CHAPTER VI. PROJECT JUSTIFICATION

1

20

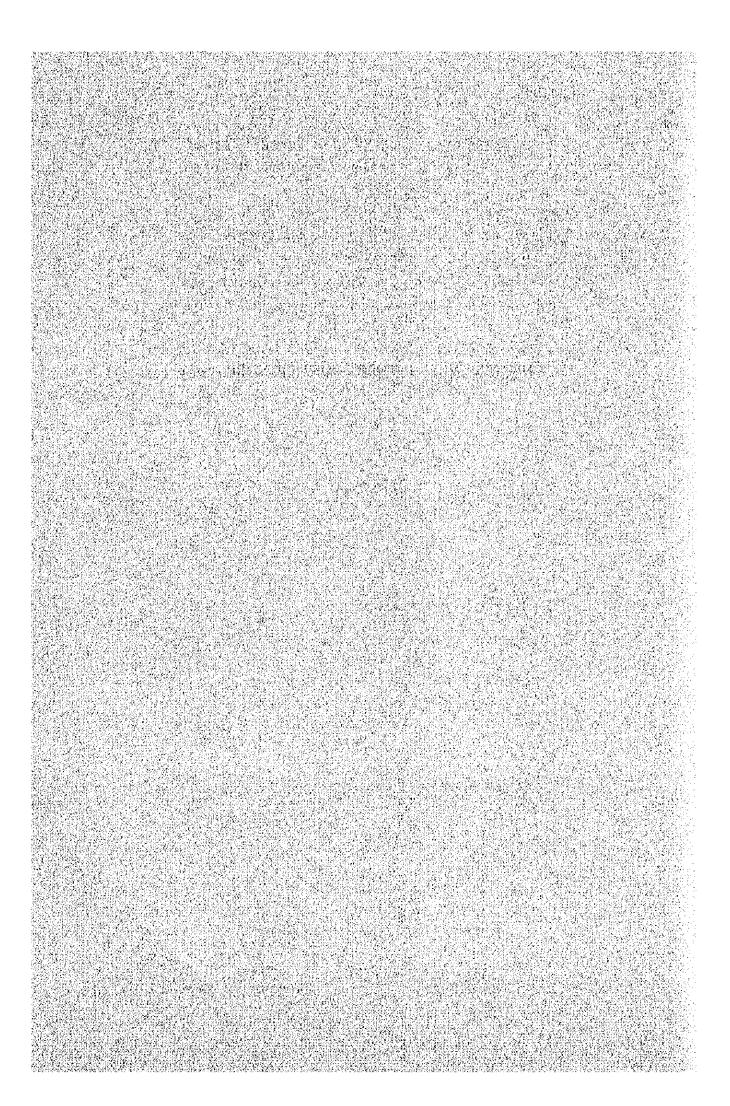
9.C

33.

and the second

an Artista Artista

 $\mathcal{R}_{\mathcal{C}}$



CHAPTER VI. PROJECT JUSTIFICATION

A. General

This Project was planned to meet the needs of national economy such as the supply of staple food, redress of income inequality, increase of employment and relief of energy constraint.

To answer these national purpose, the project components as mentioned in the previous chapter were schemed. The construction of Pamacsalan Dam and Malinao Diversion would make possible to convert a lot of grass-lands and rainfed paddy field into irrigated paddy and to built hydroelectric plant.

This Project was decided through the alternative study on a optimum use of water and land resources which had been kept along the Wahig-Pamacsalan basin. This basin locate in the central district of the Bohol Northeast Basin Development Project studied by CCC.

B. Premise of Benefit Estimation

Economic appraisal of the project has two objectives: One is to evaluate the project's contribution to the national economy, and the other to measure the benefits which would accrue to the project's immediate beneficiaries.

Direct benefits which would be measured in monetary terms are evaluated, but a number of indirect benefits are not accounted.

C. Method of Economic Evaluation

The measurable economic benefits and costs are expressed in monetary terms and the both streams of benefits and costs in annual forms over the evaluation period are converted to the respective present worth values. Under the present evaluation standard, a fiftyyear limit may be well justified. The internal rate of return (IRR) is used as the main indicator for the economic evaluation of a project.

Generally speaking, from an economic point of view, the project is defined as the difference between the development envisaged if the proposed project are executed, viz the "with the project" case, and the development if no such project are taken, viz. the "without the project" case. Thus, the project evaluation deals with incremental benefits and costs.

D. Evaluation of Benefits

This Project's direct benefits consist of agricultural benefit and hydroelectric power-benefit. Agricultural benefits are estimated as annual incremental Net Production Value. Annual power benefits are generally evaluated using the standard capacity-energy approach.

1. Net Agricultural Benefit

(a) The formation of annual benefited areas must be decided to match enough with the annual construction schedule. Because a fiscal year of construction term is 12-month from January to December and cropping year is May to April of next year. Then both terms do not overlap.

Annual benefits are obtained from three kinds of fields, namely, the new paddy field reclaimed, existing irrigated paddy and irrigated paddy converted from rainfed. In the first time, the completion of Malinao Diversion Dam Construction would bring about the benefits from dry season palay in 1982. Until the completion of Pamacsalan Dam in 1985, June, the irrigable area by Malinao Diversion would be even. Full irrigable benefited area causing by Pamacsalan Dam would start from a dry season in 1985.

Formation of benefited area is shown as follows.

6-2

· .		•			(unit:]	ha).
Benefited Paddy	<u>1982</u>	1983	1984	1985	1986	1987
Wet season Dry season	1,365	1,365 2,757	2,757	3,013 5,320	5,176 5,320	5,176 5,320
Total	1,365	4,122	5,514	8,333	10,496	10,496
			· .			:

Table 6-1. Benefited Area

Note: Detail schedule is explained in Appendix 6D-1.

(b) Annual benefited area multiplied by target yield give Gross Products with the Project. This target yield would be reached in terms of five years. On-farm works would be executed from 1982 to 1985, then constructed farms are decided into 4 blocks. The third and fourth field block's palay which benefits will grow in the latest time would be benefited from wet season in 1986 and reach to the target yield by wet season in 1990.

In general it will be projected in 9 years from dry season of 1982 to wet 1990 that palay production reach to target yield over all benefited area.

On an evaluation of Gross Production without the Project the cropping pattern at present was assumed to continue still in future. But annual yield would be estimated moderately considering a technical progress of some extent. (See Appendx 6D-1)

(c) Gross Production Value and Production Cost are computed annually, then annual input volume with and without the Project and commodities price must be evaluated.

Cost items consist of seeds, fertilizer, pesticides, herbicides, cultivating cost and threshing cost. Cultivating cost is counted based on annual cultivating area by animal and machinery and threshing cost based on annual threshing area by power, pedal and feet. (See Appendix 6D-1)

6-3

Labor problem would be explained subsequently.

(d) Deduction of Production Cost from Gross Production Value make Net Production Value. A difference between NPV with and without the Project correspond to annual incremental benefits.

(e) Economic Evaluation of Commodities and Labor Price

Traded goods to be evaluated to shadow price are palay, corn, fertilizer and oil. Foreign exchange rates to be used is US\$1.00 = ₽7.5 as official exchange rate.

