

[REPUBLIC ACT NO. 4853, July 18, 1966]

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES TO INCUR, ON BEHALF OF THE REPUBLIC OF THE PHILIPPINES, LOANS FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND/OR OTHER FOREIGN OR INTERNATIONAL FINANCIAL INSTITUTIONS TO FINANCE AN EXPANDED PROGRAM OF IRRIGATION DEVELOPMENT, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The President of the Republic of the Philippines is hereby authorized to incur, on behalf of the Republic of the Philippines, loans in an amount not exceeding a total of fifty million United States dollars, or its equivalent in other currencies, computed at the prevailing rate of exchange at the time the loan is incurred, on such terms and conditions as may be agreed upon, from the International Bank for Reconstruction and Development and or other foreign or international financial institution which may offer similar or better terms as the International Bank for Reconstruction and Development, for the purpose of helping finance the construction, completion, expansion and/or rehabilitation of irrigation system and the construction of multi-purpose dams and reservoirs: *Provided*, That in the case of the latter, the participating agencies shall enter into an agreement providing for the allocation of the costs in the construction of such dams and reservoirs.

SEC. 2. The total proceeds from such loans is hereby constituted into a special fund to be used exclusively in the construction, completion, expansion and/or rehabilitation of irrigation systems and the construction of multi-purpose dams and reservoirs, and shall be administered by the National Irrigation Administration or such other government agencies as authorized by law. Out of the total proceeds from such loans, such sum as may be necessary is hereby appropriated to implement Republic Act Numbered Eight hundred ninety-nine. The National Irrigation Administration or other government agency as authorized by law, shall consult with the Department of Agriculture and Natural Resources and such regional planning bodies as may be involved in respect to the planning of such projects or any projections of the usefulness of such projects to agricultural production and development in the areas affected: *Provided*, That in the selection of such projects priority shall be based on the following considerations, namely:

1. Areas producing rice and corn;
2. High benefit-cost ratio;
3. Areas declared as land reform districts under Republic Act Numbered Three thousand eight hundred and forty-four; and
4. Fair geographical distribution.