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(NATIONAL IRRIGATION ADMINISTRATION)
Lungsod ng Quezon

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OUR REFERENCE:

MC 33 s, 2001

**MEMORANDUM TO: The Deputy Administrator, Assistant Administrators
Department Managers, Regional Irrigation Managers,
Project/Operations Managers, Provincial Irrigation
Officers, Irrigation Superintendents, and all others
Concerned**

**SUBJECT : GUIDELINES IN THE UTILIZATION OF IA
IMPROVEMENT SHARE UNDER IOSP – II**

1.0 Introduction

The Irrigators Association (IA) Improvement Share for systems improvement under the newly-completed Second Irrigation Operations Support Project (IOSP –II) provides standby fund for future rehab/repair of the improved National Irrigation Systems (NISs). Substantial amount has already been collected and kept at the Regional level as trust fund for said purpose. This circular is issued to give guidance on the utilization of the fund as well as for other similar IA sharing scheme in NISs not covered by IOSP II and ISIP II.

2.0 Purpose

Trust fund emanating from IA Improvement Share may be used for any or a combination of the following activities/items.

- a) **major repairs** *which shall cover one-time repair/rehabilitation works amounting to 20% or more than the equivalent monetary value of the total annual ISF collectibles based on the Service Area of the IA/IA Federation under IMT Contract.*
- b) **seed fund for initial IA/IA Federation operation under IMT including minor repairs.** *Minor repairs shall include those routinary repair works as included in the IMT Contract and O&M Plan and/or those works amounting to less than 20% of the equivalent monetary value of the total ISF collectibles based on the Service Area of the IA/IA Federations under IMT Contract.*

- c) Procurement of necessary equipment for IA/IA Federation O&M or agri-support services.**

3.0 Requirements

Request on the use of the trust funds shall emanate from the IA/IA Federation to be approved by the Irrigation Superintendent (IS)/Regional Irrigation Manager (RIM) subject to the following requirements:

- a) For major repairs**

1. A duly approved Program of Work (POW) by the IS/RIM prepared following the IOSP-II participatory project preparation process, to include IA share.
2. IA/IA Federation has undergone IMT contract for at least two cropping seasons.

- b) For seed fund for initial IA/IA Federation operation under IMT.**

1. IA/IA Federation has signed IMT contract.
2. IA/IA Federation has prepared O&M Plan and Budget covering: operation, maintenance and institutional development.

- c) Procurement of equipment**

1. IA/IA Federation should justify procurement of any item proposed.
2. IA/IA Federation has a prepared plan and budget for the maintenance and management of such equipment.

4.0 Allocations

The total share shall have the maximum allocation as percentage of the total trust fund as follows:

- a) Major Repairs – 70%**
- b) Seed Fund – 15%**
- c) Procurement – 15%**

5.0 Recovery of Cost

Major repairs are not subject to repayment. However, the IA/IA Federation should be encouraged to collect from the beneficiary farmers nominal amount which shall accrue to its own trust fund to be used for similar works in the future. The IA seed fund including minor repair and procurement of equipment shall be subject to repayment for a period not exceeding two years, and without interest, so as to sustain the funds.

6.0 Conditionalities

Repair/Rehabilitation must not be from those arising or resulting from neglect of O&M defined and agreed responsibilities. Any withdrawal from the fund for the purposes authorized under this circular shall be covered by a NIA-IA/IA Federation Memorandum of Agreement (MOA).

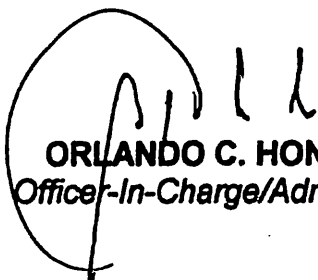
7.0 Accounting Procedures

The accounting procedures governing IA Improvement Share under IOSP-II and ISIP-II per unnumbered Memorandum dated June 27, 1997 is hereby adopted and forms an integral part of this circular.

8.0 Applicability

This IA sharing scheme should be encouraged to include all NISs not covered by IOSP II and ISIP II.

Date: 23 April, 2001


ORLANDO C. HONDRADO
Officer-In-Charge/Administrator