

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO INCUR, ON BEHALF OF THE REPUBLIC OF THE PHILIPPINES, LOANS FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ...

REPUBLIC ACT NO. 4853, July 18, 1966

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

SECTION 1. The President of the Republic of the Philippines is hereby authorized to incur, on behalf of the Republic of the Philippines, loans in an amount not exceeding a total of fifty million United States dollars, or its equivalent in other currencies, computed at the prevailing rate of exchange at the time the loan is incurred, on such terms and conditions as may be agreed upon, from the International Bank for Reconstruction and Development and or other foreign or international financial institution which may offer similar or better terms as the International Bank for Reconstruction and Development, for the purpose of helping finance the construction, completion, expansion and/or rehabilitation of irrigation system and the construction of multi-purpose dams and reservoirs: Provided, That in the case of the latter, the participating agencies shall enter into an agreement providing for the allocation of the costs in the construction of such dams and reservoirs.

SEC. 2. The total proceeds from such loans is hereby constituted into a special fund to be used exclusively in the construction, completion, expansion and/or rehabilitation of irrigation systems and the construction of multi-purpose dams and reservoirs, and shall be administered by the National Irrigation Administration or such other government agencies as authorized by law. Out of the total proceeds from such loans, such sum as may be necessary is hereby appropriated to implement Republic Act Numbered Eight hundred ninety-nine. The National Irrigation Administration or other government agency as authorized by law, shall consult with the Department of Agriculture and Natural Resources and such regional planning bodies as may be involved in respect to the planning of such projects or any projections of the usefulness of such projects to agricultural production and development in the areas affected: Provided, That in the selection of such projects priority shall be based on the following considerations, namely:

- Areas producing rice and corn;
- High benefit-cost ratio;
- Areas declared as land reform districts under Republic Act Numbered Three thousand eight hundred and forty-four; and
- Fair geographical distribution.

SEC. 3. In carrying out the construction, completion, expansion and/or rehabilitation of irrigation system and the construction of multi-purpose dams and reservoirs financed by such loans, the National Irrigation Administration or other government agency as authorized by law, shall award all contracts for construction and for purchase of articles, materials and supplies, (including building materials) for such construction to the lowest responsible

bidders on the basis of price, quality, experience and other relevant factors and in accordance with existing laws: Provided, That when needed services, articles, materials and supplies are not obtainable within the Philippines at internationally competitive prices the President of the Philippines may authorize the procurement thereof as an exception to the restrictions and preferences provided for in Act Numbered Forty-two hundred and thirty-nine, Commonwealth Act Numbered Five hundred and forty-one, and Republic Act Numbered Nine hundred and twelve: And provided, finally, That under the provisions of Commonwealth Act Numbered One hundred and thirty-eight only one preference of fifteen per cent shall be applied, that is, in favor of articles, materials, or supplies of the growth or production of the Philippines, or manufactured in the Philippines substantially from articles, materials, or supplies of the growth, production, or manufacture of the Philippines, offered by bidders who are; citizens of the Philippines, or corporations, partnerships, associations, or firms duly organized and registered under the laws of the Philippines seventy-five per centum of the capital of which is owned by citizens of the Philippines.

SEC. 4. All capital constructions herein authorized, irrespective of the source of funds, shall be covered by the pertinent provisions of the Revised Administrative Code of the Philippines, except that they shall be under the authority of the National Irrigation Administration or other government agency as authorized by law.

SEC. 5. The National Irrigation Administration or other government agency as authorized by law shall collect from the users of its irrigation systems constructed, completed, expanded, and/or rehabilitated under this Act and administered 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.

SEC. 6. In order to enable the National Government to meet the yearly interest and amortization payments on the loans, the corresponding irrigation fees shall be turned over to the National Government in full, after deducting actual expenses for operation and maintenance. Any deficiency in the total collection to cover the annual amortization and interest on the loans is hereby appropriated out of the funds in the National Treasury not otherwise appropriated to meet the full payment on the annual amortization, interests and other charges on the loans herein authorized if and when they shall become due.

SEC. 7. The President of the Philippines shall issue such rules and regulations as may be necessary in the implementation of the provisions of this Act.

SEC. 8. It shall be the duty of the President within thirty days after the opening of every regular session, to report to the Congress the amount of loans actually incurred and the particular irrigation project for which said loans were separately invested.

SEC. 9. This Act shall take effect upon its approval.

Approved, July 18, 1966.

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