

Republic of the Philippines
HOUSE OR REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
First Regular Session



HOUSE BILL NO. **5206**

Introduced by Representative Sharon S. Garin

EXPLANATORY NOTE

The National Irrigation Administration (NIA) is authorized to collect irrigation service fees (ISF) pursuant to the following laws: (a) RA 3601, Section 2, Paragraph C; (b) PD 552, Section 2, Paragraph B; and (c) PD 1702, Section 1, Paragraph B. Such fees are used for the operation and maintenance of all existing national irrigation systems, pump irrigation systems, and communal irrigation systems. It is also used to defray the NIA's corporate operating budget for personal services, maintenance and other operating expenses (MOOE) and capital outlay requirements.

According to the farmer's group *Kilusan Mangbubukid ng Pilipinas* (KMP), NIA charges farmers from P1,300 to more than P6,000 per hectare per cropping. And although the fees may not be very high, it is nevertheless a huge burden for the farmer beneficiaries, particularly the small and marginalized farmers who are dependent on small-scale subsistence farming as their primary source of income.

According to the NIA, the ISF raises the cost of production of farmers by 3.4% to 6.1% per hectare. This in turn leads to an increase in the price of local agricultural goods and makes them less economical compared to the products of other South East Asian nations like Vietnam and Thailand, which heavily subsidize their agricultural sector. With the inevitability of ASEAN integration ahead, the Philippine market will be open to the influx of cheaper products from neighboring countries. The government must then do everything in its power to protect the interests of the Filipino farmer and shield them from the incoming shift to regional economic integration.

Greater emphasis is placed upon the small and marginalized farmers for they are the ones that truly need the government's full assistance. Of lesser concern are large farming corporations and other entities that have more than enough resources and sufficient capacity to pay the corresponding fees. This bill merely asks for selective exemption, and not total abolition, so as not to completely deprive the NIA of revenues, thereby crippling its operations.

Granting exemptions can also ease the NIA's work in collecting fees, letting it focus more on its other duties like the construction, restoration, and rehabilitation of national irrigation systems, and the provision of technical assistance in the planning, design, and in the operation and maintenance of communal irrigation systems.

The issue of irrigation service fees has been brought up and hotly debated upon, numerous times in the past. It is high time that the government take serious steps to address this issue and provide an equitable solution that would benefit the proper parties without compromising the viability of the country's irrigation systems.

For the foregoing reasons, the passage of this bill is earnestly sought.



SHARON S. GARIN
AAMBIS-Owa Party-list

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AN ACT

**EXEMPTING QUALIFIED BENEFICIARIES PARTICULARLY
SMALL AND MARGINALIZED FARMERS FROM PAYING
IRRIGATION SERVICE FEES AND OTHER SIMILAR OR RELATED
FEES**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. *Declaration of Policy* – It is the policy of the State to pursue a comprehensive agricultural program to enhance agricultural production and improve the national economy. In line with this, the State shall ensure that small and marginalized farmers have a greater participation and contribution to the country's agricultural output. It is therefore the duty of the State to exempt them from paying irrigation service fees and other such collections to allow them to fully optimize their agricultural and economic potential.

SEC 2. *Exemptions* – Qualified beneficiaries shall be exempt from the collection of irrigation service fees (ISF) and such other similar or related fees for the usage of irrigation systems built, operated and maintained by the

1 National Irrigation Administration (NIA), the Department of Agriculture (DA),
2 or any other government agencies, or those turned over and maintained or
3 operated by farmer's organizations, irrigators' associations or Local
4 Government Units (LGUs). This exemption shall also apply to the collection of
5 back accounts and the corresponding penalties thereof.

6 SEC 3. *Duty of the National Irrigation Administration (NIA)* – The
7 National Irrigation Administration (NIA), in coordination with the Department
8 of Agriculture (DA), is hereby mandated to create a system to determine
9 qualified beneficiaries that shall be granted exemption from the payment of
10 irrigation service fees (ISF). In determining qualified beneficiaries, preference
11 shall be given to small and marginalized farmers. Small and marginalized
12 farmers, as used in this Act, shall refer to natural persons dependent on small-
13 scale subsistence farming as their primary source of income.

14 SEC 4. *Disqualified entities* – Multinational companies and large farming
15 businesses, according to the standards set by the National Irrigation
16 Administration (NIA) shall not be selected as qualified beneficiaries.

17 SEC 5. *Implementing Rules and Regulations* – Within sixty (60) days
18 from the effectivity of this Act, the National Irrigation Administration (NIA), in
19 coordination with the Department of Agriculture (DA) and after consultations
20 with directly affected stakeholders, shall promulgate the necessary rules and
21 regulations to effectively implement the provisions of this Act.

1 SEC 6. *Appropriations* – Additional funding shall be allocated to the
2 National Irrigation Administration (NIA) to be used for personal services and
3 maintenance and other operating expenses, and shall be sourced from the
4 General Appropriations Act to offset the loss of income from the granting of
5 exemptions in accordance to this Act.

6 SEC 7. *Repealing Clause* – All other laws, decrees, executive orders,
7 issuances, rules and regulations, or part thereof inconsistent with this Act are
8 hereby likewise repealed or amended accordingly.

9 SEC 8. *Separability Clause* – If, for any reason, any section or provision
10 of this Act is declared unconstitutional or invalid, the other sections or
11 provisions not affected thereby shall remain in full force and effect.

12 SEC 9. *Effectivity* – This Act shall effect fifteen (15) days after its
13 publication in the Official Gazette or in at least two (2) newspapers of general
14 circulation.

15 Approved,