

MALACAÑANG  
Manila

**BY THE PRESIDENT OF THE PHILIPPINES**

**EXECUTIVE ORDER NO. 718**

**AUTHORIZING THE PHASED IMPLEMENTATION OF THE  
RATIONALIZATION PLAN OF THE NATIONAL IRRIGATION  
ADMINISTRATION AND THE AVAILMENT OF THE SEPARATION  
INCENTIVE PACKAGE UNDER EXECUTIVE ORDER NO. 366**

**WHEREAS**, Executive Order (EO) No. 366 (Directing a Strategic Review of the Operations and Organizations of the Executive Branch and Providing Options and Incentives for Government Employees Who May Be Affected by the Rationalization of the Functions and Agencies of the Executive Branch) mandates all Departments/Agencies of the Executive Branch and their component units/bureaus, including all corporations, boards, task forces, councils, commissions and all other agencies attached to or under the administrative supervision of a Department to submit a Rationalization Plan to the Department of Budget and Management (DBM) for its approval by virtue of the delegated authority of the President;

**WHEREAS**, in compliance with said Executive Order, the National Irrigation Administration (NIA) has formulated its own Rationalization Plan based on several parameters, among them, the provisions of RA 3601, as amended by PD 552 and PD 1702, RA 8435 Agricultural and Fisheries Modernization Act (AFMA), and RA 7606 (An Act Providing a Magna Carta of Small Farmers);

**WHEREAS**, said laws mandate the NIA to turnover in whole or in part national irrigation systems to duly organized beneficiaries, in this case the Irrigators Associations (IAs) who are the direct beneficiaries of completed irrigation projects/systems;

**WHEREAS**, RA No. 7160 or the Local Government Code of 1991 devolves the construction, operation and maintenance of communal irrigation systems to Local Government Units (LGU) and mandates the NIA to provide technical assistance to them relative to the development of communal irrigation projects/systems;

**WHEREAS**, IAs have to be developed and empowered to take over the operation, repair and maintenance of irrigation facilities, and the irrigation canals and facilities restored to good condition before the turnover of the management, operation and maintenance can take place;

**WHEREAS**, given the factors mentioned above, the Rationalization of the NIA would necessitate a phased implementation to ensure the progressive build-up of NIA's infrastructure and organizational capability to sustain irrigation management consistent with the modern realities of rural and agricultural;

**WHEREAS**, in line with the objectives of the National Government to propel sustainable rural development and ensure food security for the country, the NIA has obtained the support of the World Bank for the financing of the Participatory Irrigation Development Program (PIDP), to reinforce and complement locally-funded programs focusing on infrastructure investment and policy and institutional innovation to achieve a holistic development of the public irrigation sector;

**WHEREAS**, the PIDP and the complementary locally-funded programs will enable the synchronization of the implementation of the NIA Rationalization Program with the transfer of the management, operation and maintenance responsibilities to the IAs, within a period of five (5) years;

**WHEREAS**, EO 366 authorizes the grant of incentive benefits to those who may be adversely affected by the Rationalization Program, which incentives may be availed of only within two (2) months after approval of the Rationalization Plan;

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order the following;

**SECTION 1. Phased Implementation of the Rationalization Plan.** The NIA Rationalization Plan shall be implemented in phases for a period of five (5) years to commence upon approval of the NIA Rationalization Plan, in lieu of the one-time implementation authorized under EO 366.

**SECTION 2. Adoption of the Provisions of EO 366 and its Implementing Rules and Regulations (IRR).** The NIA shall strictly adopt all the provisions and guidelines of EO 366 and its IRR in the preparation and implementation of its Rationalization Plan.

**SECTION 3. Transition Plan.** To ensure the smooth transition from the existing to the rationalized structure, the NIA shall prepare a Transition Plan which shall form part of its Rationalization Plan. The Transition Plan shall contain the targeted number of irrigation systems to be rehabilitated and transferred yearly to the IAs during the five-year period and the corresponding number of personnel to be affected by said transfer, which positions shall be declared co-terminus with PIDP or five (5) years, whichever comes first.

**SECTION 4. Effectivity of the Separation Incentive Benefits.** The option to avail of the separation incentive benefits provided under EO 366 and its IRR shall be available up to two (2) months after the set annual timeframe for implementation as indicated in the approved Transition Plan. Project slippage, if any, shall not be considered in prolonging the availability of the incentive benefits to the affected personnel.

**SECTION 5. Funding.** Funds for the payment of incentive benefits needed to implement the First Phase of the NIA Rationalization Plan, as well as the payment of separation or retirement and terminal leave benefits not covered by the Government Service Insurance System (GSIS), shall be provided by the National Government in the form of subsidy, subject to the usual accounting and auditing rules and regulations. Funds for the implementation of the Second to the Fifth Phases of its Rationalization Plan shall be charged against peso counterpart funds appropriated for the PIDP in the General Appropriations Act and/or from corporate funds.

Affected personnel, with the five-year phased implementation of the NIA Rationalization Plan, shall receive the incentives authorized under EO 366 computed based on the basic salary of said affected employees as of June 30, 2007, whether the same shall be funded by the National Government or from other fund sources.

**SECTION 6. Repealing Clause.** All issuances, orders, rules and regulations or parts thereof that are inconsistent with this EO are hereby revoked, amended or modified accordingly.

This Executive Order shall take effect immediately.

DONE in the City of Manila, this 8th day of April in the year of Our Lord Two Thousand and Eight.

(Sgd.) **GLORIA M. ARROYO**

By the President:

(Sgd.) **EDUARDO R. ERMITA**  
Executive Secretary