



# Committee Daily Bulletin

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## COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Agriculture and Food	HR 235	Rep. Cabatbat	Investigation into the 299 irrigation projects flagged by the Commission on Audit (COA)	The Committee chaired, by Rep. Wilfrido Mark Enverga (1 <sup>st</sup> District, Quezon), will continue its inquiry pursuant to the five resolutions in another meeting.
	HR 249	Deputy Speaker Villafuerte	Inquiry into the delayed irrigation contracts of the National Irrigation Administration (NIA)	Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA), author of HR 539, said that the government is allocating significant amount of funds for irrigation projects and yet the completion of these projects is yet to be achieved. He hopes that with this inquiry, the committee can unearth the reasons behind the delays and come up with concrete steps to finally resolve the issues.
	HR 263	Rep. Herrera-Dy	Investigation into the delayed contracts and projects of NIA and to demand the Agency to effectively pursue the recommendations made by COA to address its inefficiencies	COA Supervising Auditor of NIA Divina Telan reported that based on the audit observations of COA for 2018, proper planning and implementation of projects were not strictly observed as 299 irrigation projects with a total contract cost of P20.7 billion incurred significant delays for up to 2,287 calendar days. The delays were due to the following: unsatisfactory performance of contractors, slippage by 15% or more, and unavailability of equipment, among others.
	HR 539	Rep. Zarate	Investigation into the delayed irrigation projects of the NIA, which aggravated the already abject situation of the Filipino farmers	Telan said the COA recommends the following: <ul style="list-style-type: none"> <li>• The NIA management should strictly adhere to and follow RA 9184 or the Government Procurement Reform Act;</li> <li>• The request for change of scope of work or any variation to the project should be properly evaluated;</li> <li>• The NIA should create an inspectorate team to conduct a thorough inspection and turnover of completed projects to the irrigation associations. It should also conduct inspection and validation of actual accomplishments as per progress billing to ensure that these are really undertaken;</li> <li>• The NIA should impose and claim liquidated damages incurred in delays of projects, and consider terminating irrigation contracts with more than 15% negative slippage;</li> <li>• The NIA's legal department or internal audit unit should conduct investigation to determine persons responsible for not imposing liquidated damages, for approving or granting phase order and contract extension without proper documentation, and for not terminating contracts that have incurred negative slippages. Likewise, the legal department should file appropriate charges against persons who are found to be liable for wrongdoings.</li> </ul>
	HR 546	Rep. Enverga	Inquiry into the status of NIA's irrigation projects throughout the country and its ability to effectively address the irrigation needs of the agriculture sector	NIA Administrator Ricardo Visaya explained that the delays in the projects could also be attributed to external factors such as weather conditions, occurrence of calamities, and peace and order situation. He also pointed out that the late release of the funds for the projects by the Department of Budget and Management (DBM) contributes to the delay in the project completion.
				Rep. Argel Joseph Cabatbat (Party-List, MAGSASAKA), author of HR 235, and Rep. Estrellita Suansing (1 <sup>st</sup> District, Nueva

Continuation... Agriculture and Food				<p>Ecija) asked if COA has considered in its audit observations the delayed fund releases by the DBM as one of the factors causing the delayed completion of projects.</p> <p>Telan said that for the 2018 audit observation, the delay in the budget releases was not seen as the reason for the delays.</p> <p>Replying to the query of Rep. Cabatbat, the NIA Administrator affirmed that the acquisition of the projects' right-of way (ROW) also contributes to the delay in project completion. To address this, NIA included the ROW acquisition as a line item in the agency's budget so that it can already proceed with the acquisition even before the project actually starts.</p> <p>Rep. Enverga opined that potential issues on ROW should already be identified and considered at the time irrigation projects are being planned to avoid delays in the implementation of these projects.</p> <p>The Committee requested NIA to submit a report on the on-going and accomplished irrigation projects per congressional district.</p>
	HR 672	Rep. Suansing (E.)	Investigation into the sale of water by CE Casecnan Water and Energy Company, Inc. to the NIA for purposes of irrigation to ascertain the volume of water delivery, review the exorbitant rates of water delivery fees per cubic meter and the average annual energy generation, and to propose remedial measures thereof	<p>The Committee decided to deliberate further on the issues raised relative to HR 672 together with the Committee on Energy.</p> <p>Rep. Suansing, author of HR 672, called on the Committee to exercise its oversight function and investigate the huge disparity in the rates of water fees paid to CE Casecnan by the NIA and the water fees paid by First Gen Hydro Power Corporation to the NIA. She said that the NIA pays water fees to CE Casecnan at P3.45 per cubic meter, while the NIA sells water to First Gen at a trifling amount of P0.062 per cubic meter.</p> <p>CE Casecnan operates a hydroelectric plant and irrigation facility in the province of Nueva Ecija under a build-operate-transfer (BOT) scheme with NIA. The 20-year BOT agreement commenced in December 2001 and will end in December 2021. The CE Casecnan delivers water to Pantabangan Reservoir which the NIA pays for. On the other hand, First Gen is a hydro power corporation which uses the water from the Pantabangan Dam for its energy generation.</p> <p>NIA Regional Manager Rose Bote presented the background and status report on the Casecnan Multipurpose Irrigation and Power Project (CMPP) being operated by CE Casecnan.</p> <p>Rep. Suansing said that aside from the disparity in the water rates, the Committee should also look into the real property taxes being paid by EC Casecnan. Rep. Suansing observed that the EC Casecnan is generating income but the amount of real property taxes it is paying is decreasing.</p> <p>To have a better understanding of the issues, Rep. Suansing requested NIA to submit a copy of the agreements between NIA and EC Casecnan as well as those between NIA and First Gen. She likewise requested the Power Sector Assets and Liabilities Management (PSALM) Corporation to be invited in the joint meeting to shed light on the issues mentioned.</p>

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