**Table 15. Compliance to MOA Conditions Scoring System – 10% weight**

MOA Conditions	Score (Compliance or Non-compliance)	Component/Unit to Coordinate With
Establishment throughout the Project implementation a functional Provincial/Municipal/City Project Management and Implementing Unit and attendance to consultations, meetings, briefings and other PRDP-related learning events as identified in the Project Implementation Plan and as prescribed in PRDP Scale Up Operations Manuals	1	M&E
Incorporation of SES measures, i.e. screening, ESMP, RAP, IP Plan to ensure safeguards policies applied in all stages of Sub-Project implementation	1	SES

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Provision of funds for local development planning, packaging of Sub---project proposal and other PRDP---related activities in the LGU (e.g. CIP preparation and implementation)	1	I---PLAN
Execution of Implementation Management Agreement (IMA) with DA prior to actual implementation of under Infrastructure and Enterprise Development components, and maintenance of financial management system (e.g. audited financial reports) as provided in the IMA	1	Finance
Provision of logistic support (e.g. transportation and travelling allowances, office supplies and equipment, and if possible, office space) and other resources for Project operations	1	I---BUILD, I---REAP
Procurement of goods, works and services required for the Project within prescribed procurement timelines with complete compliance to project requirements in accordance with the provisions under Section III of Schedule 2 of the Loan Agreement	1	Procurement
Tracking of Sub---project result for completed Sub---projects and provision/submission of progress report to RPCOs for ongoing Sub--- projects (e.g. SWA, procurement status, among others)	1	M&E

For compliance to each item above, the subproject will be given a point equivalent to the corresponding score. Zero or partial points will be given to non---compliance and incomplete compliance, respectively.

Scoring system:

- 1 point – full compliance to the provision
- 0.5 point – partial compliance to the provision

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N/A – to be indicated if provision is not yet applicable and the maximum score shall be adjusted to the number of provisions applicable

The total score will then be the accumulated score from compliance to all items above. (sum of compliance score on applicable items under MOA) / max points on all applicable stipulations under MOA) * 10 points)

8) Bonus Criteria for LGU Performance

As an incentive to proponent LGUs that exhibited exemplary performance in procurement, disbursement and in implementing I-BUILD subprojects, a maximum 20 bonus points will be awarded. The specific criteria and scoring system are shown in **Table 16**.

Table 16. Bonus Points for LGU Performance

Criteria	Score
LGU has IBUILD SP completed ahead of schedule	5 points
LGU has IBUILD SP with Notice of Award (NOA) issued 45 days or less after bid opening	5 points
LGU has IBUILD SP with progress payment that is equal to its physical progress	5 points
LGU proponent has processed the annotation of donated properties with the Registry of Deeds	5 points
TOTAL	20 points

I-BUILD Component**B. Infrastructure Subproject Type Prioritization Scoring System**

Subproject proposals of LGUs that passed the minimum 50 basic points in the LGU performance evaluation shall be subjected to the subproject type prioritization criteria and scoring system. A different set of criteria will be applied to three subproject-type groupings: (a) Farm to Market Road (FMR) including FMR with Bridge and Stand-alone Bridge; (b) Irrigation and Value Chain Rural Infrastructure; and (c) Potable Water System (PWS).

a. FMR Prioritization Criteria and Scoring System

Proposals for Farm to Market Road (FMR) including FMR with Bridge and stand-alone Bridge will be subjected to FMR Prioritization Criteria designed to prioritize FMR proposals with the highest technical and socio-economic impacts. The five (5) criteria include: 1) poverty incidence of municipality/city where the proposed subproject is located; 2) Expanded Vulnerability and Suitability Assessment (e-VSA) ranking; 3) Road Influence Area (RIA) density; 4) number of direct household beneficiaries per kilometer; and 5) farming/fishing household component of household beneficiaries. Each criterion is given an equal weight of 20%. Total weight for all five criteria indicators is 100%.

Table 17. Prioritization Criteria of Proposed FMR Subprojects (including FMR with Bridge and Stand-alone Bridge)

Criteria	% Weight
Poverty Incidence of municipality/city (SP location)	20%
E---VSA Ranking	20%
Road Influence Area (RIA) Density (agricultural area in ha/km)	20%
Number of Direct Household Beneficiaries per Kilometer (or per SP if Bridge)	20%
Proportion (%) of farmer/fisher household beneficiaries among total direct household beneficiaries	20%
TOTAL	100%

i. Poverty Incidence

FMR subproject proposals located in municipalities (including cities) with higher poverty incidence shall be given higher priority. This is to ensure that poorer rural communities are given higher opportunity in accessing project investments.

