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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 539

Introduced by
**BAYAN MUNA Representatives CARLOS ISAGANI T. ZARATE,
FERDINAND R. GAITE and EUFEMIA C. CULLAMAT**

RESOLUTION
**URGING THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD AND
THE COMMITTEE ON GOOD GOVERNMENT AND PUBLIC
ACCOUNTABILITY, TO JOINTLY INVESTIGATE, IN AID OF LEGISLATION,
THE DELAYED IRRIGATION PROJECTS UNDER THE NATIONAL
IRRIGATION ADMINISTRATION (NIA), WHICH AGGRAVATED THE
ALREADY ABJECT SITUATION OF THE FILIPINO FARMERS**

WHEREAS, the Rice Liberalization law flooded Philippine domestic market of imported rice, which further worsen the current status of the domestic rice industry. In Pampanga, the farmgate price of palay went down to P9-12 per kilo, while in other parts of Central Luzon and Bataan, it went down as low as P7 per kilo. The Philippine Chamber of Agriculture and Food Inc. said that the Rice Liberalization Law stripped farmers of P95 billion in income as the influx of cheap rice imports has pulled down rice prices;¹

WHEREAS, RA 11203 annually appropriated P10 billion to the RCEF for six years, which may be extended or terminated in accordance to the review to be made by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM). RCEF will be used as follows:

- Rice Farm Machineries and Equipment (RFME) – 50%
- Rice Seed Development, Propagation and Promotion (RSDPP) – 30%
- Expanded Rice Credit Assistance (ERCA) – 10%
- Rice Extension Services (RES) – 10%

WHEREAS, government agencies, particularly the National Irrigation Administration (NIA), have a history of delayed irrigation project constructions;

WHEREAS, RA 10969, also known as the Free Irrigation Service Act, passed into law last February 2, 2018, seeks to improve agriculture productivity and help farmers, especially those with landholdings of eight (8) hectares or below;

WHEREAS, last Nov. 12, 2019, Malacañang stressed there is a need to improve the country's irrigation systems to address the problems in rice production, following reports that the

¹ www.philstar.com/business/2019/05/25/1920605/rice-import-liberalization-strips-p95-b-farmers#XJeZFAzbzHiQmk6o.99

1 Philippines has surpassed China as the world's biggest importer in 2019. According to
2 Malacañang spokesperson Salvador Panelo, programs are in place to ensure farmers have access
3 to free irrigation;²
4

5 **WHEREAS**, the NIA is a government-owned and controlled corporation mandated to help the
6 country's program on rice self-sufficiency by infrastructure projects in line with irrigation and
7 agricultural development, which includes the operation and maintenance of national irrigation
8 systems and all communal and pump irrigation systems constructed, improved and/or repaired
9 wholly or partially with government funds;
10

11 **WHEREAS**, according to the status of irrigation development as of Dec. 31, 2018, NIA
12 reported an accomplishment of 61.39% or 1.92 million hectares out of the total irrigable 3.19
13 million hectares irrigated nationwide from 55.59% or 1.68 million hectares irrigated as of Dec.
14 31, 2013;
15

16 **WHEREAS**, COA found out that as of Dec. 31, 2018, there are 299 irrigation projects with
17 total contract cost of P20.704 billion incurred significant delays up to 2,287 calendar days due to
18 poor performance of the contractors, among other factors. It is revealed that liquidation
19 damages were not imposed against contractors who defaulted 44 contracts amounting to
20 P12.245 billion and 20 on-going contracts aggregating to P9.039 billion that have incurred huge
21 negative slippage were neither terminated nor rescinded. Also, performance securities of
22 P472.067 million were not forfeited for 43 contracts amounting to P2.207 billion. Government
23 resources were also wasted as a result of the change or variation orders and contract time
24 extensions for 42 contractors;
25

26 **WHEREAS**, based on the video documentary hosted by Ted Failon entitled Wakas ng
27 Paggapas, Ricardo Visaya, administrator of NIA, claims that the 134 contract/projects, as
28 reported by COA, were all completed and currently operational. This is contrary to the site visit
29 held by the documentary team revealing that some irrigation projects are indeed still under
30 construction;³
31

