



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

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. **8709**



Introduced by **DIWA Party-list Representative Pepito M. Pico**

EXPLANATORY NOTE

Irrigation is a necessity for many Filipinos dependent on farming, especially on rice producing areas. It improves both yield and reliability of agricultural production and attain food security. "Water is very important in increasing yield. Empirical and experimental data have amply demonstrated that yields from irrigated farms are always higher compared to non-irrigated farms. In the Philippines, yield from irrigated rice has been fluctuating, but is generally on the increasing trend from 3.29 tons per ha (t/ha) in 1990 to 3.99 t/ha in 2010 and 4.22 t/ha in 2014 (source: Philippine Statistics Authority-Country Stat). Yields from non-irrigated area, on the other hand, has been consistently lower than these values. This underscores the need for a continuing subsidy for irrigation for rice farms."¹

At present, RA 3601, as amended by PD 552 and PD 1702, mandates the NIA to charge and collect from the beneficiaries of the water from all irrigation systems constructed by or under its administration, such fees or administration charges as may be necessary to:

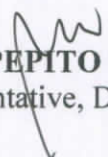
- a) cover the cost of operation, maintenance, and insurance;
- b) recover the costs of construction within a reasonable period of time to the extent consistent with government policy;
- c) recover funds or portions thereof expended for the construction and/or rehabilitation of communal irrigation systems (CIS) which shall accrue to a special fund for irrigation development.

However, most of our farmers fail to pay the ISF on a regular basis that eventually accumulate as debt. While irrigation plays a vital role in enhancing productivity, through the years however, the ISF has become an additional production cost that burdens our poor farmers. Additional production cost translates to higher price of produce.

¹ http://ap.iftc.agnet.org/ap_db.php?id=585&print=1

Free irrigation services will improve agricultural productivity and increase cropping intensities and also reduced production costs that will effectively lower the selling prices of rice while still compensating farmers appropriately for their efforts. Providing 'free irrigation water' to the Filipino farmers will increase production and address the challenges on food security and more importantly recognize and reward the sacrifices of our Filipino farmers who produce food for our country.

This legislative measure - filed as a counterpart of Senate Bill No. 140 with the support of its author, Senator Cynthia Villar - aims to repeal or modify provisions of existing laws prescribing the power and authority of the NIA to collect Irrigation Service Fees (ISF) or other forms of charges for the use of irrigation systems.



PEPITO M. PICO
Representative, DIWA Party-list



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AN ACT
TO RESTRUCTURE MANDATE AND REFOCUS THE ROLE OF THE NATIONAL
IRRIGATION ADMINISTRATION TOWARDS THE DEVELOPMENT OF MORE
NEW IRRIGATION SYSTEMS, REMOVE ITS ROLE IN MAINTENANCE AND
COLLECTION OF IRRIGATION AND OTHER SERVICE FEES, AND RENAME IT AS
THE NATIONAL IRRIGATION DEVELOPMENT ADMINISTRATION, AND FOR
OTHER PURPOSES

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

SECTION 1. Short Title. This Act shall be known as the "FREE IRRIGATION REFORM AND RESTRUCTURING ACT."

SECTION 2. Declaration of Policy. It is the policy of the State to refocus the direction, role and functions of the National Irrigation Administration (NIA) towards development of more irrigation systems by strengthening its mandate in studying, planning, designing and constructing irrigation projects, water catchments, and appurtenant structures to support farms and agricultural production; and by removing from the NIA the functions of maintenance of irrigation projects and the business of collection of irrigation services and other fees. The State seeks to reduce the dependency of farmers' and producers' groups on government services where they actually can support themselves. Concomitantly, the State shall transfer ownership and management of all completed irrigation facilities to the direct beneficiaries of such facilities, including irrigators' associations, cooperatives, and farmers' corporations, who shall organize said projects into farmer-owned irrigation service enterprises with professional help in maintaining the facilities and financial sustainability of said enterprises.

SECTION 3. *Renaming and Re-Classifying the Agency.* The National Irrigation Administration, which was created under Republic Act No. 3601, as amended by Presidential Decrees No. 552 and 1702, is hereby renamed as the National Irrigation Development Administration (NIDA), and is hereby converted from a government corporation into a line agency under the Department of Agriculture.