Poverty incidence data will be sourced from the 2018 Poverty Small Area Estimates (PSAE) of the Philippine Statistics Authority (PSA) (or later than 2018 PSA PSAE data if available). In cases where the FMR proposal is located in two or more municipalities, the weighted

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average of incidence data based on the percentage of RIA in each municipality will be used.

Table 17.1 Poverty Incidence Scoring System

Poverty Incidence in the Municipality/City	Score (pts)
>60%	20
>40% - 60%	18
>30% - 40%	16
>20 – 30%	14
>10% - 20%	12
>5% - 10%	10
0% - 5%	8

ii. E-VSA Ranking

The Expanded Vulnerability and Suitability Assessment (eVSA) is a decision support tool of PRDP that ranks municipalities based on spatial multi-criteria analysis (i.e. climate, land suitability and crop type), GIS and weighted summation method. It provides strategic guidance in identifying the degree and type of agricultural intervention ideal under certain conditions in the prioritized municipalities. The eVSA ranking as a criterion in the prioritization of sub-project funding will provide a stronger basis in planning the location of subprojects relative to the priority commodities, its vulnerability and suitability, production-related data (i.e. area planted, volume of production, number of farmers) and poverty incidence in the local municipality.

The eVSA ranking will be sourced from the most updated and approved CIPs of the LGUs. The eVSA scoring system will be based on how the municipality ranks among all the municipalities in a province relative to the minimum parameters set above. Corresponding scores shall be based on the following system:

Table 17.2 E-VSA Scoring System

E-VSA Ranking	Score
1	20
2	18
3	16
4	14
5	12
6	10
7---10	8
11---15	6
16---20	4
21---25	2
26---30	0

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In cases when two municipalities are implementing the project, the average of both rankings will be used.

iii. RIA Density

This criterion will provide insight on the extent of influence and economic impact of proposed subprojects to immediate communities. Considering that subprojects are different in scale, standardization of this criterion in terms of road influence area is necessary. Thus, the agricultural influence area per kilometer of farm---to---market roads will be estimated.

RIA density will be computed using the following formula:

$$\text{Total RIA (agricultural area/total road length)}$$

Subprojects with higher ratios of RIA per kilometer would be given higher priority. The matrix below shows the proposed scale with corresponding scores for ranking projects:

Table 17.3. RIA Density Scoring System

Agricultural Area within RIA (ha / km)	Score
601 and above	20
501 – 600	19
401 – 500	18
351 – 400	17
301 – 350	16
251 -- 300	14
201 - 250	12
151 -200	10
101 – 150	8
51 – 100	6
1 - 50	3
0	0

iv. Direct Household Beneficiaries per Kilometer (or per subproject if Bridge)

Density of household beneficiaries per kilometer will provide an indication of the reach and socio-economic impact of project investments in FMRs in the target communities. Higher density of beneficiaries per kilometer will be accorded higher points. In the case of Bridge subproject proposals, points will be based on the number of total HH

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beneficiaries per subproject. Table 17.4 presents the scoring system for this criterion.

Table 17.4. Household Beneficiaries per Kilometer Scoring System

Number of HH Beneficiaries per Km	Score (pts)
Above 300	20
>250 – 300	18
>200 – 250	16
>150 – 200	14
>100 – 150	11
>50 - 100	8
1 – 50	5
0	0

v. Farming/Fishing Household Component of Household Beneficiaries

Since it is the objective of PRDP Scale Up to uplift the lives of farmers and fishers in rural communities, it is necessary for roads to be constructed and rehabilitated in support of improving production and marketing activities of the farmers and fishers. Thus, accounting for local farmers and fisher folk beneficiaries would be a suitable criterion in prioritizing FMR subprojects.

The farming/fishing household (HH) component of project beneficiaries will be computed using the following formula:

Proportion (%) of farming/fishing household beneficiaries among total household population = (total number of farming/fishing households / total number of household beneficiaries

Table 17.5. Farming/fishing household component of household beneficiaries Scoring System

Proportion (%) of farming/fishing HH beneficiaries among total HHs	Score
91---100	20
86---90	19
81---85	18
76---80	17
71---75	16
66---70	15
61---65	14
51---60	13
41---50	12
31---40	10

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21---30	9
11---20	8
7---10	6
4---6	4
1---3	2
0	0

The greater the proportion (%) of farming/fishing households among total household beneficiaries, the higher its priority.

b. Irrigation and Value Chain Rural Infrastructure Prioritization Criteria and Scoring System

Proposals for irrigation subprojects³ and value chain rural infrastructures⁴ will be subjected to the following criteria to prioritize proposals with the highest socio-economic impacts including outreach to rural communities with high poverty incidence, cost-benefit in terms of cost per beneficiaries served, and support to priority value chain commodity thru e-VSA ranking. Total weight of the three criteria indicators is 100%.

