

Irrigation

SEC. 26. *Declaration of Policy.* - It is the policy of the State to use its natural resources rationally and equitably. The State shall prevent the further destruction of watersheds, rehabilitate existing irrigation systems and promote the development of irrigation systems that are effective, affordable, appropriate and efficient.

In the choice of location-specific irrigation projects, the economic principle of comparative advantages shall always be adhered to.

SEC. 27. *Research and Development.* - Irrigation Research and Development (R&D) shall be pursued and priority shall be given to the development of effective, appropriate and efficient irrigation and water management technologies.

The Department shall coordinate with the Department of Environment and Natural Resources concerning the preservation and rehabilitation of watersheds to support the irrigations systems.

SEC. 28. *Criteria for Selection of Irrigation Development Scheme.* - The selection of appropriate scheme of irrigation development shall be location-specific and based on the following criteria:

- a) Technical feasibility;
- b) Cost-effectiveness
- c) Affordability, low investment cost per unit area;
- d) Sustainability and simplicity of operation;
- e) Recovery of operation and maintenance cost;
- f) Efficiency in water use;
- g) Length of gestation period; and
- h) Potential for increasing unit area productivity.

All irrigation projects shall, in addition to the criteria enumerated above, be subjected to a social cost-benefit analysis.

SEC. 29. *Simplified Public Bidding.* - The construction, repair, rehabilitation, improvement, or maintenance of irrigation projects and facilities shall follow the Commission on Audit (COA) rules on simplified public bidding.

Irrigation projects undertaken by farmers, farmers' organizations and other private entities whose funding is partly or wholly acquired by way of loan from government financial institutions shall not be subject to the bidding requirements of the government.

SEC. 30. *National Irrigation System (NIS).* - The National Irrigation Administration (NIA) shall continue to plan, design, develop, rehabilitate and improve the NISs. It shall continue to maintain and operate the major irrigation structures including the headworks and main canals.

In addition, the NIA is mandated to gradually turn over operation and maintenance of the National Irrigations System's secondary canals and on-farm facilities to Irrigator's Associations.

SEC. 31. *Communal Irrigation Systems. (CIS).* - The Department shall, within five (5) years from the effectivity of this Act, devolve the planning, design, and management of CISs, including the transfer of NIA's assets and resources in relation to the CIS, to the LGUs. The budget for the development, construction, operation and maintenance of the CIS and other types of irrigation systems shall be prepared by and coursed through the LGUs. The NIA shall continue to provide technical assistance to the LGUs even after complete devolution of the Irrigation Systems to the LGUs, as may be deemed necessary.

SEC. 32. *Minor Irrigation Schemes.* - The Department shall formulate and develop a plan for the promotion of a private sector led development of minor irrigations systems, such as Shallow Tube Wells (STWs), Low-Lift pumps (LLPs) and other inundation systems. The plan shall be included in the Short-term Agriculture and Fisheries Modernization Plan.

SEC. 33. *Other Irrigation Construction Schemes.* - The Government shall also encourage the construction of irrigation facilities through other viable schemes for the construction of irrigation such as build-operate-transfer, build-transfer and other schemes that will fast track the development of irrigation systems.

SEC. 34. *Guarantee of the National Government.* - To make build-operate-transfer (BOT) projects for irrigation attractive to proponents, the national government shall issue the needed payment guarantee for BOT projects which shall answer for default of the National Irrigation Administration. Such amounts needed to answer for the payment guarantee is hereby to be appropriated.

SEC. 35. *Irrigation Service Fees (ISF).* - Upon effectivity of this Act, the NIA shall immediately review the ISF rates and recommend to the Department reasonable rates within six (6) months from the effectivity of this Act.

SEC. 36. *Monitoring and Evaluation.* - The Department shall monitor the implementation of R & D programs and irrigation projects. The Department shall review all existing irrigation systems every four (4) years, to determine their viability or ineffectiveness. The Department shall employ the services of independent evaluators to assess the overall impact of the country's irrigation development.

SEC. 37. *Exemption from Election Ban.* - The repair, maintenance and rehabilitation of irrigation facilities as well as BOT irrigation projects shall be exempted from the scope of the election ban on public works.