SECTION 4. *Restructuring/Amending the Irrigation Mandate.* The mandates, powers and authorities provided to the MA under these laws shall be assumed by the MBA, except for the following provisions which are hereby deleted and repealed accordingly:

- (a) Section 2 (a) of Republic Act 3601 The phrase "and administer all international";
- (b) The entire Sections 2. (c) and (d) of RA 3601;
- (c) The entire Section 2. (b) of P. D. 552;
- (d) The entire Section 2. (f) of PD. 552;
- (e) The entire Article II (Capitalization) of RA. 3601;
- (f) The entire Section 2 of PD. 552 (Amending Article II of RA. 3601);
- (g) The entire Section 3 of RA. 3601 (Authority to incur foreign loans).

SECTION 5. *Irrigation Planning Board.* Section 4 of RA. 3601, as amended by PD. 552, is hereby repealed and the MA Board of Directors is hereby replaced by the irrigation Planning and Advisory Board (IPAB), which shall have the following power and functions:

1. To formulate and adopt policies for the management and operations of the NIDA;
2. To investigate, study and develop all available water resources in the country, primarily for irrigation purposes;
3. To plan, design, construct and/or improve all types of irrigation projects and appurtenant structures;
4. To operate, maintain and administer all national irrigation systems (NIS);
5. To supervise the operation, maintenance and repair, or otherwise, administer temporarily all communal and pump irrigation systems constructed, improved and/or repaired wholly or partially with government funds;
6. To ensure the preparation of irrigation development of district, regional and national irrigation plans in relation to the Strategic Agriculture and Fisheries Development Zones (SAFDZ) as prescribed by RA. 8435;
7. To oversee efficiency, integrity and transparency of the affairs, and operations of the Agency in the implementation of its irrigation plans and development programs;
8. To approve for the NIDA's plans, programs and budgets for inclusion in the Department of Agriculture's plans and budgets for the ensuing year;

9. To formulate the relevant strategies, plans, and programs as well as organizational development that will ensure the effectiveness of the missions of agency;

10. To regularly monitor and evaluate NIDA's reports on the state of irrigation in the various regions of the country for all the major crop commodities in each region;

11. To oversee, in cooperation with the Commission on Audit, the inventory of all NIA irrigation assets;

12. To ensure the effective and efficient transfer of the irrigation projects to the beneficiaries, and ensuring that such entities have professional management support;

13. To approve any organizational re-engineering plan that may be needed for transformation of NIA into the NIDA which may entail, among other measures: (1) reduction of maintenance and collection personnel; (2) expansion of research and development, and construction management units; and (3) provision of early retirement benefits at a factor of 2 months basic for every year of service; and

14. To ensure the hiring of technically competent and highly capable, qualified personnel in the Agency.

SECTION 6. *Removal of Irrigation Fees* - The service fees and other charges being collected by the NIA from the irrigation beneficiaries are hereby discontinued.

SECTION 7. *Turn Over of Irrigation Facilities* - Within one year from the effectivity of this Act, the National Irrigation Development Administration shall complete its turn over to farmers groups all completed and inventoried irrigation projects, including those currently under rehabilitation, and including all functional equipment and facilities, appurtenant thereto. Henceforth, the beneficiaries of such irrigation facilities and projects shall, with professional help, manage the maintenance of the irrigation facilities.

SECTION 8. *Organization of the Beneficiaries as Partners* - Small communal irrigation systems (CIS) may be directly taken over by the farmers, who are able to present management and maintenance plans for the sustainability of the irrigation projects.

To be eligible for the Section 5 and 6 above, all stakeholder beneficiaries shall be required to complete a requisite set of trainings in farm enterprise management, and irrigation management concepts prior to the transfer of the particular irrigation facility to their particular group.

SECTION 9. *Appropriations* - The funding for the operation and maintenance of the irrigation facilities nationwide shall be sourced out from the General Appropriations Act.

SECTION 10. *Repealing Clause*. All other laws, executive orders, rules and regulations, or parts thereof, inconsistent herewith are hereby repealed or modified accordingly.

SECTION 11. *Implementing Rules and Regulations.* Within three months from the effectivity of this Act, the Secretary of Agriculture shall form an ad hoc Task Force to be composed of two representatives each from the NIDA, from the large scale irrigators association, from small irrigators associations, and one representative each from the professional associations of civil engineers and an accountants' or financial management group, to formulate the Implementing Rules and Regulations within the ensuing period of three months. Two representatives of the Congressional Commission on Agriculture and Fisheries Modernization shall join the meetings of the ad hoc Task Force as observers.

SECTION 12. *Separability Clause* - The provision of this Act are hereby declared to be separable. If any provision of this Act shall be held unconstitutional, the remainder of the Act not otherwise affected shall remain in full force and effect.

SECTION 13. *Effectivity.* This Act shall take effect upon its publication in the Official Gazette.

Approved,