Table 18. Prioritization Criteria of Proposed Irrigation and Value Chain Infrastructure Subprojects

Criteria	% Weight
Poverty Incidence of municipality/city (SP location)	40%
Investment cost per direct beneficiary served	40%
E---VSA Ranking	20%
TOTAL	100%

i. Poverty Incidence

Table 18.1. Poverty Incidence Scoring System

Poverty Incidence in the Municipality/City	Score (pts)
>60%	40
>40% - 60%	36
>30% - 40%	32
>20 - 30%	28
>10% - 20%	24
>5% - 10%	20
0% - 5%	16

³ Irrigation SPs eligible for funding under PRDP Scale Up include communal irrigation system, small-water impounding project, solar-powered irrigation system, drip irrigation, ram pump irrigation and other small-scale irrigation. (Source: *IBUILD Operations Manual for PRDP Scale Up*)

⁴ VC Rural Infrastructure SPs include abattoir, dressing plants, fish landing, feeder ports, tramlines, greenhouses, etc. (Source: *IBUILD Operations Manual for PRDP Scale Up*)

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Poverty incidence data will be sourced from the 2018 Poverty Small Area Estimates (PSAE) of the Philippine Statistics Authority (PSA) (or later than 2018 PSA PSAE data if available).

ii. **Investment Cost Per Beneficiary**

The two subproject types (i.e., irrigation and value chain infrastructure) have hugely different magnitude of target beneficiaries as well as investment cost per beneficiary (based on averages of PRDP investments as well targets under PRDP Scale Up), hence, separate scoring system for the two subproject types are provided below.

Table 18.2.a Investment Cost Per Beneficiary Scoring System (Irrigation)

Subproject Investment Cost per Direct Beneficiary Served (PhP)	Score (pts)
<200,000	40
200,001 – 225,000	38
225,001 – 250,000	36
250,001 – 275,000	33
275,001 – 300,000	30
300,001 – 325,000	27
325,001 – 350,000	24
350,001 – 375,000	20
375,001 – 400,000	16
>400,000	12

Table 18.2.b Investment Cost Per Beneficiary Scoring System (VC Rural Infra)

Subproject Investment Cost per Direct Beneficiary Served (PhP)	Score (pts)
<5,000	40
5,001 – 7,500	38
7,001 – 10,000	36
10,001 – 12,500	34
12,501 – 15,000	32
15,001 – 17,500	29
17,501 – 20,000	26
20,001 – 22,500	23
22,501 – 25,000	20
25,001 – 30,000	16
>30,000	12

Table 18.3. E---VSA Scoring System

E---VSA Ranking	Score
1	20
2	18
3	16
4	14

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5	12
6	10
7---10	8
11---15	6
16---20	4
21---25	2
26---30	0

a. Potable Water System Prioritization Criteria and Scoring System

Proposals for potable water system (PWS) subprojects will be subjected to three criteria indicators to prioritize those with the highest socio-economic impacts including outreach to rural communities with high poverty incidence, cost-benefit in terms of cost per beneficiaries served, and proportion of farmers and fishers among the target direct household beneficiaries that will be served. Total weight of the three criteria indicators is 100%.

Table 19. Prioritization Criteria of Proposed Potable Water System Subprojects

Criteria	% Weight
Poverty Incidence of municipality/city (SP location)	40%
Investment cost per direct household beneficiary	40%
Proportion (%) of farmer/fisher household beneficiaries among total direct household beneficiaries	20%
TOTAL	100%

Table 19.1. Poverty Incidence Scoring System

Poverty Incidence in the Municipality/City	Score (pts)
>60%	40
>40% - 60%	36
>30% - 40%	32
>20 - 30%	28
>10% - 20%	24
>5% - 10%	20
0% - 5%	16

Table 19.2 Investment Cost Per HH Beneficiary Scoring System - PWS

Subproject Investment Cost per Direct HH Beneficiary Served (PhP)	Score (pts)
<20,000	40
20,001 – 25,000	36
25,001 – 30,000	32
30,001 – 35,000	28
35,001 – 40,000	24
40,001 – 45,000	20
45,001 – 50,000	16

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>50,000	12
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Table 19.3. Farming/fishing Household Component of Household Beneficiaries Scoring System

Proportion (%) of farming/fishing HH among total HH beneficiaries	Score (pts)
91---100	20
86---90	19
81---85	18
76---80	17
71---75	16
66---70	15
61---65	14
51---60	13
41---50	12
31---40	10
21---30	9
11---20	8
7---10	6
4---6	4
1---3	2
0	0

C. Bonus: Climate Resiliency Criteria:

To further strengthen climate---resilient measures under PRDP Scale Up, the Project will place premium on subprojects proposed by the vulnerable provinces, as identified by the Climate Change Cabinet Cluster (*see Table 5*). Subproject proposal located in the 24 most vulnerable provinces shall be qualified for a maximum of five (5) bonus points. Criteria will be measured by the amount of per capita I-BUILD investment in the province' rural population.