Farm gate price of paddy may be evaluated at the export price of Thai 25 - 30 % broken rice, f.o.b. Bangkok forecasted by World Bank, 245 US\$/ton of 1977 and 281 US\$/ton of 1985. A selling center where the increased rice would be sold is projected at Cebu City. Transportation cost to selling center is evaluated at shipping from Taribon Port.

Table 6-2. Rice Price Structure, 1977 and 1985

		1	977	1985		
÷		₽/ton	US\$/ton	₽/ton	US\$/ton	
1.	Export Price of Tahi 25-35 %			in de la Alexandra L	· · ·	
	broken, f.o.b. Bangkok	1,840	245	2,110	281	
2.	Price of Rice, Cebu	1,975	270	2,310	307	
з.	Price Milled Rice, Area	1,915	262	2,250	299	
Ц.	Paddy Equivalent project, Are	≥a	· . · .			
		1,205	165	1,420	188	
5,	Farm Gate Price of Paddy	1,160	159	1,375	182	
	(Financial Farm Gate Price)	(1,020)		(1,375)		
6.	Price per Cavan	58		69		
	(Financial Price)	(51)		(69)	¹	

Note: P/ton and US\$/ton values at constant 1977 prices

Fertilizer is also the traded goods as mentioned above. The distribution center of fertilizer for Bohol is located in Cebu City. Farm Gate Price of fertilizer would be evaluated on such projection as the distribution center will stay in Cebu City in future. International price of Urea, TSP and Potash are based on the World Bank's forecasting prices at constant 1977 prices. But Farm gate price of Urea was estimated using cheaper ASEAN Urea price than Europe Urea. (See Appendix 6D-2)

A distinction is commonly made between farm family labor and wage labor. Wage labor is counted as an input, then the cost of wage labor valued at the shadow price must be deducted from the gross value of output. For farm family labor, no such deduction is made, because the return to farm family labor is taken as the net farm return.

After completion of this Project, average size of farm and cropping intensity would extend, then labor peak season would grow more harder. According to the farm labor analysis, labor demand in peak month with and without the Project would increase 34,000 to 171,000 mandays in July and 33,000 to 176,000 in December. (See Appendix 6D-3) As mentioned above, the unemployed laborers living in adjacent area to the Project amount to about over 3,000 persons at present. In future, a part of such unemployment would be employed in a labor peak season.

The difference of hired labor demand with and without the Project would be counted as incremental production cost. The unit labor cost is evaluated using the shadow wage rate which is counted by making of the opportunity cost curve.

2. Annual Power Benefit

Annual power benefits are generally evaluated using the standard capacity-energy approach. The dependable capacity and the average annual energy production were evaluated based on the cost of an alternative oil-fired steam or diesel turbine generating plant.

The thermal plant represents a definite alternative with relatively well-known costs of construction and operation. In this study, the Bohol Diesel Electric Power Plant with capacity of 11.07 MW which is

6-5

under construction in Tagbilaran City was used as the alternative plant.

ng kan ng kana sa sa kana ng kana sa k

The capacity cost (kw, value) from this Project Power Plant was assumed to be equal to the annual fixed costs associated with the construction of an equivalent capacity of Bohol Diesel Electric Power Plant. Items of fixed cost consist of interest, depreciation and 0 & M etc.

The energy cost (KWH value) was assumed to be equal to the annual cost of fuel and variable maintenance of the alternative thermal plant. This value was multiplied by the adjustment factor which was estimated in consider with the difference of transmission loss, forced outage, auxiliary power use and etc. between Hydro and Diesel Power. Fuel cost of diesel was estimated based on the cost of fuel per Mbtu and heat rate per KWH of NPC data.

The unit power values are:

Capacity Cost (P/KW)

640 ₽/kw (85.4 US\$) Energy Cost (P/KWH) 0.1935 P/KWH(0.0258 US\$)

Evaluation of Construction Cost Ε.

1. Irrigation

and an and

Direct cost to be used in the estimation of internal rate of return consist of the engineering design, property and construction cost of the project, not including interest during the period of construction. Operating and Maintenance costs are meant by only the amount of labor and materials that are required to make the project function as designed over its life period. Both interests and taxes are considered transfer payments which have no real effect on the resources used by the project from a social point of view. Construction equipment cost was estimated using the purchasing prices in Chapter IV-E. In economic evaluation, the economic cost of such equipment would be estimated using depreciation cost. Depreciation cost of farm machines would be included in the production cost of palay. Unskilled labor cost and oil cost used in the estimation of financial project cost should be re-estimated using opportunity cost. Compensation cost of reservoir area and land acquisition cost for construction of canals would be re-estimated in the economical point of view.

2. Power

The total capital investment for power would include the cost of power facilities and cost of joint facilities to be allocated to power.

Cost allocation of joint facilities is computed using the Separable Costs Remaining Benefits Methods. Economic analysis is based on the comparison of incremental or separable cost including power as a project purpose with the estimated power benefits.

The separable cost for power consists of construction cost, 0 & M cost and replacement cost. This construction cost include the allocated cost on the Pamacsalan Dam and Malinao Diversion Dam.

3. Project Economic Life

Project economic life will be calculated at 50 years. The present value of the future benefit and cost beyond 50 (or even 30) years would be too small to make any real difference in the final result.

4. Escalation Factor

Escalation factor would be used by 8 percent decided in reference to World Bank's International Inflation Index and Philippines Economic Indicator and other project's rates. (See Appendix 6E-1)

F Annaul Economic Cost and Benefit

1. Annual Cost

Annual economic cost was evaluated according to the procedure

entioned above. Financial project cost of 225.7 million peso (30.1 million US\$) excluding escalation factor is scheduled as Table 6-3. About 40 percent of total cost would be disbursed in 1981. A great part of such cost is construction equipment of 59.5 million peso (7.9 million US\$). This disbursement which would be considered as disadvantage in economic evaluation was re-estimated using the annual depreciation cost. Thus, financial project cost of 198.7 million peso (26.5 million US\$) excluding tax were re-estimated on the costs of unskilled labor, fuel and oil, land acquisition and compensation under the economical view point. (See Appendix 6F-1)

The economic cost to be used for evaluation of internal rate of return was estimated at 184.8 million peso (24.6 million US\$). This integrated investment consists of both section of irrigation and electric power. Pamacsalan Dam and Malinao Diversion Dam are the joint facilities to be allocated in the both section. Joint cost was allocated to irrigation and electric power using the Separable Costs Remaining Benefits Methods. The ratio of allocation are 91.5 percent to irrigation and 8.5 percent to electric power. (See Appendix 6F-1)

Price escalation was enumerated by computing the estimated rate (8 percent per annum for both the foreign and local currency) of price increase in prior year and one half of the rate of increase in the year concerned.

