

**INVESTIGATIVE MISSION REPORT
February 8-9, 2005**

I. Rationale

On July 14, 2004, the Bohol Against Corruption, Oppression and Social Harassment (BACOS) released a “bomb” by filing a case before the Office of the Ombudsman-Visayas against the local NIA (National Irrigation Administration) officials on the alleged anomalies behind the construction of the Talibon SRIP (Small Reservoir Irrigation Project) which amounted to a total of P165M, P120M from GATT-fund and P45M from CARP-fund (see attached Annex A). Since the start of the dam construction in 1995 up to the present when the P165M budget has been exhausted, there is no dam in operation.

It has to take the issue to be published in the Bohol Chronicle (issue of November 2, 2004) for NIA Administrator Jesus Emmanuel M. Paras to push for a Fact Finding Mission to investigate the “no dam scam”. The issue was then published in the Philippine Daily Inquirer (November 20, 2004 issue).

Despite the prima facie evidence found by the Fact Finding Team, majority of which was composed of NIA officials, the recommendation was only for a filing of an administrative sanction (refer to attached copy of the NIA Fact Finding Report, Annex B).

Not only Talibon SRIP, NIA is also the implementing agency of the Bohol Irrigation Project Phase-I, otherwise known as the Malinao Dam Project, which gained complains and qualms among farmer-beneficiaries and land leveling victims (see attached List of Affected Farmers, Annex C).

The sluggish phase of the Committee on Discipline and the Ombudsman in giving justice to the Talibon SRIP case, and the silence of government officials to the complaints logged by the farmers on the issues of dam failure and high irrigation service fee (ISF) of the existing Malinao Dam, pushed for the formation of the Panagbugkos Batok K-4 (Kalisod, Kagutom, Korupsyon, Krisis) on 25 January, 2005, an alliance of organizations fighting against hunger, poverty, crisis and corruption.

Panagbugkos Batok K-4 then resolved to conduct its own Investigative Mission on February 8-9, 2005 with the following purpose:

1. investigate the extent of damages brought about by the construction of the Talibon Small Reservoir Irrigation Project, SRIP and the Bohol

Irrigation Project Phase I (Malinao Dam) to the livelihood of the farmers and the environment;

2. investigate the anomalies surrounding the construction and operation of these dam projects. This would include investigation on the personalities and groups involved in the controversies of these dams;
3. present to the public, so the public may know, the result/s of the investigative mission;
4. present suggestions and recommendations.

II. Mission Participants:

Panagbugkos Kontra K-4 member organizations with the following representations:

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|---------------------------------|-------------------------------|
| 1. Atty. Poch Cinco | CERNET, Inc. |
| 2. Msgr. Feliciano Nalzaro, Jr. | PCPR-Bohol |
| 3. Rev. Raymundo Gelloagan | Interfaith Movement for Peace |
| 4. Mary Jane Otara | BNFR |
| 5. Pancrasia Felizarta | PRICD, Inc. |
| 6. Pamela Rodriguez | FARDEC, Inc.-CV |
| 7. Bella Tampos-Guron | FARDEC, Inc.-CV |
| 8. Ma. Ira Pamat | Kinabuhi-SPAN |
| 9. Liza Serenio | Karapatan-Bohol |
| 10. Terence Krishna Lopez | CEGP-Bohol |
| 11. Walter Balonga | HIMAMAT-HUMABOL |
| 12. John Ruiz III | Bayan Muna Partylist |
| 13. Evacorito Requilme | Anakpawis Partylist |
| 14. Marinet Pacaldo | Karapatan-Bohol |
| 15. Manuel Tenio, Sr. | Anakpawis Partylist |
| 16. Felipe de la Torre | AsCoFil |
| 17. Mauro Balundo | AsCoFil |
| 18. Bonifacio Ababon
Student | Trinidad Municipal College- |

III. Findings:

• Talibon SRIP (Small Reservoir Irrigation Project)

- A. **Facts and Chronology** (as narrated by Engr. Petronilo Sarigumba, Barangay Captains Balundo and Artiaga; and the NIA Fact Finding Result document):

Talibon SRIP was conceptualized sometimes in May 1990. It is supposed to irrigate 1,000 has within the barangays of Zamora, San Jose, Sto. Nino, San Francisco, San Isidro, San Agustin, and Balintawak in Talibon town, Bohol, with its capacity of 198 cu.meters reservoir. (please see attached picture of project profile).

