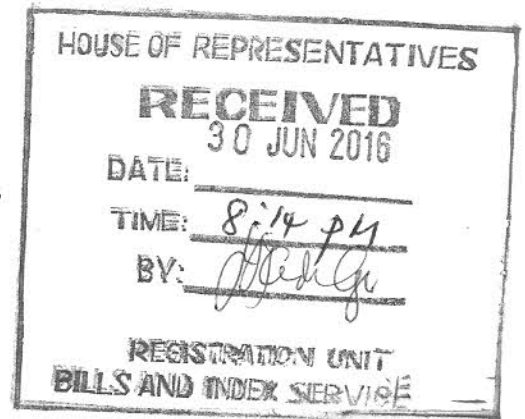


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 558**



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**INTRODUCED BY REPRESENTATIVES**

**ARIEL B. CASILAO**

**CARLOS ISAGANI T. ZARATE, EMMI A. DE JESUS, ANTONIO L. TINIO,  
ARLENE D. BROSAS, FRANCE L. CASTRO, AND SARAH JANE I. ELAGO**

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**EXPLANATORY NOTE**

The national economy is predominantly agricultural. Majority of the population in fact belong to the countryside and source their livelihood from agricultural production. Philippine agriculture however has long been characterized as backward, manual and small-scale, with the social context of landlessness being the defining factor that has brought about more than a hundred years of extreme poverty to millions of Filipino peasants.

The underdevelopment of peasant communities in the country is generally typified by, among other impediments to the growth of Philippine rural economy, the continuing imposition of land rent on tenant farmers, the unmitigated onslaught of usury, and the vicious underpricing of farm products that goes along with the exorbitant cost of farm inputs.

Such dire circumstance is further exacerbated by the apparent lack or utter absence of state support to agriculture and the renegeing of concerned government agencies on its service function to vital areas of production such as irrigation.

Irrigation is one of the primary factors for the growth of agricultural productivity. It is crucial especially in the production of major staples – rice and corn – and is therefore key in ensuring the country's food security. It likewise plays an important role in making crop diversification viable, enhancing multi-cropping even during the dry season.

Given the strategic importance of irrigation in pursuing sustained agricultural growth and development, rice self-sufficiency, food security, and the upliftment of the welfare of Filipino farmers, it is the obligation of the state to provide free irrigation services.

There is however much to be desired in the efforts of the state in providing irrigation in the countryside. In 2015, the National Irrigation Administration (NIA) claimed that irrigation development has only reached 57 percent or 1.7 million hectares of land supposedly irrigated out of the targetted 3 million hectares. At least 1.3 million hectare thus are still without irrigation.

The Philippine Statistics Authority meanwhile said in 2013 that 61 percent of the country's rice farms are irrigated through the National Irrigation Sistem (NIS). It should be noted however that the NIS covers only 31 percent of the entire irrigation millieu in the country which includes, among others, smaller but widespread localized or communal irrigation systems.

Worse, previous national administrations, including the last Aquino administration which wholly embraced and adopted the World Bank's principle that water resource is a commodity, have implemented various finance mechanisms to collect irrigation service fees (ISFs) from farmers.

So-called farmer-beneficiaries of the NIS program administered by the NIA and the Irrigators Associations (IA) under the Communal Irrigation Systems (CIS) are forced to pay expensive ISFs. This has led to huge amount of back accounts or unpaid ISFs. These back accounts, which are imposed with penalties and interests, have further burdened the already poor farmers with bigger debts.

Amid the clamor of peasant organizations against irrigation fees, the Aquino administration through the NIA has time and again justified the imposition of ISFs by saying that it is where the salaries of the agency's personnel are sourced. Such claim not only runs counter to the assumption that irrigation is a social service and should be provided at no cost to the beneficiaries, but also falsely presents a situation where NIA employees' sallaries could not be sourced elsewhere or could not possibly be defrayed from the NIA's budget or savings. NIA's budget has in fact ballooned from P1.7 billion in 2013 to P32.7 billion in 2016.