2. Annual Benefit

(a) Agriculture

Annual incremental net production value (NPV) was evaluated according to the procedure mentioned above. Table 6-4 indicate the annual NPV. Labor cost is estimated on hired labor cost which was assumed in the labor study. (See Appendix 6D-3)

6-8

(sulo ³)	Note	(1)-(2)+(3) (4) - (5)	(6)-(7a)+(7b) ities.
³ Peso (US\$xl0 ³)	Total 225,690 59,530 34,500	200,560 1,920 198,740 28,350 14,400	<pre>1 41,770 23,880 184,790 (6)-(1) (5,570) (3,180) (24,650) (6)-(38,810 21,210 161,430 1) (5,200) (2,860) (21,650) 2,670 23,360 1) 2,960 2,670 23,360 2,670 (3,000) 38,000 16 joint facilities allocated on the joint facilities</pre>
(unit: 10 ³	1985 18,860 6,900	25,430 3,540 3,540 1,990	23,880 (3,180) (3,180) (2,850) (2,850) (320) (320) (320)
	1984 33,870 6,900	45,230 45,230 6,770 3,310	<pre>#1,770 (5,570) (5,570) (5,200) (370) (370)</pre>
Cost	1983 39,260 6,900	45,780 45,780 5,470 2,640	2,950 5,730 5,730 3,850 1,880 1,880 cost
conomic	1982 26,500 6,900	00 33,400 3 90 4440 1 170 32,960 1 Compensation 140 2,720	29,750 4 (3,970) ((3,970) ((3,800) ((3,800) ((3,800) ((170) ((17
Evaluation of Economic Cost	1981 89,790 59,530 6,900	3/,100 36,970 8,200 3,540	34,310 (4,580) (4,320) (4,320) (1,950) (260) indicat
Evaluat	00 1 1080 00 1 2 1080 00 1 1080	9,900 5,950 uisition 40	5,910 34,310 29,75 (790) (4,580) (3,97 5,910 32,360 28,22 (790) (4,320) (3,80 - 1,950 (3,80 - 1,950 (3,80 - 1,950 (3,80 centhesis indicate USS.
Table 6-3.	1979 6.450 6.450 6.450	5,420 5,420 and Aco 360 160	6,220 (830) (830) (830) (830) (830) (830) (830) conternation
Table	 Project Cost excluded Escalation Construction Equipment Depreciation Cost of Equipment Project Cost depreciated Equipment 	 (5) Tax (5) Tax (6) Project Cost excluded Tax (7) Component Cost to be re-estimated (7) Unskilled Labor, Fuel and Oil, Land Acc (7) Financial Cost (7b) Economic Cost 	<pre>(8) Economic Cost of which:</pre>

6-9

. :				N.							
		Ц Ц	Table 5-4.		Incremental NPV		÷.,			· · ·	
		· · · ·	•	:	14 1.		J	Unit: 10 ³	Peso	(soixsu)	1
	With Project	1982	1983	1984	1985	1986	1987	1988	1583	0661	
	G.P.V G.P.C (excluding labor cost)	10,819 2 2,316	20,420 4,524	27,230 5,738	40,593 8,069	50,813 9,827	54,165 10.012	56,397 10,135	57,541	57,767 10.135	
	N.P.V Without Project	• • •	15,897	21,492	32,524	986.	нн , 153	46 , 262	47,406	47,632	
	G.P.V	7,920	8,478	8,694	8,983	9,913	9,403	9.506	717 6	717 6	
6-10	G.P.C (excluding labor cost) N.P.V.	1,298 6,622	1,324 7,155	1,333 7,361	1,346 7,637	1,346 8,567	1,346 8,057	1,346 8,160	1,346 8,371	1,346 8,371	
·	Incremental NPV including Labor Cost					· · · · · · · · · · · · · · · · · · ·	n Nila Nila	· · · ·			
	Labor Cost.	T 22 1	8,742	14,131	24,887 	32 , 419 188	36,096 156	38,102 156	39,035 156	39 , 261	
	Incremental NPV	<u>1,881</u>	8,742 1,166)	<u>14,131</u> (1884)	24,725. (3 297)	32,231 (1, 297)	35,940	37,946	38, 879 76 1 01	39,105 39,105	
							1201612		(10 1 6 C)	, 0 , 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	• .
										·	
			·			; • •		: :			
				i da * *				•			
										· · ·	
										•	

÷

(b) Electric Power

Reservoir operation studies for the period of record (1956/57 -1975/76) indicate that the Pamacsalan Power Plant would generate a firm peaking capacity (installed capacity) of 850 x 2 kilowatts and dependable capacity of 1,225 kilowatts and an average annual energy of 4,968 megawatts-hours when operated on a six hours daily peaking schedule.

Using the unit values of power and energy, the annual power benefits would be:

KW value $785 \ \mathbb{P} \times 10^3$ (105 US\$ x 10^3)KWH value961 \ \mathbb{P} \times 10^3 (128 US\$ x 10^3)Total1,746 \ \mathbb{P} \times 10^3 (233 US\$ x 10^3)

G. Internal Rate of Return

Present worth value of the economic cost and benefit was estimated based on Table 6-3 and 6-4. The following Table indicates the present worth values for integrated project with irrigation and electric power.

> Table 6-5. Present Worth Value of Cost and Benefit - Irrigation and Electric Power -

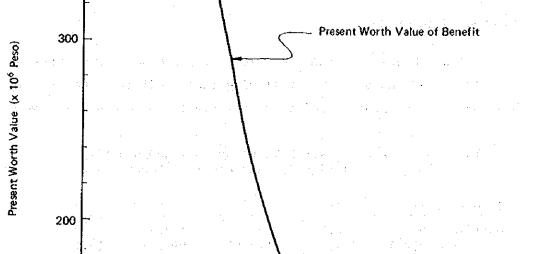
Disco	unt Rate	5%	10%	15%	<u>20%</u>
Benef	it ₽x10 ⁶	508.7	207.3	103.8	58.7
	(US\$x10 ⁶)	(67.8)	(27.6)	(13.8)	(7.8)
Cost	₽x10 ⁶	175.5	121.5	91.1	71.0
	(US\$x10 ⁶)	(23.4)	(16.2)	(12.1)	(9.5)

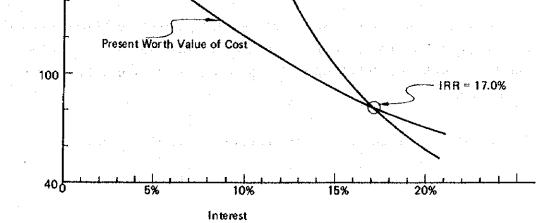
Internal rate of return amount to 17.0 percent by Figure 6-1 which was drawn using the figures in Table 6-5. This integrated project would be considered justifiable in the economical view point. (See Appendix 6G-1)

As already found in the alternative study, the economy of isolated

500 FIGURE 6-1 INTERNAL RATE OF RETURN - Irrigation and Electric Power -

400





6 -- 12

Table 6-6. Present Worth Value of Cost and Benefit - Electric Power -

		an said an Ar	e i di si		
Discount Rate	<u>5%</u> ,				•
Benefit Fx10 ⁶ (US\$x10 ⁶)		8.02 (1.07)			•
Cost Case 1. ¥x10 ⁶ (US\$x10 ⁶)	24.67 (3.29)	15.52 (2.07)	11.14	8.38 (1,12)	
Case 2. Px10 ⁶ (US\$x10 ⁶)	19.08 (2.54)	11.3 (1.51)	7.83 (1.04)	5.79 (0.77)	
	•		the state of		

Note: 1. Case 1 include the cost allocated on joint facilities. Case 2 exclude the cost allocated.

