

SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

HOUSE OF REPRESENTATIVES  
H. No. 2902

HOUSE OF REPRESENTATIVES

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Introduced by **Representative Raul C. Tupas**

### EXPLANATORY NOTE

**AN ACT REMOVING THE IRRIGATION SERVICE FEES AND DELEGATING THE MANAGEMENT AND OPERATIONS OF NATIONAL, COMMUNAL, AND PUMP IRRIGATION SYSTEMS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 3601, AS AMENDED, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

The National Irrigation Administration (NIA) is a government-owned and controlled corporation primarily responsible for irrigation development and management. It was created under Republic Act No. 3601 on 22 June 1963. Its charter was amended by Presidential Decree (PD) 552 on 11 September 1974 and Presidential Decree 1702 on 17 July 1980. Both increased the capitalization and broadened the authority of the Agency.

NIA has 18 Regional Offices and about 48 Irrigation Management Offices nationwide. There are also Project Management Offices that implement big-ticket projects either foreign or locally-funded.

The powers and functions of NIA under RA 3601, as amended by PD 552 and PD 1702, include the following:

1. To investigate, study, and develop all available water resources in the country, primarily for irrigation purposes;
2. To plan, design, construct, and/or improve all types of irrigation projects and appurtenant structures;
3. To operate, maintain, and administer all national irrigation systems (NIS);
4. 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;
5. To delegate the partial or full management of NIS to duly organized cooperatives or associations;

6. To construct multiple-purpose water resources projects designed primarily for irrigation, and secondarily for hydraulic power development and/or other uses such as flood control, drainage, land reclamation, domestic water supply, roads and highway construction, and reforestation, among others, Provided, that the plans, designs, and the construction thereof, shall be undertaken in coordination with the agencies concerned;
7. 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:
  - o cover the cost of operation, maintenance, and insurance;
  - o recover the costs of construction within a reasonable period of time to the extent consistent with government policy;
  - o 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.

Irrigation services is a vital government infrastructure needed to support the growth of the Philippine economy, similar to the networks or roads and bridges being used for free. Irrigation projects improve agricultural productivity and increase cropping intensities. Farmers should be supported by providing them free irrigation while at the same time building their capabilities to manage the irrigation systems.

Non-charging of irrigation fees will lessen crop production expenses. The amount saved by the farmers can be used to augment other needs and farm inputs that can increase productivity and eventually lead to higher income.

Reduced production costs will enable rice to be sold at lower prices which will rebound to the benefit of the consuming public and address national food security concerns.

The present bill proposes amendments pertaining to the power and authority of the NIA to collect Irrigation Service Fees (ISF) to support the "no irrigation fee" policy of the national government as a means of augmenting the income of farmers and lowering the cost of crop production.

For this reason, the early passage of this bill is earnestly sought.

  
**RAUL C. TUPAS**

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**AN ACT REMOVING THE IRRIGATION SERVICE FEES AND DELEGATING THE  
MANAGEMENT AND OPERATIONS OF NATIONAL, COMMUNAL, AND PUMP  
IRRIGATION SYSTEMS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 3601,  
AS AMENDED, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

**SECTION 1. Title.** –This Act shall be known as the “Free Irrigation Reform of 2016”.

**SECTION 2. Declaration of Policy.** - It is the policy of the State to spur agricultural production by removing the collection of irrigation service fees. With the proper technical assistance from National Irrigation Administration (NIA), the State seeks to enhance the capability of qualified cooperatives and associations in the management and operations of irrigation facilities and transform them into self-directed, enterprising, financially viable, and self-reliant organizations.

**SECTION 3.** - Section 2 (b) of Republic Act No. 3601, as amended, is hereby deleted and repealed. The succeeding sub-sections of Section 2 of Republic Act No. 3601, as amended, are hereby renumbered accordingly.

**SECTION 4.** - A new section is hereby added after Section 3 of Republic Act No. 3601, as amended, to read as follows:

**"SEC. 3. WITHIN TWO YEARS FROM THE EFFECTIVITY OF THIS ACT,  
THE NATIONAL IRRIGATION ADMINISTRATION SHALL COMPLETE  
THE TURN-OVER AND MANAGEMENT OF NATIONAL IRRIGATION  
SYSTEMS, COMMUNAL AND PUMP IRRIGATION SYSTEMS TO DULY  
ORGANIZED COOPERATIVES OR ASSOCIATIONS, UNDER SUCH  
TERMS AND CONDITIONS WHICH THE NIA BOARD OF DIRECTORS  
MAY IMPOSE.**

**THE OPERATION, MAINTENANCE, AND REPAIR OF NATIONAL  
IRRIGATION SYSTEMS, COMMUNAL AND PUMP IRRIGATION  
SYSTEMS SHALL BE UNDERTAKEN BY ELIGIBLE COOPERATIVES  
OR ASSOCIATIONS."**

1 **SECTION 5.** - The succeeding sections of Republic Act No. 3601, as amended, are  
2 hereby renumbered accordingly.

3  
4 **SECTION 6. Exclusions.** - Multinational companies and large farm corporations shall  
5 not be covered and exempted from the payment of irrigation service fees.

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7 **SECTION 7. Separation and Retirement from Service.** - NIA personnel who are  
8 directly involved in billing, collection, and accounting of irrigation service fees who are  
9 separated from service within six (6) months from the effectivity of this Act as a result of  
10 the removal of the irrigation service fees shall receive separation benefits to which they  
11 may be entitled under Executive Order No. 366, s. 2004: Provided, that those who are  
12 qualified to retire under existing retirement laws shall be allowed to retire and receive  
13 retirement benefits to which they may be entitled under applicable laws and issuances.

14  
15 **SECTION 8. Appropriations.** - The additional funding to defray the corporate operating  
16 budget of NIA for personal services, maintenance and other operating expenses, and  
17 capital outlay requirements shall be sourced from the General Appropriations Act:  
18 Provided, the funding for the overhead and maintenance of all national, pump, and  
19 communal irrigation systems shall only be for two (2) years.

20  
21 **SECTION 9. Separability Clause.** -If for any reason, any provision of this Act or any  
22 part thereof shall be held unconstitutional and invalid, the other parts of provision of this  
23 Act, which are not affected thereby, shall remain in full force and effect.

24  
25 **SECTION 10. Repealing Clause.** -All laws decrees, resolutions, orders or ordinances or  
26 parts thereof inconsistent with this Act, are hereby repealed, amended or modified  
27 accordingly.

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29 **SECTION 11. Effectivity Clause.** -This Act shall take effect fifteen (15) days after its  
30 publication in the Official Gazette or in at least two (2) newspaper of general circulation.

31  
32 Approved,