

Irrigation Management Transfer in the Philippines

Lessons from the Participatory Irrigation Development Project (PIDP)

3rd World Irrigation Forum

1-7 September 2019, Bali, Indonesia

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Outline of Presentation

- Irrigation in the Philippines;
- Evolution of Irrigation Management Transfer (IMT) and issues;
- Model Contracts to allow gradual transfer of responsibilities and issues related to changing conditions;
- Free Irrigation Service Law (2016);
- Response by Irrigators Associations (IA);
- Impact of mature IAs on scheme performance and rice production.

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Irrigation in the Philippines

- Total potential irrigable land: 3.02 million ha;
- Total developed irrigated area: 1.73 million ha (2016; 57 percent of potential);
- Main aim of irrigation investments: self-sufficiency in rice production;
- National Irrigation Systems (NIS): 766,000 ha, government-owned;
- Communal Irrigation Systems (CIS): 586,000 ha, constructed with support from government, owned by farmers through cooperatives or community associations.

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National Irrigation Administration (NIA)

- NIA was established in 1963;
- Main mandate is to construct, rehabilitate, and manage NIS;
- Central Office (CO);
- 14 Regional Offices (RO);
- Numerous Irrigation Management Offices (IMO);
- Irrigators Associations (IA);
- IMOs depend mainly on income from irrigation service fees (ISF).

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Irrigation Management Transfer (IMT)

- Philippines has a long history with IMT, starting in the 1970s;
- IAs take responsibility for operation and maintenance (O&M) of part of or whole NIS and pay ISF;
- Philippines has an interesting way of calculating ISF;
- X kg rice * rice support price. X is 150 kg and 100 kg during the dry and wet season, respectively. In 2016, the rice support price was PhP17/kg. The ISF was thus PhP2,550 (US\$49.50) and PhP1,700 (US\$33.00) per ha during the 2016 dry and wet season, respectively.

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Irrigation Management Transfer (cont'd)

- Mixed results with IMT over the years;
- Unwillingness and unpreparedness to take over O&M;
- Poor condition of irrigation and drainage infrastructure;
- Low collection rate for ISF (around 60%) – no clear-cut penalty system;
- ISF blend rate sufficient for some NIS, insufficient for other NIS;
- Low revenue for NIA and reduced capacity to maintain schemes;
- Further deterioration of schemes and service (vicious circle);
- Reduced irrigation area and cropping intensities.

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Participatory Irrigation Development Project (PIDP)

- World Bank funded PIDP (2009-2018) designed to address these structural and institutional issues;
- Focus on irrigation infrastructure improvements;
- Focus on capacity building of 904 IAs (about 125,000 ha) and support to NIA to provide effective support to IAs, from leadership to members;
- NIA has dedicated institutional support units at the three levels;
- Four IMT model contracts, with gradual transition, increasing the level of responsibility of IAs for O&M of NIS.



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IMT Model Contracts

- Model 1: NIA manages NIS, but IAs perform certain tasks, e.g. maintenance of lateral (basically cheap labor), distribution of ISF bills;
- Model 2: NIA manages main canal system up to laterals (secondaries), with IA managing the laterals, sub-laterals, etc.;
- Model 3: NIA manages headworks and main canal up to first lateral canal offtake, with IA managing the rest of the main canal, laterals, etc.;
- Model 4: NIA transfers management of entire system to IA.



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IMT Model Contracts (cont'd)



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IMT Model Contracts – Compensation

- Model 1: payment for labor provided for canal maintenance;
- Models 2 and 3: share of ISF to return to IAs varies (ISF moves through RO), but increasing from model 2 to 3, based on negotiations between NIA and IAs and formalized in IMT contract;
- Model 4: all or most of the ISF to return to IAs.
- For each model, NIA provided regular training and support;
- Training focuses on many aspects, especially planning and implementation of O&M, budgeting and fund management, organizational aspects, and M&E.



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IMT Model Contracts - Level

- IAs to decide on contract level, based on capacity and readiness to assume O&M responsibilities;
- This was key – no forcing to assume responsibilities that were not matched with IA skills and experience;
- Most IAs opted to start with model 1, and move gradually to higher level when comfortable with that, based on training and other support received by NIA;
- At the end of 2016, most of the 904 project IAs were either model 2 or 3.



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IMO Financial Viability

- Some IMOs reluctant to allow IAs to transfer to higher model;
- IMOs fully dependent on share of ISF for payment of staff salaries and upkeep of office and schemes;
- With transfer to higher model, funds received by IMOs reduced;
- Always difficult to let staff go;
- Some IMOs would not have enough funds to operate functionally.



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Free Irrigation Service Law

- Free Irrigation Service Law (2016) abolished ISF;
- Irrigation delivery service changed from a semi-commercial operation to a purely government subsidized public service;
- NIA lost a major source of O&M revenue, but government started providing O&M subsidy in similar amount as the average annual ISF amount collected during 2014-2016;
- IAs had to sign a modified IMT contract that stipulated the part of the canal system to be maintained and the subsidy to be received.



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Free Irrigation Service Law (cont'd)

- Subsidy had two elements: a fixed rate of PhP400 (US\$7.75) per ha under irrigation in a particular season and PhP1,750 (US\$34.00) for regularly maintaining 7 km of concrete lined canal or 3.5 km of earthen canal;
- For many IAs, especially the ones with the higher models, these subsidies were insufficient;
- Mature IAs have awareness among members that adequate funds should be available for proper and timely O&M;
- Many IAs started collecting contributions (not called ISF, but sustainability fund or O&M assistance fund) to augment their resources for O&M and organizational development activities.



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Impact of PIDP Interventions

- Clear contract clauses led to 71% of IAs receiving their share of ISF within one month after collection. Before the project only 10 percent did;
- Cropping intensity in the project NIS increased from 150 (of 72,000 ha) to 171 percent (of 125,000 ha);
- The average paddy rice yield in the project-covered NIS increased from the baseline of 4.27 tons/ha and 4.48 tons/ha during the wet and dry seasons in 2009, respectively, to 5.00 tons/ha and 5.26 tons/ha or about 17 percent higher, during the wet and dry seasons in 2017, respectively.
- The increased scheme performance was due to IA/farmer institutional strengthening and technology transfer, including better water governance, adoption of water savings technology, and improved availability of water gave many farmers confidence to use high quality hybrid seeds.



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Conclusions and Main Lessons Learned

- IMT supported by a comprehensive training program to IAs results in better system management, but transition needs to be carefully scheduled, which was done through the Model Contract system;
- The proper sequencing of activities for IA strengthening is important to support IAs through a progressive capacity development process, not only at the leadership level, but all the way down to irrigation services turn-out groups to build understanding and commitment to effective O&M across all members;
- It is important to have qualified IA support staff at scheme level in the IMOs;
- IMT has to go hand-in-hand with physical system improvement, to be designed with full participation of IAs; and
- Although the abolishing of ISF collection was a set-back for many IAs, mature IAs were able to convince their members to find alternative ways to collect sufficient funds for O&M.



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