On August 1, 1995, pre-construction works began with the Program of Works POW) amount of P10M approved by then NIA Administrator Apolonio V. Bautista. More or less also in this year, a P45M CARP fund was released to cover damages to improvements (trees and plants, source: Mauro Balundo, 2nd set IA Secretary) November of same year, Engr. Calixto Seroje was designated as Bohol Provincial Irrigation Officer (PIO) and started his work as Project Implementor of Talibon SRIP. Another POW of P4.5M was approved for April to December, 1996.

January, 1997, the original POW for Talibon SRIP was approved amounting to P294,678,830.90. During this time, there were meetings with the Bohol contractors for possible bidding and implementation. The GM Garcia Construction even dived to the amount of P128M implementation of the dam.

But on January 8, 1998, a request duly signed by NIA Administrator Orlando V. Soriano was submitted to the Office of the President requesting for authority to undertake the construction of Talibon SRIP by Administration or **Force Account Work**. It was then recommended by DA Secretary and NIA Board Chairperson Salvador H. Escudero III.

The basis for the Force Account Work were: (1) the Bohol Provincial Irrigation Office (BPIO) has the organization and technical capabilities to undertake the project, and construction equipment is also available and can be mobilized immediately from the recently completed Capayas Dam and Ilaya SRIP; (2) to take advantage of the 1998 El Niño phenomenon for fast track implementation; (3) BPIO to generate additional savings in the utilization of available construction equipments and relieve financial strains on the NIA Current Operating Budget (COB); and (4) BPIO has submitted a revised POW for Talibon SRIP of P199,377,231.12, a decrease of P95,301,619.77 to the previously approved POW of P294,678,830.90.

Amazingly, in less than a month, the request was approved by then President Fidel V. Ramos, dated January 21, 1998. (refer to Annex D)

April 10, 2000, Engr. Seroje revised the amount from P199,377,231.12 to P243,005,526.96 due to the reason that prosecution of the other additional works were not included in the estimates. After the resumption of Engr. Modesto Membreve on July 1, 2002 and Engr. Angelito A. Guevara as Resident Engineer on May 8, 2003.

B. Visible structures and developments found in the dam site

During the visit of the Investigative Mission, there was **NO DAM or ANY RESERVOIR** seen on site, nor any manifestation that an irrigation system is in operation. As to the dam aspect which is supposed to be worth P199+M, only the following were seen by the Mission (please see attached photos):

1. excavations and “fillings” and/or disruptions from the original terrain/mountains, not necessarily prescribed as “dam embankment”;
2. a bridge-like structure, more or less 30-meter span, connecting one land body to another; and

3. one-row “culvert-like” pipings, concrete but no water at all.

Other than the dam aspect, the Mission noted the following (please see attached photos):

1. a building which serves as office of the NIA personnel/officials notably furnished with electrical and water facilities;
2. not less than five (5) assorted dilapidated heavy equipments of bulldozers, water tanker, dump truck, back hoes, grader, roller;
3. unfinished main canal composed of an old-built portion notably in plastered hollow blocks, linked to a newly-built one (3-inch thick concrete);
4. unfinished road-way beside the built main canal.

According to Engr. Guevara, the main canal and the road-way beside the canal were not part of the POW for dam aspect but a separate construction work undertaken by Sarmiento Construction and the DPWH, respectively. The RC barrel box division conduit was built during the time of Engr. Membreve already.

Being the present project engineer, Engr. Guevarra is proposing a new budget of P280M POW in order to make the Talibon SRIP operational.

