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SENATE

P. S. Res. No. 101

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IRRIGATION PROGRAMS AND PROJECTS IMPLEMENTED BY THE NATIONAL IRRIGATION ADMINISTRATION, WITH THE END IN VIEW OF STRENGTHENING GOVERNMENT MECHANISMS TO ENFORCE PUBLIC PROCUREMENT LAWS, TO ENSURE PRUDENT UTILIZATION OF PUBLIC RESOURCES, AND TO PROVIDE TIMELY AND ADEQUATE AGRICULTURAL SUPPORT SERVICES TO FILIPINO FARMERS

1 WHEREAS, the State is mandated under the Constitution to provide support to
2 agriculture through appropriate technology and research, and adequate financial,
3 production, marketing, and other support services;

4 WHEREAS, such constitutional mandate is reiterated in Republic Act No. 10969,
5 otherwise known as the "*Free Irrigation Service Act*," which provides that the State
6 shall ensure that vital support services are made available, particularly irrigation
7 service, to increase production of agricultural crops, encourage productivity, and
8 increase the incomes of farmers;

9 WHEREAS, irrigation service is a vital component in improving agricultural
10 productivity as the maximization of crop yields and stabilization of crop production
11 cycles depend heavily on the availability and adequacy of water supply;

12 WHEREAS, the importance of irrigation, not only in improving agricultural
13 productivity, but also in attaining food security, providing local employment, and
14 promoting countryside development, has prompted the government and private
15 entities to invest in the development and maintenance of irrigation systems
16 throughout the country;

1 WHEREAS, there are 242 national irrigation systems, 8,802 communal irrigation
2 systems and several private and other government-assisted irrigation systems that
3 provide irrigation service to 1,920,563.03 hectares of irrigable agricultural lands in the
4 Philippines;

5 WHEREAS, spending on irrigation systems remains one of the largest
6 agricultural expenditures in the Philippines, with Congress appropriating about
7 P260.42 billion from 2009 to 2019 to fund irrigation programs and projects;

8 WHEREAS, despite public and private investments on irrigation, the
9 development of irrigation in the country has been slow, with irrigation development
10 increasing at an average rate of only 1.63% *per annum* from 1999 to 2019;

11 WHEREAS, irrigation development has been comparatively slower than the
12 contraction of the potential irrigable area, with the National Irrigation Administration
13 (NIA) adding only about 580,000 hectares of irrigation service area from 1999 to 2018,
14 while natural factors like climate change and man-made activities like agricultural land
15 conversion reducing the country's potential irrigable area by more than one and a half
16 million hectares during the same period;

17 WHEREAS, the development of irrigation systems, especially for agricultural
18 areas located far from water sources, is fraught with operational and financial issues
19 and challenges;

20 WHEREAS, the development of national and communal irrigation systems
21 imposes high economic costs on taxpayers and irrigators' associations, with estimates
22 revealing that the provision of irrigation systems to new agricultural lands could cost
23 upwards of P350,000 per hectare;

24 WHEREAS, environmental and meteorological factors can affect the reliability
25 of irrigation systems as well as the quantity and quality of water conveyed through
26 them;

27 WHEREAS, increasing water demand from competing users, without an existing
28 policy framework on water rights, pricing and control, creates pressure to divert water
29 intended for irrigation to households and industries;

1 WHEREAS, these issues and concerns are further aggravated by institutional
2 lapses and bottlenecks that prevent the efficient implementation of irrigation programs
3 and projects and foster an environment conducive to corruption and other
4 unscrupulous acts;

5 WHEREAS, the provision of irrigation service falls under the mandate of the
6 NIA, the government agency created by virtue of Republic Act No. 3601 to identify
7 available and potential sources of water for irrigation, and to plan, design, construct,
8 maintain, operate, improve and rehabilitate irrigation systems in the Philippines;

9 WHEREAS, the Commission on Audit (COA) pointed out in its 2013 NIA Annual
10 Audit Report that farmer-beneficiaries were not able to benefit in a timely manner
11 from irrigation and other projects implemented by the agency due to reasons such as:
12 right of way issues, conflict between farming schedules and project timetables,
13 technical incapability, and requirements like quarry permits, which could have been
14 avoided had there been adequate planning and supervision and proper evaluation of
15 bids;

