

**[NIA MEMORANDUM CIRCULAR NO. 36, S. 1999,
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**IMPLEMENTING GUIDELINES FOR THE BALIKATAN SAGIP
PATUBIG PROGRAM**

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;

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 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