

Republika ng Pilipinas
PAMBANSANG PANGASIWAAN NG PATUBIG
(National Irrigation Administration)
Lungsod ng Quezon

MC # 75, s. 1990

MEMORANDUM CIRCULAR

TO : ALL REGIONAL IRRIGATION MANAGERS/OPERATIONS MANAGERS-
MRIIS & UPRIS/IRRIGATION SUPERINTENDENTS/PROVINCIAL
IRRIGATION ENGINEERS/REGIONAL IDD MANAGERS AND ALL
OTHERS CONCERNED

SUBJECT : GENERAL GUIDELINES ON THE LAND BANK OF THE PHILIPPINES
AND NATIONAL IRRIGATION ADMINISTRATION IRRIGATION PUMP
ACQUISITION PROGRAM (IPAP)

Attached for your information and guidance is a set of guidelines for the implementation of the Irrigation Pump Acquisition Program (IPAP) component under the NIA-LBP Program Tie-up.

These guidelines spell out the terms and conditions to enable interested IAs avail of the program. It is reiterated that NIA will assist in the conduct of field investigation as to the feasibility of the project relative to farm location, topography of the land, water source, type of soil, yield of palay per hectare, capability of the farmers to pay and the like, and submit its recommendations to Land Bank as bases for approving farmers'/IA's applications for a loan.

In order to ensure success of the program, you are further advised to maintain close coordination with relevant LBP personnel for the provision of necessary assistance to the program beneficiaries.

For your proper guidance.

(SGD.) JOSE B. DEL ROSARIO JR.
Administrator

Encl.:a/s

October 17, 1990

INFO
FILE

of 1800
Hof
ayl
nem

**LAND BANK OF THE PHILIPPINES
AND
NATIONAL IRRIGATION ADMINISTRATION
Irrigation Pump Acquisition Program (IPAP)
For the Benefit of Small Farmers throughout the Country**

PROGRAM FOCUS.

Small Farmers, Irrigators Associations, Farmers Cooperatives, Livelihood, Increased Production, Viable, Affordable, Higher Utilization of Human and Land Resources.

PROGRAM DESCRIPTION

A joint program of the largest bank for small farmers, the Land Bank of the Philippines, and the national agency for irrigation, the National Irrigation Pump Acquisition Program (IPAP) is one that will allow small farmer groups access to medium-term financing for the acquisition and installation of small irrigation pump systems with emphasis on rainfed farm lands.

The following is a summary of the loan terms and conditions under the Program:

Eligible Borrowers	Small farmers, multi-purpose Cooperatives and Irrigators' Associations
Loan Purpose	Acquisition and installation of Irrigation Pump and Auxiliary Parts
Loan Amount	Up to 90% of the cost of the equipment
Repayment Terms	Up to 5 years, payable every quarter of semester
Interest Rate	16% per annum
Collateral Support	Chattel mortgage over the equipment being financed
Borrowers' Equity	10% plus their own labor in constructing the irrigation canals
Borrowers' Equity	Favorable endorsement by the local NIA Officer

PROGRAM RATIONALE

Land Bank and NIA, aware of their respective responsibilities to provide credit and irrigation services to small farmers, have signed a memorandum of agreement calling for joint programs in identifying, assessing and offering viable solutions to the many problems of small farmers relating to inadequate farm production. LBP and NIA believe that the small farmer has a hierarchy of needs that government can and must address. Among these needs are credit, irrigation and farm technology. The program stresses the first two, with the Department of Agriculture providing support on the third.

As far as irrigation projects are concerned, the government has concentrated on large communal systems to irrigate about half of the country's irrigable farm lands. Land Bank and NIA believe it is time to focus on small farmers' irrigation needs that can be met by installing surface pumps to draw water from an indigenous source, like a river, pond and others. During the rainy season, water could be pumped out to supplement natural rainfall. During the dry season, water from these sources -- rivers, natural ponds or even man-made ponds could provide irrigation to what would otherwise be idle lands which may be suitable to corn, vegetables and other crop cultivation.

HOW TO GET YOUR IRRIGATION PROJECT GOING

This announcement is specifically addressed to small farmers, irrigators' associations, cooperative officials and other rural community leaders. If you are aware of any farmers' group, formal or informal, that can make use of this livelihood financing program, we urge you to see the local Field Operations Manager of Land Bank or the local Manager of NIA. Both will work together in explaining the program, helping the farmer in the technical and financial study and if deemed feasible, assisting in the preparation of the loan application.

This financing program is ideally suited to farmers multi-purpose cooperatives. However, if the farmers are not yet members of a cooperative or if the cooperative does not wish to undertake the financial obligation because it is a project of only a few members then Land Bank will consider lending to informal small farmer groups provided the borrowers within that group undertake the obligation jointly and severally.