In general statement, the Mission found no physical evidence of a dam nor a reservoir on site in operation.

- C. ***Effects of the Non-Operation of Talibon SRIP*** (from testimonies of the Punong Barangays, Irrigators’ Association, IA Officials and farmers in the proposed service areas)

Due to the non-operation of the Talibon SRIP since its official take off up to the present, this situation has:

1. brought apprehensions to the farmers, particularly those affected and disturbed by the canal and roads adjoining the project (access roads, diversions) who “voluntarily donated” or “not paid/indemnified” of the land affected and plants destroyed because until now, no dam has been realized;
2. lost the people’s trust and confidence, on the “no dam scam” particularly on the government agencies involved, like NIA, DA, including the Office of the President in its intervention on the **forced account work** approval, timely before election-time in 1998, whose line up included the then 2nd District Rep. Erico Aumentado, now the Governor of Bohol;
3. lost of people’s money and government funds;

4. lost of the dreams and hopes of the farmers to uplift their living condition promised by the “year-long water supply of the irrigation project”.

- **Bohol Irrigation Phase I (Malinao Dam Project)**

- A. **Brief Project Profile** (provided by NIA Officials)

In 1972, the Bohol Integrated Area Development Project (BIADP) was conceived which targeted Bohol to become the “rice granary” of Central Visayas region and for this plan to be realized, the north-eastern part of the province should irrigate at least 10,000 has of agricultural land to produce rice.

In 1982 a feasibility study was conducted by JICA which was completed in 1984. The construction of BHIP Phase I, or the Malinao Dam Project started in 1988 and completed in 1996. It started its full-blown operation in 1997. Right after its completion in 1996, the effort to build BHIP Phase II or the Bayungan Dam Project started.

Malinao Dam Project amounted to P1.4B, a Japan ODA-yen loan funded project. It has the following specific features:

- 20.4 M dam height x 846 M dam length
- 5.9 MCM reservoir capacity
- non-gated bath tub type of spillway
- 143 has water surface area

The main water source of Malinao Dam is the Wahig-Pamacsalan river and the 5.9 MCM reservoir capacity is expected **to irrigate 4,960 has.** covering more or less 3,000 farmer-beneficiaries.

According to the Status of Operation Report prepared by Engr. Olimpio J. Galagala, Jr., Irrigation Superintendent of Malinao Dam, the dam performance can be summarized as follows:

	Year 2000	Year 2001	Year 2002
Maximum Area Irrigated Planted			
Wet season (has.)	3,300	3,250	3,175
Dry season (has.)	3,200	3,100	2,930
Production (tons/ha)	3.5-4.5	3.5-4.5	3.5-4.5
Total system Income (Peso)	P3,781,360.00	P3,807,330.00	P4,576,520.00
ISF Collection Efficiency (%)	63.60%	60.0%	53.40%
Total System O & M Expenses	P3,437,600.00	P3,698,550.00	P4,008,370.00
Net Income/Surplus	P 343,760.00	P 108,780.00	P 568,150.00
Viability Index (V.I.)	1.10	1.03	1.14

In the data above, it is not included that in the feasibility target area of 4,960 has., the dam has the following shortage within 2000-2002:

	Year 2000	Year 2001	Year 2002
Short of the target 4,960 has.			
wet season (has.)	1,660	1,710	1,785
dry season (has)	1,860	1,860	2,030

B. *Effects of the Poor Performance of the Malinao Dam Project* (as narrated by farmer-beneficiaries, see attached interview proceedings)

1. Failure in the Land Preparation/Conversion as to the feasibility target;

Figures won't lie. The result of the feasibility target of 4,960 has. service area was a failure. Since its operation in 1997, Malinao Dam failed to irrigate at least 1,500 has. of land which was "prepared" to become ricefields, thus, up to the present damaged and non-productive. (attested by 45 farmer-victims in Brgy. Malitbog, Dagohoy).