> 2. Cost item of Power are turbine and generator, crane, electric works, (IF and delivery to site, civil works transmission line and contingency and cost allocated.

Table 6-7. Present Worth Value of Cost and Benefit

Disco	unt Rate	5%	10%	15%	20%
Benefi	it ≹x10 ⁶	488.67	199.30	99.95	56.70
	(US\$x10 ⁶)	(65,16)	(26.57)	(13.32)	(7.56)
Cost	₽x10 ⁶	150.97	106.11	80.14	62.77
	(US\$x10 ⁶)	(20.13)	(14.15)	(10.69)	(8.37)

- Irrigation -

project on electric power is not feasible. Present worth value of cost and benefit of the isolated power are shown in Table 6-6. In the case that power project does not bear the allocated cost, IRR will reach to only 5.7 percent. (See Appendix 6G-1) Present worth value of cost and benefit of isolated irrigation project are shown in Table 6-7. Because of separation of electric power project with lower IRR from the integrated project, IRR of isolated irrigation project go up to 18.2 percent. (See Appendix 6G-1) However, the IRR of the integrated project is high enough to absorb disadvantage of the electric power.

H. Sensitivity Analysis

Sensitivity analysis is the effective measures of testing for the riskness of this project. Analysis were studied in the following items:

(1) Prices:

Prices of palay occupied all share of NPV should be used to test the effect on the IRR.

en de l'este gen grût ferseg

(2) Cost Increase:

This Project involve the significant construction costs which are spread out over a number of years. Then sensitivity tests should be made for increase of Project Costs.

(3) Yields:

Mean yield of palay (rough rice) in the Philippines was 1.158 ton per ha in 1961 and 1.599 ton in 1975 according to the Statistical Year Book, Philippine, 1977. On annual growth rate, it is about 2.2 percent over above terms. However, in recently years, the growth rates are tend to easy going. This means the difficulties on the adoption of improved technology for farmers. In this analysis a slower built-up on the target yield in the gestation period was made in a time lag from 1990 to 1995.

(4) Delay in Construction

Many projects may not be implemented as schedule envisaged in the feasibility study. The effect of sensitivity analysis on this indicator will be estimated in case of one and two years.

(5) Costing Farm Labor

In a estimation of the annual incremental NPV the labor cost was estimated on hired labor which was assumed in the labor study. In this analysis the family labor also would be accounted.

(6) Costing Construction Equipment

The economic cost evaluated in Table 6-3 include the depreciation cost of construction equipment. In this analysis the purchasing value would be used.

Table 6-8. I.R.R. in Sensitivity Analysis

	Items	[.R.R.
1, P	rice falling in Palay 10% 20%	(%) 14.7 12.6
2. P	roject Costs increase 10% 20%	15.6 14.1
3. S	lower built-up in Yield of Palay $\frac{1}{2}$	14.4
4. D	elays in Construction	
4	-1. Construction schedule of Dam delay in one year from 3.5 year to 4.5 year	17.0
Ļ	-2. Stage Development Project(Stage I+II)	16.4
	Start of Stage II is deferred for one year two year	16.0 15.7
5. C	osting farm labor	16.3
6. Co	osting construction equipment	15.4

Note: 1/ In slower built-up of yield, arrival period to target yield be late five years.

I. Cost Recovery

NIA is the authority to collect irrigation fees from users of irrigation systems. Collection of fees and the percentage rate of fees collected have been increased in the past few years. Irrigation fees on the national irrigation systems have been recently raised to the equivalent of two cavans of paddy per ha in the wet season and three cavans in the dry season to be applied uniformly to all national irrigation systems.

As an exception to the uniform rate policy, the Government has agreed to raise rates on the World Bank - assisted Central Luzon projects and on the Magat project to the equivalent of 3.5 cavans of paddy/ha in the wet season and 4.4 cavans in the dry season.

Irrigation fees on the Bohol project would be estimated as a equivalent value to the operation and maintenance cost for irrigation system at the maximum rate. The 60 US\$ of operation and maintenance cost per ha corresponds to 7.5 cavans per year of irrigation fees.

In determining the extent of cost recovery, cost recovery index is used for the Project. This index is measured at the ratio of incremental water charges paid by all project beneficiaries to incremental project construction and operation and maintenance costs. This method due to the consideration that the question of water charges is part of the much issue of overall tax, subsidy and pricing policy both within agriculture and between agriculture and other sectors.

Water charges and costs are measured at present values discounted at 10% annual rate of interest over the 50 year life of the project.

For the Bohol Project, the proposed fee charges (7.5 cavans) would result in a cost recovery index of 12%. This rate is less percent than 29% of the World Bank - assisted Chico project.

In this cost recovery study, costs represent financial flows from the public sector and are net of taxes and other transfer payments.

At present, subject farmers to pay income tax and real property tax are almost neglected. But after completion of the Bohol project the tax to be levied would increase because of plenty of incremental benefit as is mentioned in the next farm budgets analysis. Then, in a view point of the Government fiscal and irrigation sector policies, the tax to be levied in future would contribute to cost recovery of this Project.

Irrigation fee by both seasons would be decided by the dependable valume of irrigation water to the Dam and Diversion dam. Irrigation fee of 7.5 cavans per year would be divided in 3.0 cavans of paddy per ha in the wet season and 4.5 cavans in the dry season.

J. Farm Budgets Analysis

Farm budgets for the average size of farm at present is represented by the farmer of 1.5 ha. The size represents the 66 percent of total number of farms (25 percent of area).

A great part of beneficial area are occupied by the grass lands. Then new paddy field would be reclaimed from these grass lands. In overall Project area the average size of farm of 1.5 ha at present would extend to 2.5 ha in future after completion of the reclamation.

Then farm budgets are estimated for a tenant farmer, an owner operator who received a land transfer and a full owner operator reclaimed cogon-land by himself.

The budgets are presented in terms of cash flows and therefore, include an estimate of hired labor costs, excluding family labor.

Cropping pattern is represented by that in Pilar and Dagohoy Municipalities which occupy about 70 percent of present land use in the Project area.

