

GUIDELINES IN THE TRANSFER OF COSTS AND CORRESPONDING OBLIGATIONS OF COMPLETED/EXISTING INFRASTRUCTURE PROJECTS OF THE NATIONAL IRRIGATION ADMINISTRATION TO THE NATIONAL GOVERNMENT...

DBM JOINT CIRCULAR NO. 1-92, January 20, 1992

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/407b8aa42f38/>

1.0

Background and Purpose

This Circular is issued to provide the guidelines and procedures implementing Section 7 of the Special Provisions of DPWH in R.A. No. 6831, R.A. No. 7078 and R.A. No. 7180, quoted as follows:

"Treatment of Infrastructure Projects of the National Irrigation Administration. All infrastructure projects undertaken by the National Irrigation Administration and funded out by appropriations from the National Government shall, in like manner as the Department of Public Works and High-ways and other Infrastructure Agencies be considered as projects of the National Government. For this purpose, the costs and the corresponding obligations of the completed/existing infrastructure projects of the National Irrigation Administration shall be transferred to the National Government. The necessary adjustments in the books of the National Irrigation Administration, the Bureau of the Treasury and the Department of Public Works and Highways shall be made in accordance with the rules and regulations to be jointly formulated by the Department of Finance and the Department of Budget and Management in consultation with the Commission on Audit."

2.0

Definition of Terms

2.1 Cost refers to the total capital input for construction and rehabilitation of infrastructure projects which are funded by appropriations from the national government either as subsidy, equity or loan/grant proceeds.

2.2 Obligations refers to the indebtedness (both domestic and foreign) incurred for the implementation of infrastructure projects. These will include all pertinent obligations incurred prior to 1990.

2.3 Infrastructure Projects refers to those projects undertaken by the National Irrigation Administration specifically for irrigation purposes classified as National Irrigation system/Project and Communal Irrigation System/Project. These shall include dams; canals and the rights-of-way, buildings and land thereon; construction, transport and office equipment; and pumping plants, if any.

2.4 Irrigation systems/projects refers to those completed/on-going irrigation facilities built for the purpose of supplying water for agricultural production.

2.5 National Irrigation systems/projects refers to those irrigation facilities which are more than 1,000 hectares in coverage, constructed and operated by the National Irrigation Administration and for services rendered, farmers are paying Irrigation Service Fees.

2.6 Communal Irrigation systems/projects refers to those irrigation facilities which are generally less than 1,000 hectares, constructed by NIA but are eventually turned-over and operated by Irrigators' Associations (IAs), the recoverable direct costs of which, are amortized by the IAs for not more than fifty (50) years.

2.7 Irrigators' Association refers to farmer organizations initially formed with the assistance of NIA for the purpose of making them self-reliant.

3.0

Coverage

For purposes of this Circular, the costs and the corresponding obligations of the completed/existing infrastructure projects of NIA to be transferred to the national government are the following:

3.1 Completed Projects. Construction and capitalized rehabilitation cost of fully operational national and communal irrigation systems funded out of appropriations from the national government either as equity, subsidy and/or loan/grant proceeds and the corresponding obligations on loans contracted therefor (both foreign and domestic).

3.2 Existing Projects. Accumulated cost or outstanding obligations of on-going infrastructure irrigation facilities for national and communal irrigation systems booked-up by NIA until December 31, 1989.

4.0

Guidelines

4.1 A physical inventory of national and communal irrigation systems' assets shall be undertaken and reconciled with NIA's book of accounts prior to the transfer of the costs and corresponding obligations of said projects to NG.

4.2 The obligations corresponding to the assets to be transferred shall be duly reckoned with and consistent with BTR records.

4.3 The transfer of assets and obligations shall be effected by the agencies in their respective books.

4.4 All relending agreements entered into between the National Government and the National Irrigation Administration for foreign-assisted projects prior to CY 1990 are hereby rendered ineffective.

4.5 A Task Force to be co-chaired by DOF (through BTR) and DBM, with NIA and DPWH as members, is hereby created to oversee the implementation of this Circular.

5.0

Responsibilities

5.1 National Irrigation Administration shall.

5.1.1

Conduct a physical inventory of completed and existing national and communal irrigation facilities and classify them as to their funding sources.

5.1.2

Update and reconcile with BTR the corresponding obligations to be transferred including the total national government advances and outstanding foreign debt prior to CY 1990.

5.1.3

Execute a Deed of Transfer to DPWH of all the assets and liabilities covered by this Circular.

5.1.4

Effect in its books of accounts the transfer of such asset and liability accounts to the national government.

5.1.5

Undertake the operations and necessary repairs and maintenance of national irrigation systems from internally generated funds.

5.1.6

Remit all collections from CIP amortizations to the Bureau of the Treasury as an effect of this transfer.

5.2 Department of Public Works and Highways shall

5.2.1

Accept ownership of all national and communal irrigation facilities and assume the obligations corresponding thereto.

5.2.2

Effect in its books of accounts the transfer of such asset and liability accounts to the national government.

5.3. Department of Finance through

A. International Finance Group shall

5.3.1 Inform the foreign lending institutions/creditors of the said transfer and take remedial actions, if necessary.

B. The Bureau of the Treasury shall

5.3.2

Determine the total equity infused to NIA for the implementation of irrigation programs.

5.3.4

Determine the total outstanding foreign debts incurred for irrigation and irrigation-related projects implemented by NIA.

5.3.5

Effect in its books of accounts the adjustment for equity and receivables from NIA on account of the advances

(Principal and Interest) made for loan amortization dues.

5.4 Department of Budget and Management shall

5.4.1

Issue the necessary release documents to effect the transfer of the completed/existing infrastructure projects from NIA to DPWH.

6.0 The Commission on Audit shall promulgate the necessary rules and regulations to carry out the provisions of this Joint Circular.

7.0

Repealing Clause

The provisions of all circulars, instructions and other issuances which are inconsistent with the provisions of this joint circular are hereby rescinded or modified accordingly.

8.0

Effectivity

This Circular shall take effect immediately.

Adopted: 20 Jan. 1992

(SGD.) JESUS P. ESTANISLAO

Secretary

Department of Finance (SGD.) GUILLERMO N. CARAGUE

Secretary

Department of Budget and Management

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.