

31 Aug 2001

Republic of the Philippines
NATIONAL IRRIGATION ADMINISTRATION
EDSA, Dillman, Quezon City

August 27, 2001

MC 53, S, 2001

MEMORANDUM CIRCULAR

T O : The Deputy Administrator, Assistant Administrators,
Department Managers, Regional Irrigation Managers,
Operations Managers, Irrigation Superintendents,
All others concerned

S U B J E C T : Reversion of Irrigation Service Fees (ISF) for the
National Irrigation Systems to 1975 Rates

In accordance with NIA Board Resolution No. 7019-01, series of 2001, you are hereby directed to adopt the 1975 ISF Rates for NISs with amendment as follows:

Scheme/Crop	Wet Season (cav/ha)	Dry Season (cav/ha)	Third Season (cav/ha)
a. Diversion Scheme			
Rice	2.0	3.0	3.0
Other Seasonal Crops	60 % of rice		
Annual Crops	5		
b. Reservoir Scheme			
Rice	2.5	3.5	3.5
Other Seasonal Crops	60 % of rice		
Annual Crops	6.0		
c. Pumping Scheme			
Rice	Variable, latest rate prior to AO 17		
Other Seasonal Crops	Variable, latest rate prior to AO 17		
Annual	Variable, latest rate prior to AO 17		

Specific rates for paddy crop in Pump Irrigation Systems as per attached Annex A shall likewise be adopted. These rates shall be subject to posting or publication in your areas within at least fifteen (15) days before effectivity and shall apply to all standing crops as of January 1, 2002 and thereafter.

Simultaneous with the re-adoption of the 1975 ISF rates, the following shall be undertaken:

1. Provision of additional benefits to good ISF payors;
2. Drafting of concrete plans to improve NIA services to the farmers.
3. Provision of programs that will increase farm yield; and
4. Improvement of the NFA-NIA tie-up with respect to post-harvest facilities and procurement of ISF collection in the form of palay.

For compliance.


JESUS EMMANUEL M. PARAS
Administrator

Date: 29 August, 2001

ISF Rates for Pump Irrigation Systems (NIS)

NIS	Region/Responsibility Center	ISF Rate for Paddy (cav/ha)	
		Wet Season	Dry Season
1. Bonga Pump No. 1	I/Ilocos Norte Irrigation Service (INIS)	8	12
2. Bonga Pump No. 2	- ditto -	8	12
3. Bonga Pump No. 3	- ditto -	8	12
4. Iguig-Alcala-Amulung Pump Irrigation System (IAAPIS)	II	7.5	7.5
5. Solana Pump Irrigation System	II	14	14
6. MRIIS Pump No. 1	Magat River Integrated Irrigation System (MRIIS)	6	8
7. MRIIS Pump Nos. 2 and 3	- ditto -	6	8
8. Penaranda Pump Irrigation System	UPRIIS	7	10
9. Bustos-Pandi Pump Irrigation System	III/Angat-Maasim River Irrigation System (AMRIS)	5	5.5
10. Tibagan Pump Irrigation System	- ditto -	5	7
11. Cabuyao East	IV/Laguna Friar Lands Irrigation System (LFLIS)	3	4
12. Libmanan/Cabusao Pump Irrigation System (LCPIS)	V	6	6

**IMPLEMENTING GUIDELINES ON THE REVERSION OF IRRIGATION
SERVICE FEE (ISF) TO 1975 RATES, INCLUDING AMENDMENTS**

1. Background and Purpose

- 1.1. The capability of National Irrigation Systems (NISs) to sustain the level of Operation & Maintenance (O & M) was adversely affected by the reduction of ISF rates as provided for under Administrative Order No. 17 and enforced by MC 49, s. 1998. Administrative Order (AO) 17, however, was temporary in nature and was meant to cushion the effect of Asian Currency Crisis and the El Nino Phenomenon. Realizing the difficulties in sustaining O & M with reduced income from ISF after two years of implementing AO 17, NIA, the participating Irrigators Associations (IAs) and concerned farmers' groups through series of consultations, have come to agreement that the rates of Irrigation Service Fees must be reverted to 1975 rates including amendments.
- 1.2. The reversion is to enable NIA and the government as well, to generate income that would at least sustain NIS operations, and hence, provide adequate service to beneficiaries. It would likewise help the government to cut subsidy for the O & M of NISs, and hence, help improve government financial resources and accelerate irrigation development.
- 1.3. The reversion, however, shall be complemented with measures to further improve service, support mechanism for IAs, and provide incentives for good payors.

2. General Guidelines

1. The 1975 rates shall be effective within fifteen (15) days after publication or posting of notice and shall apply to all standing crops as of January 1, 2002 and thereafter. Aside from publication/posting, the Irrigation Systems Offices shall conduct orientation/discussions with concerned IAs and LGUs. The orientation shall include the rationale and background for reversion, and other salient points of the implementing guidelines.
2. The Agency shall continue to accept payment in cash or in kind.
3. All existing guidelines consistent herewith shall be adopted.
4. Performance Targets of NISs for succeeding year (CY 2002) shall explicitly contain improvements in performance and consider the 1975 rates and other provisions of these guidelines.

3. Improving NIA Service

1. Irrigation Systems Offices shall prepare their own specific Action Plan for improving service to the beneficiaries, considering transparency and accountability. The Action Plans for CY 2002 shall be submitted to this Office, Attention: Systems Management Department, together with the

annual Performance Targets for the same year, in September, 2001. Thereafter, same requirements shall be submitted in September of every year.

2. **Transparency.** O & M plans, including financial projections, shall be conscientiously discussed and agreed with IAs during NIA-IA O & M Conferences. Financial projections shall include target collections and all sources of income and cost items in the budget. Further, IAs and LGUs concerned shall be furnished copy of these guidelines and related documents, for their reference.
 3. **The System Management Committees (SMCs)** shall be strongly utilized as venue and mechanism for discussion/settlement of concerns.
 4. **Accountability.** Performance Targets and Action Plans shall specify accountabilities of both NIA and IAs. On the part of NIA, accountabilities of staff, particularly on financial matters, shall be specified. Sanctions shall likewise be agreed upon by both parties.
 5. **Staff Visibility.** NIS personnel shall intensify visibility in the area. This shall enable quick action on concerns, close monitoring of progress of work, and likewise, intensify NIA-IA relationships. This shall be done through the following:
 - On-field consultations by field personnel with IAs/farmers at least four (4) times during land-soaking/land preparation and at least eight (8) times during normal irrigation period.
 - Attendance to all meetings called by Irrigators Associations
 - Inspection, site visit, farmers consultation by the Irrigation Superintendent in all areas at least once in a month.
4. **Support and Incentives to beneficiaries**
1. Central Office Units concerned (SMD, IDD and Treasury Department, primarily) shall prepare specific guidelines and proposals for improving incentives for good payors, and likewise, differentiating IA members from non-members. Guidelines and proposals must be completed on or before end of August, 2001.
 2. Support packages for beneficiaries in the form of rebates on cost of production inputs and related needs on prompt payment shall be pursued by the Agency by way of tie-ups with other Agencies/Institutions. These, however, shall prioritize good payors.
 3. Regional and Irrigation Systems Offices are encouraged to submit relevant suggestions/proposals to the Office of the Administrator Attention: the SOEM Sector on or before September 15, 2001.