2. Failure of the dam to deliver the expected "all-year supply of water" to the beneficiaries;

Testimonies revealed that the water comes during the rainy season, especially in the end-parts of the lateral canals, the same rain that the farmers enjoyed without the dam. Farmers said, there were times when the water flowed from the dam when they have already finished planting. The dam even caused conflicts between and among farmers because of the "water-sharing" issue.

According to Water Master Felix Guio-guio (assigned in Malitbog-Mahayag areas), the dam's role as reservoir is just "supplemental" and should not be expected to supply "all-out water" during the whole production cycle.

Apprehensions came out when the farmer-beneficiaries came to know that the Malinao Dam is the main source of water for Bayungan Dam (BHIP II) when the water in itself is not enough to sustain its beneficiaries.

3. Failure of the dam to increase the farmer's productivity

The above table shows no increase in the production, in fact this raised a question as to why is it that the production is the same 3.5-4.5 tons/ha when there was lesser supply of water coming out.

The farmers said that before and after the dam, they still have twice planting season per year (good season or no El Niño), and the same water problem during long dry season, meaning, the dam is not giving a significant role in their production. Only, the irrigation service fee (ISF) is an added burden for them.

4. Failure of the NIA to administer and manage the water.

The responsibility of the NIA personnel to manage the water is passed to the shoulder of the farmer-beneficiaries through the Chairmen of

the Turn-Outs. The responsibility of the NIA personnel to maintain the canals is passed to the farmers through the IAs. Water Masters only come to deliver bills and collect payments, informations are not disseminated at times.

Water management is an added burden to the beneficiaries. Engr. Guevara declared that there is mismanagement in the water system, This is despite the fact that the **responsibility of paying the overhead and operations of NIA in order to survive is passed to the shoulders of the farmer-beneficiaries** as shown in the table.

The promise of “return services” from NIA is absent such as trainings and education, technical assistance and other forms of services.

C. Effects to the People

1. Added loans on top of poverty at hand (MOA entered into by farmers on equipment rental during the land preparation/land leveling, a ten-year agreement which will expire by 2006);
2. Another added loan for the entire Filipino people to pay to the Japanese government since Malinao Dam is a loan project;
3. Added burden in the production cost as irrigation service fee (ISF) on top of the high cost of production inputs and back-log payments from previous years;
4. Added burden in the water management; source of conflicts between and among farmers in water-sharing;
5. conversion/destruction of productive land into idle land leveled areas due to inefficient projection of the Malinao dam serviceable areas.

IV. RESOLUTION AND RECOMMENDATIONS

In lieu of the silence of the Local Government Officials, on the scam issue of the Talibon SRIP and complains of the farmer-beneficiaries on the dam failure issue and land leveling victims, the Mission strongly recommends the following for Congress to undertake:

1. conduct **physical investigation** in the dam site to investigate the anomalies behind the **no dam scam** of Talibon SRIP and **dam failures** of Malinao Dam Project;
2. sue and penalize the officials involved, not only on the administrative sanctions as recommended by the NIA Fact Finding Team, but also on their possible civil and criminal liabilities and accountabilities on the damages involved (damages to properties and possible plunder case);

3. indemnification for the victims of the land leveling whose parcels of land have been damaged due to the failure in the land preparation feasibility, which until now are unrehabilitated and non-productive;
4. cancellation of the MOA loan contract entered into between landowners/authorized-by-the-owner tenants, and NIA on the equipment rental payment with the contractors on the land preparation;
5. lowering of the water rental or irrigation service fee (ISF) according only to the “supplemental” role of the reservoir dam, not to the NIA Board mandated P 1,500-3,000/ha/yr. standard of “all-year water system” performance of other dams in the country;
6. review the feasibility and implementation of the Bohol Irrigation Project Phase II (BHIP-II), otherwise known as the Bayungan Dam Project.
7. suspension of any planned constructions of big dams and instead study and implement farmer and earth friendly irrigation systems.

V. Attachments (Annexes and Pictures)