Table 6-10 indicates farm budgets on 1.5 ha and 2.5 ha farmer. Water charges were estimated in equivalent values to 7.5 cavans per ha. This charge are counted at about six percent of Net Value of Production for 1.5 ha and 2.5 ha farmer with the Project. In future, the remaining values deducted water charges, annual payment for land and to landlord, and amortization for reclaimed land would be enough to pay living allowance.

and the second second

Table 6-10. Farm Budges

and the second second

and the second second second second second	Present	Future	w/Project
Size of farm (ha)	1.5	1.5	2.5
Cropping area (ha)	1997 - N.	1.	
Irrigated 1st	0.19	1.41	2.41
2nd	0,19	1.41	2.41
Rainfed 1st	0.78	-	
2nd	0,78	~	
Upland palay	0.22	-	1
Corn	0,18 0,13 : ·	0.09	0.09
Coco. and Banana			
Total	2.09	2.91	4,91
Cropping intensity (%)	139	194	[.] 196
Total Paddy Production (ton)	3.45	11.28	19,28
Gross value of Project (F)	3,668	15,510	26,510
Production Costs (₽) (excluding labor)	675	2,790	4,760
Cost of hired farm labor (₽)	350	220	380
let Value of Projection (P) (before water charge)	2,643	12,500	21,370
later charges $\underline{l}/$	·	730	1,250
let Crop income	2,6435/	11,770	20,120
a) Annual payment for land $\frac{2}{}$	945	945	: :
Net crop income (owneroperator who received a	land trans	fer) <u>10,825</u>	. ***
(b) Annual payment to landlord <u>3</u> /	910	3,940	
Net crop income (tenant farmer) <u>1,733</u>	6,885	-
(c) Annual amortization for reclai	med Land4/	· · · ·	95
Net crop income	to fill and an element		20,025
(Full owner operator reclaimed himself congonland)	i .		

- Note: 1/ Based on 207 Pesos and 310 Pesos of equivalent values to 3.0 cavans in the wet season and 4.5 cavans in the dry season.
 - 2/ Based on amortizing owner with annual payments over 15 years at 6% in the unpaid balance; based on price of land of 2.5 times present gross value of production. This farmer received a land transfer of 1.5 ha.
 - 3/ Based on 30% for present and 25% for future of gross value of production minus seed, harvesting, and water costs.
 - 4/ Based on amortizing full owner with annual payments over 25 years at 12% on 450 Pesos per ha of on-farm work. Amortizing cost of on-farm works include in water charge.
 - 5/ According to farm Management Survey, average non farm income of share tenant amount to 200 Pesos and living allowance reach 1,480 Pesos. The, (a) and (b) type farmer are capable to take the surplus income.

K. Socio-Economic Impact

Benefits which have been counted in the economic evaluation are limited to the tangible benefits accrued from the crop production and electric generation directly.

However, the following indirect effects would be able to expect from the Project.

1. Contribution to the self-sufficiency of staple food

The government forecasted that a self-sufficiency in basin food commodities will be attained in the next five years, 1978-1982. As of November 1977, the government approved a first rice export of 15,000 metric tons to Indonesia. It was made possible by a good palay harvest in the Philippines. However, the staple food still rely upon the corngrains as substitution for rice and the nutrition improvement is not sufficient to solve malnutrition.

According to the grain industry development plan of NGA, the forecasting on a balance of demand and supply for rice in the Central Visayas indicate still shortage in 1990 years.

After completion of the Project, production of rice was estimated to increase from about 7,000 tons without Project to 42,000 tons with Project. These increment would contribute to the progress of selfsufficiency of staple food and trade in a provincial base directly.

2. Increase of Employment

The farming labor demand was projected to increase from the total man-days of 283,000 without Project to 1,067,000 with Project, in spite of farm mechanization to some extent. The labor analysis was presumed at labor days per month of average 26 days for the full time farmer. As the result, labor to be hired was estimated at about 45,000 man days. This figure would be minimum labor days. If the farmer operate less labor days than presumption, labor to be hired would increase greater. This Project would create many job opportunities for the unemployment labor who live in the adjacent municipalities.

3. Redress of income inequality

Per capita family income in Bohol was taken at 447 peso per annum in 1971, which was below the country's per capita family income of 646 peso per annum.

According to the farm budgets analysis as mentioned above, per capita net crop income in the Project area was estimated at 447 peso at present and 1,465 peso with Project.

The country's per capita family income in 1985 would be estimated at about 1,350 peso per annum using the growth rate per capita GNP of 5 percent at constant prices of 1972. Thus, per capita family income in the Project area would almost correspond to the country's value.

4. Ease of energy constraint

About 90 percent of the country's energy requirements are based on imported petroleum. Then, an upsurge in oil prices strains the country's balance of payments. Construction of hydroelectric power instead of alternative oil-fired thermal plant would save the importable volume of petroleum in country's economic activities. The oil consumption volumes correspond to annual energy of 4,968 MWH are roughly estimated at 1.24 million liter of petroleum. The saving of foreign currency would be expected at about 1.15 million peso (153,000 US\$) per annum.

5. Improvement of Transportation network

The transportation net work created by the Project would speed up to carry in and out the input and output materials respectively. And daily activities of inhabitants would get much convenience.

6. Effect of Supporting Services

Samahang Nayon and Kilusang Bayon organized would contribute for

farmers to buy agricultural inputs and sell their products at reasonable prices. Farm mechanization would improve the labor custom on the harvesting and threshing operation which are executed by hired labor paid in kind.

7. Income Increase during Construction

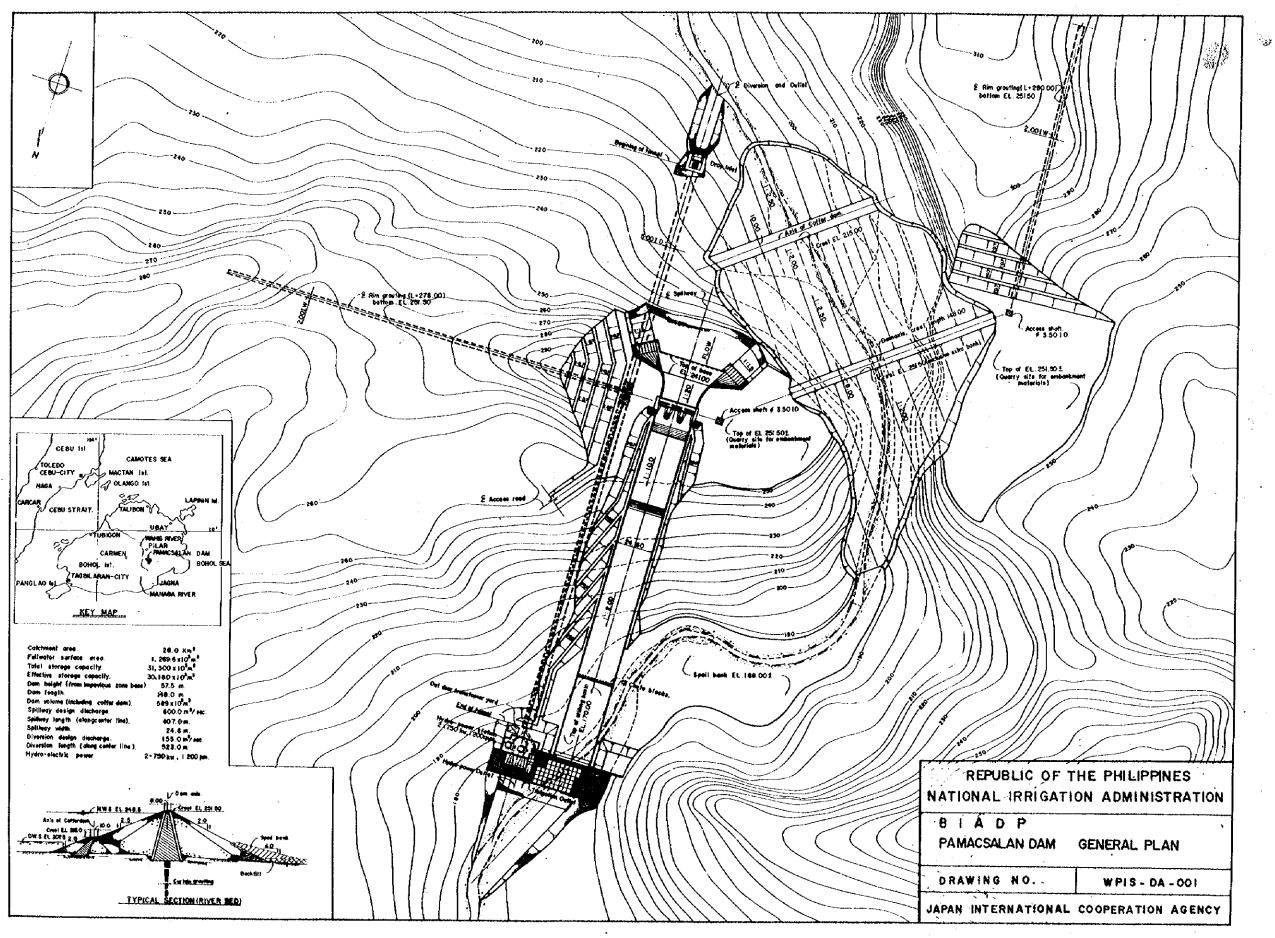
Many farmers will be employed during the construction of the Project. Required unskilled labor and wages are estimated at about 550 thousand mandays and about 9.5 million peso excluding escalation which are needed from 1979 to 1985 years. Labor wages at peak amount to about 2.7 million peso in 1984 year. This income is about 37 percent of gross net production value without Project.