32 **WHEREAS**, the controversial Balog-Balog Multi-Purpose Project construction in San Jose,
33 Tarlac is supposed to start last June 21, 2017 and its south main canal in Feb. 15, 2017 but as of
34 2018, only 25.81% was completed for the storage dam and 12.16% for the south main canal. The
35 project in 2013 and the deadline to complete the project was moved to from 2018 to 2022. The
36 negative slippage of the dam is at -20.88% under the ITP Construction, Inc. and Guanxi
37 Hydroelectric Construction Bureau Co. Ltd., while -87.84% was recorded for the construction of
38 the south canal under A.M. Oreta & Company, Inc. and Northern Builders (JV);
39

² <https://news.abs-cbn.com/business/11/12/19/palace-wants-improved-irrigation-systems-as-ph-tops-china-in-rice-importation>

³ Part 1.1: <https://www.youtube.com/watch?v=d8MUubJ3N3Q>, Accessed 2019 November 11
Part 1.2: <https://www.youtube.com/watch?v=4X0v2yFLtGE>, Accessed 2019 November 11
Part 1.3: <https://www.youtube.com/watch?v=7RiERUks2-o>, Accessed 2019 November 11
Part 1.4: <https://www.youtube.com/watch?v=KTiHy3DIFnQ>, Accessed 2019 November 11
Part 1.5: <https://www.youtube.com/watch?v=Z8MnaAbuYLk>, Accessed 2019 November 11
Part 2.1: <https://www.youtube.com/watch?v=NzfSicFFqaw>, Accessed 2019 November 11
Part 2.2: <https://www.youtube.com/watch?v=6uNhJmzZBHo>, Accessed 2019 November 11
Part 2.3: <https://www.youtube.com/watch?v=40Dal7s5HKc>, Accessed 2019 November 11
Part 2.4: <https://www.youtube.com/watch?v=KTiHy3DIFnQ>, Accessed 2019 November 11
Part 2.5: <https://www.youtube.com/watch?v=qHurnnt34gU>, Accessed 2019 November 11

1 **WHEREAS**, the Government Procurement Reform Act penalizes the contractor if it exceeds to
2 10% negative slippage. The head of procuring agency can order the stoppage of the contract due
3 to the failure of the contractor to deliver. However, according to COA report, NIA didn't
4 impose the penalties against the defaulting contractors of 44 contracts totaling to P12.245 billion.
5 The agency also hasn't terminated the 20 on-going contracts worth P9.038 billion that incurred
6 delays;


7
8 **WHEREAS**, in Solana, Cagayan province, among other provinces, farmers are complaining due
9 to lack of irrigation system, which requires them to use water pump, and spend P20,000 for
10 diesel to irrigate one hectare. Farmers from Sultan Mastura, Maguindanao and North Cotobato,
11 also asked for support from the government as there is still no irrigation system in their areas;

12
13 **WHEREAS**, in the municipality of Las Navas in Northern Samar, livelihood of farmers has been
14 severely affected by the drought caused by El Niño and the insufficient irrigation system.
15 Construction of the two diversion dams, namely the Bulao Dam and the Hagbay Dam, and
16 several canals which could have improved the province's irrigation system were stopped
17 following anomalies;

18
19 **WHEREAS**, it is the primordial duty of the Congress, in exercise of its legislative and oversight
20 functions, to ensure that the people's money was utilized for the benefit of the Filipino people
21 and was not wasted due to government inefficiency and corruption. As legislators, it is one of
22 our duties to look into the causes and results of successful and unsuccessful projects and
23 programs implemented by the executive and to help the government learn from its mistakes in
24 pursuance to efficient service delivery for the people;

25
26 **NOW, THEREFORE BE IT RESOLVED**, that the House of Representatives, through its
27 Committee on Agriculture and Food and Committee on Good Government, to jointly
28 investigate, in aid of legislation, the delayed irrigation projects under the National Irrigation
29 Administration (NIA), which aggravated the already abject situation of the Filipino farmers.

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31 *Approved,*

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35 **REP. CARLOS ISAGANI T. ZARATE**
36 *Bayan Muna Partylist*

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40 **REP. FERDINAND R. GAITE**
41 *Bayan Muna Partylist*

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43 **REP. EUFEMIA C. CULLAMAT**
Bayan Muna Partylist