IMPLEMENTING GUIDELINES FOR THE BALIKATAN SAGIP PATUBIG PROGRAM

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The President has launched the Balikatan Sagip Patubig Program (BSPP), a massive rehabilitation program to bring back idle and obsolete communal irrigation systems (CIS), in partnership with LGUs. In line with this, the Department of Agriculture has initially set aside P100 Million as a revolving and counterpart fund to be extended to interested LGUs.

The implementation of BSPP shall be governed by the attached guidelines approved by the Secretary of Agriculture. These guidelines define the policies, procedures and respective roles of the different entities to be followed in the utilization of the fund. The implementation of projects under the program shall be dependent on the capability and readiness of local government units and Irrigators Associations to provide the necessary counterpart funds for the project. These guidelines take effect immediately.

All RIMs and PIOs are directed to coordinate with the LGUs, inform them of the program and explain the guidelines on how to avail of the BSP funds for the rehabilitation of the CIS in their area.

For your guidance and compliance.

Adopted: 20 Oct. 1999

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General Policy Guidelines on the Utilization of the P100 Million Fund for the Rehabilitation of Communal Irrigation Systems Under the Balikatan Sagip Patubig Program

1.0 Coverage/Scope

1.1 Eligible Projects and Activities

Only the rehabilitation and repair of existing communal irrigation systems are eligible under the program.

1.2 Priority Areas, Provinces and Municipalities

The prioritization of irrigation projects to be implemented under the program shall be dependent on the Local Government Unit’s (LGU’s) capability and readiness to provide the necessary counterpart funds for the project.

2.0 Guidelines for Site Identification and Prioritization

The following criteria for the inclusion of a project in the program must be met.

2.1 Technical Feasibility

2.1.1 At least 130% cropping intensity;

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2.1.2 Capability and willingness of the water users and the LGUs to carry out future repair, operation and maintenance; and

2.1.3 Soundness of design of the system.

2.2 Sustainability after Rehabilitation

2.2.1 Presence of viable irrigators association;

2.2.2 Willingness of the beneficiary and the concerned LGU to abide by the terms of the cost-sharing arrangements; and

2.2.3 Willingness and capability of LGU and water users to take care of the repair; operation and maintenance of the system after rehabilitation.

2.3 Economic Viability

2.3.1 An estimated internal rate of return of at least 12%; and

2.3.2 A rehabilitation cost less than P60,000 per hectare.

2.4 Other Considerations

2.4.1 Social Desirability. Projects that are socially desirable are those located in lower income municipalities or economically depressed areas and whose beneficiaries are mostly small farmers.

2.4.2 With good potentials for increasing unit area productivity

2.4.3 Providing farmers a great degree of water control and opportunities for crop intensification and diversification.

3.0 Financing Guidelines

3.1 Fund Utilization

The total project cost (TPC) shall include the actual cost of rehabilitation works, pre-engineering, institutional development activities and general engineering, supervision and administration.

3.2 Project Cost-Sharing Scheme

The BSPP funds shall be made available to LGUs with adequate counterpart funds for the implementation of the civil works on existing CISs.

3.2.1 The cost-sharing arrangement will cover only the actual cost of rehabilitation works (hereinafter referred cost of rehabilitation). The rest of the cost items are basically irrigated agriculture support services that the DA should be providing to all LGUs, water uses groups and farmers in irrigated areas regardless of the mode of irrigation.

3.2.2 The cost-sharing scheme will be as follows:

3.2.2.1 Water users association — Total Labor Cost
3.2.2.2 LGUs — 50% of rehabilitation cost minus labor cost
3.2.2.3 DA fund — 50% of rehabilitation cost minus labor cost

The LGU counterpart share should be negotiated among the concerned entities. If the communal system is within a municipality, the municipality and the province may contribute equally. If the system is within a city, the city government shall put up the total LGU counterpart. If the system is in two or more municipalities, an individual municipality contribution will be pro-rated according to its proportion of the irrigation service area. The

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contribution of the farmers group may be in cash or in kind.

3.2.3 The share coming from the LGU Fund will be recovered through irrigation service fee. It will then form a revolving fund of the LGU and water users associations which will be used mainly for the following purpose:

3.2.3.1 Source of emergency loan for the repair of damages to the irrigation system due to calamities;

3.2.3.2 Loans for the expansion of irrigation facilities within the concerned LGUs' and

3.2.3.3 Source of investment for value-adding downstream activities of the water users associations.

4.0 Operational Guidelines

4.1 General

4.1.1 The Department of Agriculture (DA) shall formulate the guidelines on the utilization of BSPP funds.

4.1.2 The technical guidelines for the screening of projects and defining the full scope of the rehabilitation work as well as the nature and scope of institutional development activities shall be formulated by a committee consisting of representatives from the NIA, ATI, FOS and DA-STAG.

4.1.3 The NIA, thru the Provincial Irrigation Offices (PIOs) shall disseminate the program to the LGUs and explain the procedures in availing of BSPP funds.

4.1.4 LGUs shall be responsible for identifying possible projects. The NIA shall be responsible for the technical and economic evaluation of possible projects. The DA and the LGUs shall jointly select the projects to be included in the program.