DRAWINGS

<u>NO.</u>

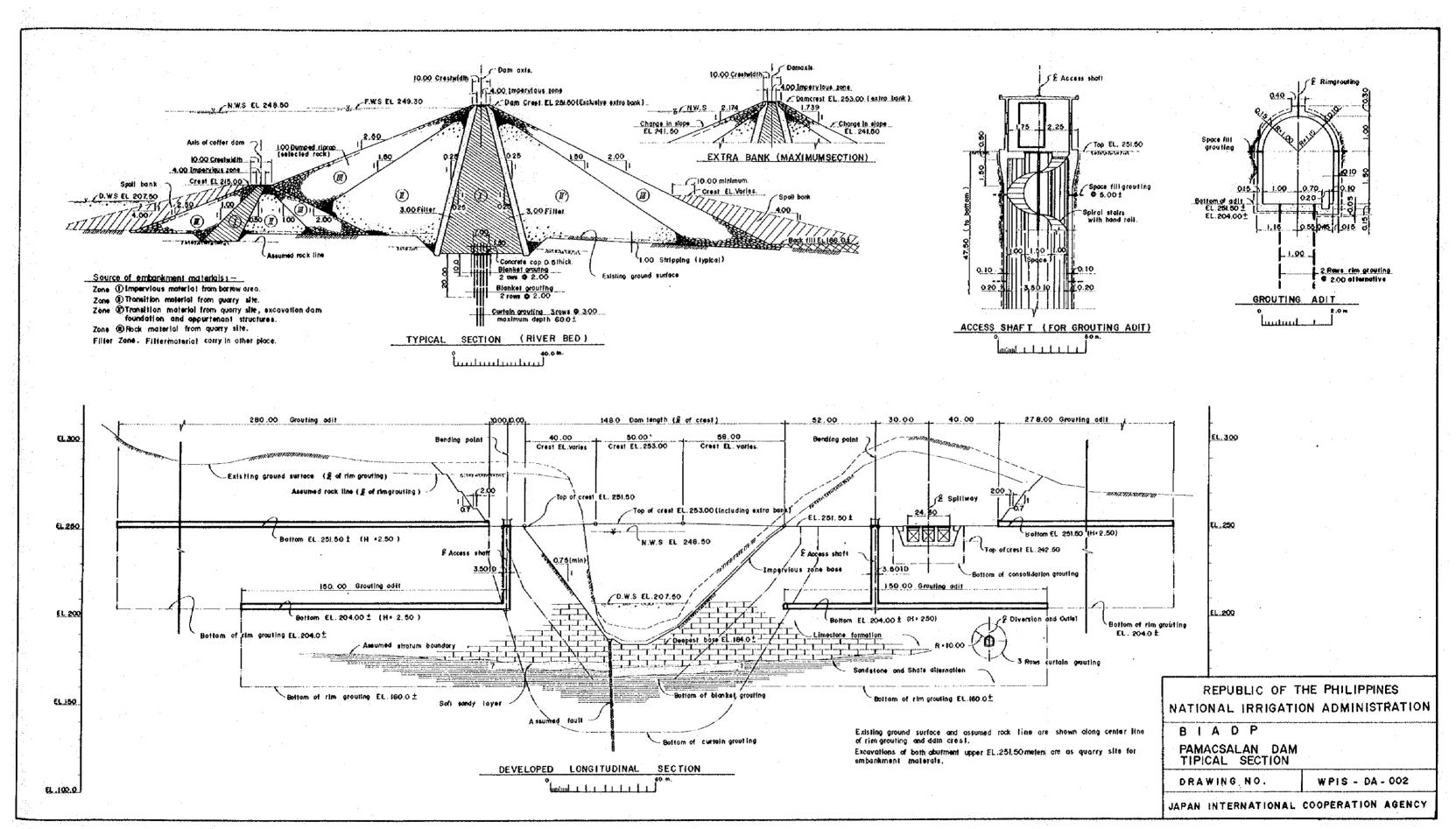
WPIS - DA - 001 WPIS - DA - 002 WPIS - DA - 003 WPIS - DD - 004 WPIS -- DD -- 005 WPIS -- DD -- 006 WPIS - DD - 007 WPIS -- IC -- 008 WPIS -- IC -- 009 WPIS -- IC -- 010 WPIS - IC - 011 WPIS -- IC -- 012 WPIS - IC - 013 WPIS - IC - 014 WPIS - IC - 015 WPIS -- IC -- 016 WPIS -- IC -- 017 WPIS - IC - 018 WPIS - IC - 019 WPIS - IC - 020 WPIS - IC - 021 WPIS - IC - 022 WPIS - IC - 023 WPIS - DC - 024 WPIS - DC - 025 WPIS -- RW -- 026 WPIS - OF - 027 WPIS - OF - 028 WPIS - OF - 029 WPIS - OF - 030 WPIS --- OF --- 031 WPIS - OF - 032 WPIS - OF - 033.

