

MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 17

**ADOPTION OF A SOCIALIZED IRRIGATION SERVICE FEE,
COMMUNAL IRRIGATION SYSTEMS (CIS) AMORTIZATION
RATES, AND OTHER URGENT INTERIM MEASURES TO
CUSHION THE EFFECTS OF EL NIÑO AND THE ASIAN
CURRENCY CRISIS IN THE AGRICULTURAL SECTOR,
PARTICULARLY TO BENEFIT IRRIGATION FARMER
BENEFICIARIES**

WHEREAS, Presidential inspection of the countrysides has established the sorry state of farmer beneficiaries of irrigation systems of the National Irrigation Administration (NIA), brought about by the effects of the El Niño phenomenon and the current Asian currency crisis;

WHEREAS, there is a need to immediately implement interim measures to assist irrigation farmer beneficiaries, so that they can recover from the effects of these climatic and economic abnormalities;

WHEREAS, the payment of irrigation service fees and amortization on Communal Irrigation Systems (CIS) are among the identified obligations of farmer beneficiaries payable to NIA;

WHEREAS, a review of said obligations justifies the rationalization thereof, by introducing socialized irrigation fees and amortization on CIS, thereby equitably distributing the burden of payment among farmer beneficiaries in national irrigation and communal irrigation systems;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Philippines, by virtue of the powers vested in me by law, do hereby order that the rates of irrigation services fees and CIS amortization payments to be collected by NIA be as follows:

1.1 The Socialized ISF, on National Irrigation Systems Operated and maintained by NIA:

	Wet Season (Cavans/has. or cash equivalent)	Dry Season (Cavans/has. or cash equivalent)
a. Diversion Scheme		
2 has. and below	1	1.5
Above 2 to 5 has.	2	3.0
More than 5 has.	3	4.5
Other Crops	60% rate of rice	

Annual Crops

7.5 cavan/has.
annually

b. Reservoir/Storage Scheme

2 has. and below

1.5

2.0

Above 2 to 5 has.

2.5

3.5

More than 5 has.

4.0

5.0

Other Crops

60% rate of rice

Annual Crops

9 cavan/has. annually

c. Same rates as in Reservoir/Storage Scheme, but actual cost of power/energy pro-rated to farmer beneficiaries.

1.2 CIS Amortization

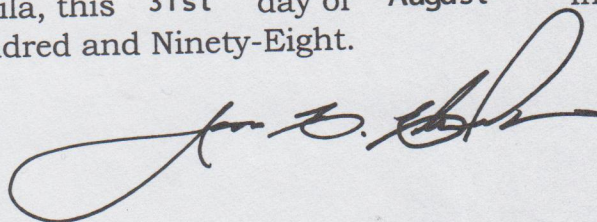
a. No equity during construction is required for new areas. Minimum amortization payment of 1.5 cavans/has./year is reduced to one cavan and the chargeable cost to be amortized at no interest.

b. Irrigators' Associations (IA) opting for 30 percent upfront payment of chargeable cost during construction/rehabilitation are exempted from CIS amortization payment.

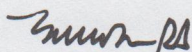
2. The Department of Agriculture is hereby directed to submit legislative proposals for the increase of administration and overhead charges of 5 percent to 10 percent of the total cost of projects undertaken by the NIA, and the condonation of irrigation service fees and CIS amortization back accounts being collected by NIA.

This Administrative Order shall take effect upon its publication in at least one newspaper of general circulation in the Philippines.

DONE in the City of Manila, this 31st day of August in the Year of Our Lord Nineteen Hundred and Ninety-Eight.



By the President:



RONALDO B. ZAMORA
Executive Secretary