16 WHEREAS, COA identified in its 2014 NIA Annual Audit Report significant delays
17 in the implementation of 214 projects with a total amount of P5.43 billion and \$99.99
18 million for reasons that could have been avoided with adequate planning and
19 supervision, proper bid evaluation, and efficient execution of detailed engineering
20 surveys and designs;

21 WHEREAS, COA revealed in its 2015 NIA Annual Audit Report that the
22 inadequate planning, inefficient execution of surveys, investigation and engineering
23 design, and poor project supervision of NIA have resulted in significant delays in the
24 implementation of 183 irrigation contracts and projects with a total contract amount
25 of P8.24 billion;

26 WHEREAS, COA has also noted the following observations in the same 2015
27 report: 1) failure of the agency to blacklist defaulting contractors, 2) laxity of its
28 bidding and due diligence process, 3) tolerance for unaccomplished or poorly-
29 constructed projects, and 4) leniency in implementing the provisions of Republic Act
30 No. 9184, otherwise known as the "*Government Procurement Reform Act*," and the
31 irrigation contracts NIA has awarded;

1 WHEREAS, COA has provided information in its 2016 NIA Annual Audit Report
2 on the significant delays in the implementation of 82 projects with a total contract cost
3 of P4.54 billion pesos due to unsatisfactory performance of ineligible contractors,
4 inadequate planning, and inefficient execution of surveys, investigation and
5 engineering design;

6 WHEREAS, COA also observed in the same 2016 report that 25 contracts
7 awarded by NIA with a total cost of P6.00 billion incurred significant negative
8 slippages, five (5) contracts amounting to P458.55 million were terminated due to,
9 among others, the fault of contractors, and 32 contracts amounting to P1.76 billion
10 were awarded to bidders that failed eligibility requirements;

11 WHEREAS, COA uncovered, in the 2017 NIA Annual Audit Report, the significant
12 delay of the implementation of 436 irrigation contracts and projects with an aggregate
13 cost of P11.94 billion pesos due to inadequate planning, and inefficient execution of
14 surveys, investigation, and engineering design;

15 WHEREAS, COA also made known in the same 2017 report that defaulting
16 contractors in 12 contracts with NIA amounting to P68.94 million were not imposed
17 with liquidated damages and granted with contract time extension, and that NIA has
18 awarded 68 contracts worth P840.31 million to bidders that did not pass the eligibility
19 requirements;

20 WHEREAS, COA has stated in the 2018 NIA Annual Audit Report that the
21 agency's non-observance of proper project planning and management has caused
22 significant delays in the implementation of 299 irrigation contracts and projects
23 amounting to P20.70 billion;

24 WHEREAS, COA opined in the same 2018 report that the leniency of the agency
25 in implementing the provisions of the procurement law and the awarded contracts has
26 also led to 1) the failure to impose damages from defaulting contractors for projects
27 amounting to P12.25 billion, 2) failure to terminate contracts amounting to P9.04
28 billion that have incurred significant negative slippages, 3) failure to forfeit P472.07
29 million worth of security bonds for 43 terminated contracts and projects amounting to
30 P2.21 billion, and 4) failure to scrutinize the eligibility of winning bidders prior to the
31 award of 106 contracts amounting to P4.35 billion;

1 WHEREAS, these acts and omissions of NIA have adversely affected thousands
2 of farmers, have impaired the productivity of thousands of hectares of agricultural
3 lands, and have squandered billions of pesos of government resources;

4 WHEREAS, there is a need to establish a direction for the country's irrigation
5 system development that involves the establishment of a framework for developing
6 new irrigation projects, maintaining existing irrigation facilities, promoting the efficient
7 and effective use of public resources, and improving the delivery of irrigation services
8 to the farmers: Now, therefore, be it

9 RESOLVED BY THE SENATE, as it is hereby resolved, To direct the appropriate
10 Senate committee to conduct an inquiry, in aid of legislation, on the irrigation
11 programs and projects implemented by the National Irrigation Administration, with the
12 end in view of strengthening government mechanisms to enforce public procurement
13 laws, to ensure prudent utilization of public resources, and to provide timely and
14 adequate agricultural support services to Filipino farmers.

Adopted,



RALPH G. RECTO

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