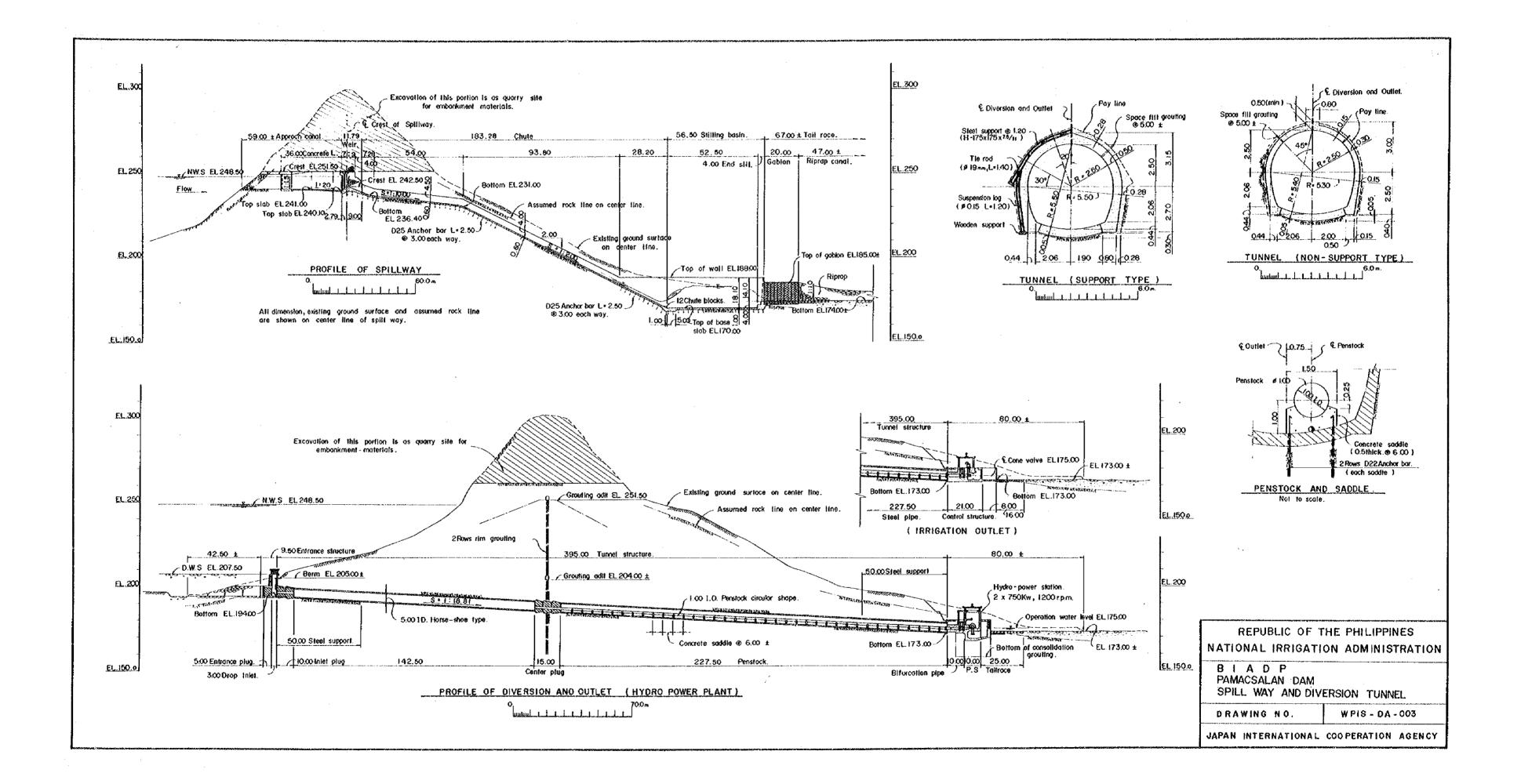
1	PAMACSALAN DAM, GENERAL PLAN
2	PAMACSALAN DAM, TYPICAL SECTION
. 3,	PAMACSALAN DAM, SPILLWAY AND DIVERSION TUNNEL
4.	MALINAO DIVERSION DAM, GENERAL PLAN
5.	MALINAO DIVERSION DAM, TYPICAL SECTION
6.	WAHIG DIVERSION DAM, GENERAL PLAN
7,	PAMACSALAN DIVERSION DAM GENERAL PLAN
8.	PROFILE OF MAIN CANAL (1)
9.	PROFILE OF MAIN CANAL (2)
10.	PROFILE OF LATERAL C
11.	TYPICAL SECTION OF IRRIGATION CANAL
12.	TYPICAL BOX SIPHON WITH CROSSING
13.	TYPICAL RCP SIPHON WITH CROSSING
14.	TYPICAL ROAD CROSSING WITH CHECK AND DROP
15.	TYPICAL RCP CROSSING
1 6.	TYPICAL CHECK AND VERTICAL DROP
17.	TYPICAL SUB LATERAL DROP
18,	TYPICAL HEADGATE WITH BOX CULVERT
19.	TYPICAL HEADGATE WITH PIPE CULVERT
20.	TYPICAL PARSHALL FLUME
21.	TYPICAL DRAINAGE CULVERT (DOUBLE ROW)
22.	TYPICAL DRAINAGE CULVERT (SINGLE ROW)
23.	TYPICAL DRAIN INLET
24,	TYPICAL DRAINAGE CANAL SECTION
25.	TYPICAL DRAINAGE DROP
-26.	TYPICAL ROAD SECTION
27.	LAY OUT OF ON FARM FACILITY 8 (1)
28.	LAY OUT OF ON FARM FACILITY B (2)
29.	LAYOUT OF ON FARM FACILITY N-2
30.	LAYOUT OF LAND PARCELLING
31.	TYPICAL TURNOUT
32.	TYPICAL FARMDITCH SECTION AND DIVISION BOX
33.	GENERAL PLAN OF HYDRO POWER PLANT