Moreover, despite the fact that water, as a natural resource, belongs to the people and should not be subjected to the control and utilization of local and foreign big corporations for profit, previous governments have promoted the privatization of water services to the sole advantage of private businesses and to the detriment of the people especially the farmers especially through the Aquino administration's so-called Public-Private Partnership (PPP) program.

With Aquino's PPP program, \$1.1-billion worth of dam and water projects have been geared to be auctioned off for investment to local and foreign private companies. Big-ticket dam projects funded through the national budget have been designed primarily for power generation purposes and only secondarily for irrigation services.

Since 2009, the government has entered into the Participatory Irrigation Development Project (PIDP), a World Bank (WB)-assisted project that aims to transform the NIA into a strategically-focused and financially viable irrigation service through restructuring and reform programs in the irrigation sector that will

include purportedly the rehabilitation and modernization of the NIS and the rationalization of the NIA.

It is the farmers however who are expected to shoulder the payment of such loans through cost-recovery arrangements under the PDIP. This is on top of the already high ISFs collected by the NIA from farmer-beneficiaries who avail of irrigation services.

In the 16<sup>th</sup> Congress, Anakpawis Representative Fernando Hicap, together with the other representatives of the Makabayan coalition, and in close coordination with farmers organizations, irrigators associations and stakeholders in the agriculture sector, filed this bill seeking the abolition of irrigation service fees collected by the National Irrigation Administration (NIA) and the institutionalization of a genuinely just program that will accelerate irrigation development nationwide. The 16<sup>th</sup> Congress however failed to pass this bill into law.

The 2016 elections, apparently taking the cue from militant peasant organizations, saw the particular issue of free irrigation conspicuously included among the more articulated campaign promises of a considerable number of candidates. President Rodrigo Duterte himself, during his appearance last February in the Peasant Agenda Forum sponsored by the Kilusang Magbubukid ng Pilipinas (KMP) at the University of the Philippines in Diliman, vowed to pursue rural development through various measures including the implementation of free irrigation service for the benefit of the farming sector.

Indeed, the Filipino farmers, are both serious and hopeful in challenging the present administration to make good on its promise to unburden the sector of irrigation fees and to implement with strong political will a host of other reforms that will usher in genuine rural development.


In view of the foregoing, the immediate passage of this bill is earnestly sought.




**REP. ARIEL B. CASILAO**  
ANAKPAWIS Party-list



**REP. CARLOS ISAGANI T. ZARATE**  
BAYAN MUNA Party-list



**REP. EMMI A. DE JESUS**  
GABRIELA Women's Party



**REP. ANTONIO L. TINIO**  
ACT Teachers Party



**REP. ARLENE D. BROSAS**  
GABRIELA Women's Party



**REP. FRANCE L. CASTRO**  
ACT Teachers Party



**REP. SARAH JANE I. ELAGO**  
KABATAAN Party-list

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**AN ACT**

**ABOLISHING IRRIGATION SERVICE FEES AND SUCH OTHER SIMILAR OR  
RELATED FEES FROM BENEFICIARIES OF IRRIGATION SYSTEMS FUNDED  
AND CONSTRUCTED BY, OR UNDER THE ADMINISTRATION OF THE  
NATIONAL IRRIGATION ADMINISTRATION, AMENDING FOR THE PURPOSE  
CERTAIN SECTIONS OF REPUBLIC ACT NO. 3601, PRESIDENTIAL DECREE  
NO. 552 AND PRESIDENTIAL DECREE NO. 1702**

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

**Section 1. Short Title.** – *“This Act shall be known as the “Free Irrigation Services  
Act of 2016.”*

**Section. 2. Declaration of Policy.** – It is hereby declared the policy and obligation  
of the State to adhere to the principle of integrated and holistic program of support  
services that will alleviate the situation of farmers and nurture them to unleash  
their full capabilities as productive forces of society.

The State adheres to promote comprehensive rural development through increased  
agricultural production and the adoption of necessary and sound measures to  
accelerate the achievement of self-sufficiency in food, equitable access to  
opportunities and sustained productivity as key strategies to raise the quality of life  
in rural areas and overall national development.

Toward this objective, it shall endeavor to provide the necessary and vital support  
services and assistance to farmers, including but not limited to inputs to  
production, production support, post-harvest facilities and irrigation services.