Table 20. Climate Resiliency Criteria Scoring System

Amount of Per Capita I-BUILD Investment in the Province' Rural Population (in PhP)	Score
0 – 500.00	5
>500 – 1,500	4
>1,500 – 2,500	3

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>2,500 – 4,000	2
>4,000	1

D. Passing Rate for Subprojects

To ensure that all prioritized subprojects will be from (a) good performing LGUs (LGU--- performance criteria) and (b) well---designed proposals (Infra SP Type criteria), a passing or hurdle rate will be set for proposals to be considered as priority and eligible to undergo the technical review process of the project for issuance of No Objection Letter (NOL) 1. **The passing/hurdle rate is set at 50 base points⁵ for LGU performance and 50 points for combined SP-type prioritization and climate resiliency criteria.** *A subproject proposal of an LGU proponent that passed the performance criteria but fails to garner the minimum 50 points in the SP-type prioritization and climate resiliency criteria will not be included in the priority pipeline of I-BUILD. The LGU proponent may opt to revise its proposal to address aspects that caused the low scores.*

IV. Application of Prioritization Scheme

This prioritization scheme is to be utilized when programming annual budget allotment for I-BUILD SPs. In adopting a prioritization scheme, it is ideal to forego the ‘first come, first serve’ protocol of funding subprojects. Rather, such mechanism will be fully realized if the proposed subprojects are assessed to be in line with the prioritization criteria set by the project. This would provide decision---makers an opportunity to maximize the use of project resources by ensuring that the most economically and socially desirable subprojects will be funded.

A. Submission and Endorsement of Subproject Proposals for Inclusion in the Prioritization Runs

The PRDP Scale Up National Project Coordination Office (NPCO) shall issue a call to all Project Support Offices (PSOs) and Regional Project Coordination Offices (RPCOs) for proposals for possible inclusion in the I-BUILD subproject prioritization. The PSO Project Director shall officially endorse eligible (*see conditions for eligibility on pages 4 to 6*) subproject proposals to the NPCO with the following attachments:

- a) Signed copy of the Memorandum of Agreement between the DA and the proponent LGU; and
- b) E-copy of the Feasibility Study (FS) and Economic and Financial Analysis (EFA).

Please refer to the prescribed FS outline per subproject type. It is important that the FS contains the following socio-economic data necessary for evaluation of the SP-type prioritization criteria indicators.

⁵ Excluding bonus points for LGU performance. Bonus points awarded will increase the ranking of the subproject.

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- i) FMR/FMR with Bridge/Bridge
 - a. Agricultural area within the RIA in hectares (*with breakdown per municipality if SP is located in more than one (1) municipality*);
 - b. E-VSA ranking of the municipality/city for the priority commodity that will be supported by the proposed subproject
 - c. Number of direct beneficiaries (population and households)
 - d. Number of farmers/fishers population and HH beneficiaries

- ii) Irrigation and VC Rural Infrastructure
 - a. Number of direct beneficiaries (farmers/fishers population and households)
 - b. E-VSA ranking of the municipality/city for the priority commodity that will be supported by the proposed subproject

- iii) Potable Water System
 - a. Number of direct beneficiaries to be served (population and households)
 - b. Number of farmers/fishers population and HH beneficiaries

B. Frequency of Prioritization Run

The I-BUILD Prioritization Scheme will be conducted in accordance with the requirements of the component and availability of budget.

C. Guidelines for I-BUILD Subproject Prioritization

- All subprojects to be considered for prioritization must be reflected in the PRDP Scale Up Management Information System (MIS).
- LGUs will be provided a deadline to submit proposals to the concerned RPCO for possible inclusion in the prioritization run. RPCO shall duly endorse the proposals to the PSO which shall in turn, officially endorse the list of subproject proposals to the NPCO with the attachments as required.
- Subprojects submitted after the deadline will be 'waitlisted' and considered in the next prioritization run.
- Subprojects temporarily deferred and/or failed at meeting the hurdle rate will be given time to work on addressing the aspects that caused the deferment or the low score. With improvements, these subprojects may be considered in the next prioritization run.
- **Being listed as a Priority to be Reviewed does not guarantee NOL 1 issuance. Priority subprojects will still undergo the regular PRDP Scale Up technical review process.**

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