4.1.5 NIA shall be primarily responsible for undertaking pre-engineering, detailed design and specifications and field supervision of rehabilitation works. In cases where the LGUs already have the technical and management capability, this responsibility shall be given to the LGUs with the NIA providing the needed support or assistance.

4.1.6 The NIA, ATI and the LGUs shall be responsible for planning and implementing the institutional development activities. These activities should aim to devolve all communal irrigation systems development activities to the LGUs and the irrigators associations within five years.

4.1.7 The DA shall allocate funds for the overhead or management costs of all agencies involved and for the institutional development activities.

4.1.8 LGUs who have the technical and management capability (in terms of manpower, equipment, and experience) shall be given the responsibility to the actual construction by administration with NIA providing the necessary management/technical support/assistance. Otherwise, NIA shall undertake the actual construction of the project in agreement with the beneficiaries and LGU concerned.

4.1.9 DA shall release the BSPP funds to NIA. NIA shall effect the release of the amount corresponding to the BSPP fun counterpart to its field offices.

4.1.10 As a general rule, no cash/lump sum release shall be made to the LGUs. Instead, LGUs that prosecute civil works shall be paid on a progress billing system, with the amount equivalent to the percentage of expenditures based on the BSPP-fund share to total project cost.

4.1.11 Five percent (5%) of the funds released to NIA shall be allocated for the agency's general overhead/management costs.

4.1.12 Upon completion, LGUs and NIA shall turn over the project to the IAs.

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4.1.13 The IAs shall be responsible for the O&M of the completed projects.

4.1.14 The respective roles, obligations and responsibilities as well as agreements between and among the NIA, LGUs and IAs in the implementation of projects under the BSPP shall be defined and embodied in a Memorandum of Agreement (MOA) to be executed for each project.

4.2 Delineation of Responsibilities

4.2.1 Responsibilities of DA

a. Issue the guidelines on the utilization of BSPP funds

b. Evaluate the requests for funding under the program and issue official certificate of approval to proponent LGU.

c. Release to NIA the allocation for the rehabilitation of communal irrigation systems under the program.

d. Based on NIA's report on the status of BSPP fund, replenish the expended portions of the fund.

4.2.2 Responsibilities of NIA

a. Disseminate the program to the LGUs and explain the guidelines on how to avail of BSPP for the rehabilitation of existing CISs in their areas

b. Determine the technical feasibility and economic viability of the candidate projects and assess the technical capability of the LGUs and IAs to implement the project

c. Undertake the detailed engineering activities and institutional development aspect of irrigation development through its Provincial Irrigation Offices in coordination with the LGUs

d. Provide technical assistance in planning, programming and implementation of projects under the BSPP depending on the level of technical capability of the LGUs

e. Prepare and facilitate the signing of the Memorandum of Agreement among the LGUs, IAs, and NIA, detailing the financing arrangements and responsibilities of each in the implementation of the project. Submit the same to DA together with the request for funding by the LGU.

f. Facilitate the release of fund to the project

g. Coordinate with LGUs in monitoring the Progress of rehabilitation works

h. Together with the IA and the LGUs, conduct monthly reconciliation of project expenditures and accomplishments

i. Submit monthly reports to DA on the status of projects being implemented and status of BSPP funds; request for replenishment of the fund

4.2.3 Responsibilities of Municipal/City Governments

a. Confirm, together with the IAs, the projects to be implemented subject to Section 2.0

b. For the municipal government, enter into agreement with the Provincial Government on the sharing of counterpart funds. For city government, assure the availability of counterpart funds for the implementation of the project.

c. Together with the Provincial Government, submit request for funding to DA, thru NIA, including the certificate of counterpart fund availability.

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d. Undertake actual rehabilitation of the communal irrigation systems or delegate to NIA items of works beyond their capability to undertake, using as initial funds, their committed counterpart funds

e. Coordinate with NIA in undertaking the institutional development program

f. Collaborate with NIA in carrying out various project activities, monitoring and evaluation of financial expenditures and physical progress

g. Participate in the monthly reconciliation of project expenditures and accomplishments to be conducted by NIA

h. Turn over the completed projects to the IAs and provide support for the sustained O & M of the systems

i. Coordinate with other agencies in the delivery of agricultural support services to the IAs

4.2.4 Responsibilities of the Provincial Government

a. Enter into agreement with the municipal government on the sharing of counterpart funds for the projects to be implemented under the BSPP

b. Certify to the availability of the LGU counterpart funds for the project

c. Together with the municipal government, submit the request for funds to DA, thru NIA, including the certificate of counterpart fund availability

d. Together with the municipal government, coordinate with NIA and the IAs in pursuing the implementation of the projects

e. With the municipal government, coordinate with other agencies in the delivery of other agricultural support services to the IAs

4.2.5 Responsibilities of IAs

a. Initiate the request for funds for the rehabilitation of their CIS through a resolution addressed to the LGU and DA

b. Coordinate with NIA and the concerned LGUs in project implementation;

c. Put up IA counterpart funds equivalent to thirty percent (30%) of the TPC in the form of cash, labor, construction materials and right-of-way, if any

d. Participate in the monthly reconciliation of project expenditures and accomplishments to be conducted by NIA

e. Accept, operate and maintain the completed projects

5.0 Effectivity

These Guidelines shall take effect immediately.

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