**Section. 3. Stoppage of the Collection of Fees.** – The collection of irrigation  
service fees (ISFs) and such other similar or related fees from beneficiaries of  
irrigation systems funded and constructed by, or under the administration of the

National Administration (NIA), including the collection of back accounts and the corresponding penalties thereof, shall all be stopped upon the passage of this Act.

**Section. 4. Cancellation of Back Accounts and Penalties.** – Back accounts and corresponding penalties shall be immediately cancelled upon the passage of this Act.

**Section. 5. Construction, Repair and Maintenance of National Irrigation Systems.** – For the purpose of ensuring the necessary construction, repair and maintenance of irrigation systems administered by the NIA, the required amounts shall be included in the annual General Appropriations Act (GAA).

**Section. 6. Government Subsidy for the Management of Irrigation Systems.** – The State shall provide the necessary subsidies to farmers and irrigators associations and cooperatives to ensure the effective and grassroots-based management of irrigation systems, the funding of which shall likewise be included in the annual GAA.

**Section 7. Repeal of Section 2, Paragraph (c) of Republic Act No. 3601 entitled "An Act Creating the National Irrigation Administration:**

"Section 2. Powers and objectives. The NIA shall have the following powers and objectives:

**X X X X**

- (c) To collect from the users of each irrigation system constructed by it such fees as may be necessary to finance the continuous operation of the system and reimburse within a certain period not less than twenty-five years the cost of construction thereof:

**X X X X**

**SECTION 8. Repeal of Section 1, Paragraph (b) of Presidential Decree (PD) No. 552 entitled "Amending Certain Sections of Republic Act Numbered Thirty-Six Hundred and One, entitled, "An Act Creating the National Irrigation Administration":**

Section 1. Section 2, Republic Act Numbered Thirty-Six Hundred and one, is hereby amended to read as follows:

"Section 2. Powers and Objectives. -- The NIA shall have the following powers and objectives:

**X X X X**

- (b) 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 cover the cost of operation, maintenance and insurance, and to recover the cost of construction within a reasonable period of time to the extent



consistent with government policy; to recover funds or portions thereof expended for the construction and/or rehabilitation of communal irrigation systems which funds shall accrue to a special fund for irrigation development under section 2 hereof;

Unpaid irrigation fees or administration charges shall be preferred liens, first, upon the land benefited, and then on the crops raised thereon, which liens shall have preference over all other liens except for taxes on the land, and such preferred liens shall not be removed until all fees or administration charges are paid or the property is levied upon and sold by the National Irrigation Administration for the satisfaction thereof. Judicial actions for the collection of unpaid irrigation fees or charges, drainage fees or other charges which the National Irrigation Administration is authorized to impose and collect, shall henceforth be governed by the provisions of the Rules of Court of the Philippines for similar actions, the provisions of other laws to the contrary notwithstanding.

**X X X X**

***Section 9. Repeal of Section 1, Paragraph (b) of Presidential Decree No. 1702 entitled, "Amending Section 3 of Republic Act No. 3601, As Amended by Presidential Decree No. 552:***

"Section 3 of Republic Act No. 3601, as amended by Section 3, Presidential Decree No. 552, is hereby amended to read as follows:

**X X X X**

- (b) Operating Capital. — All amounts collected by the National Irrigation Administration as irrigation fees, administration charges, drainage fees, equipment rentals, proceeds from the sale of unserviceable equipment and materials, sale of all reparation goods allocated to the defunct Irrigation Service Unit and the National Irrigation Administration, and all other income shall be added to its operating capital.

The National Irrigation Administration is hereby authorized to impose as an administration and engineering overhead charge, 5% of the total cost of projects undertaken by it, which shall likewise form part of its operating capital.

**X X X X**

***Section 10. Separability Clause.*** — If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision thereof shall remain valid and subsisting.

***Section 11. Repealing Clause.*** — Any law, presidential decree, issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or

inconsistent with, the provisions of this Act or may be construed either expressly or impliedly, to grant the National Irrigation Administration the power to levy any kind of irrigation fee or any kind of monetary imposition is hereby repealed, modified, or amended accordingly.

**Section 12. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette.

Approved.