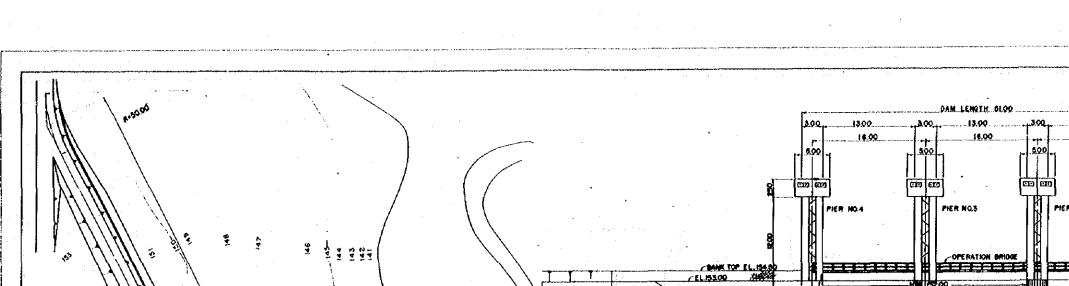


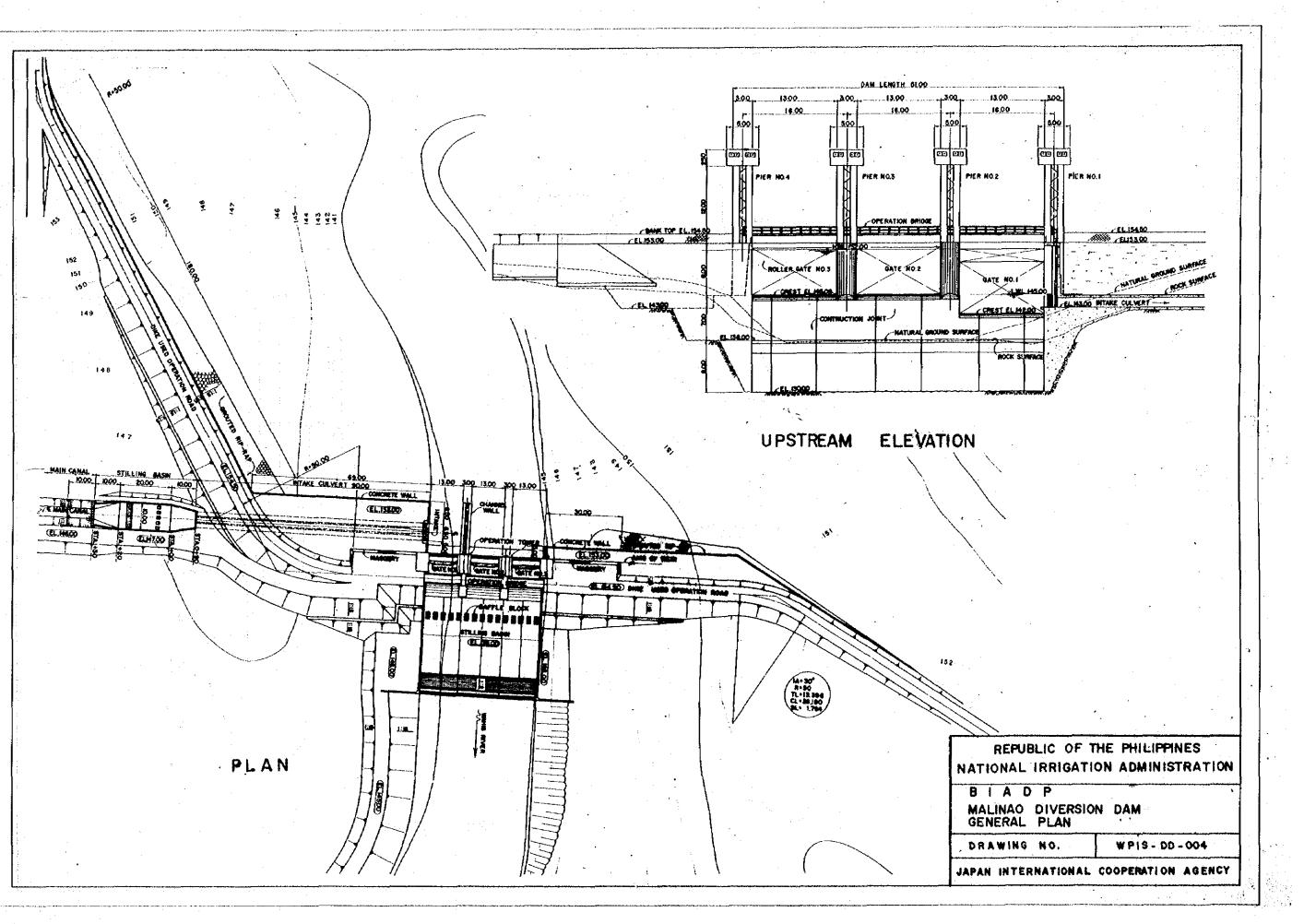
.

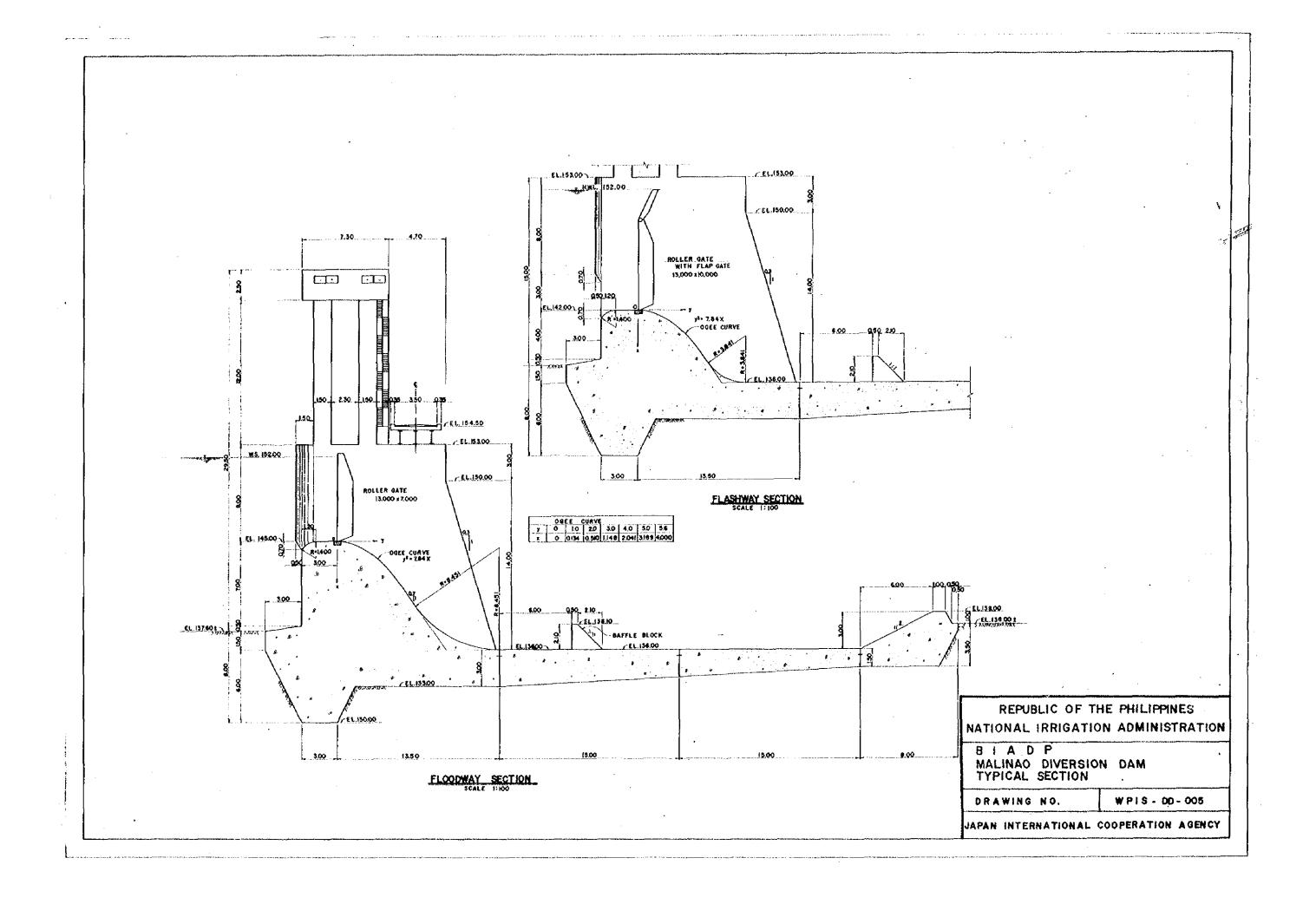
1

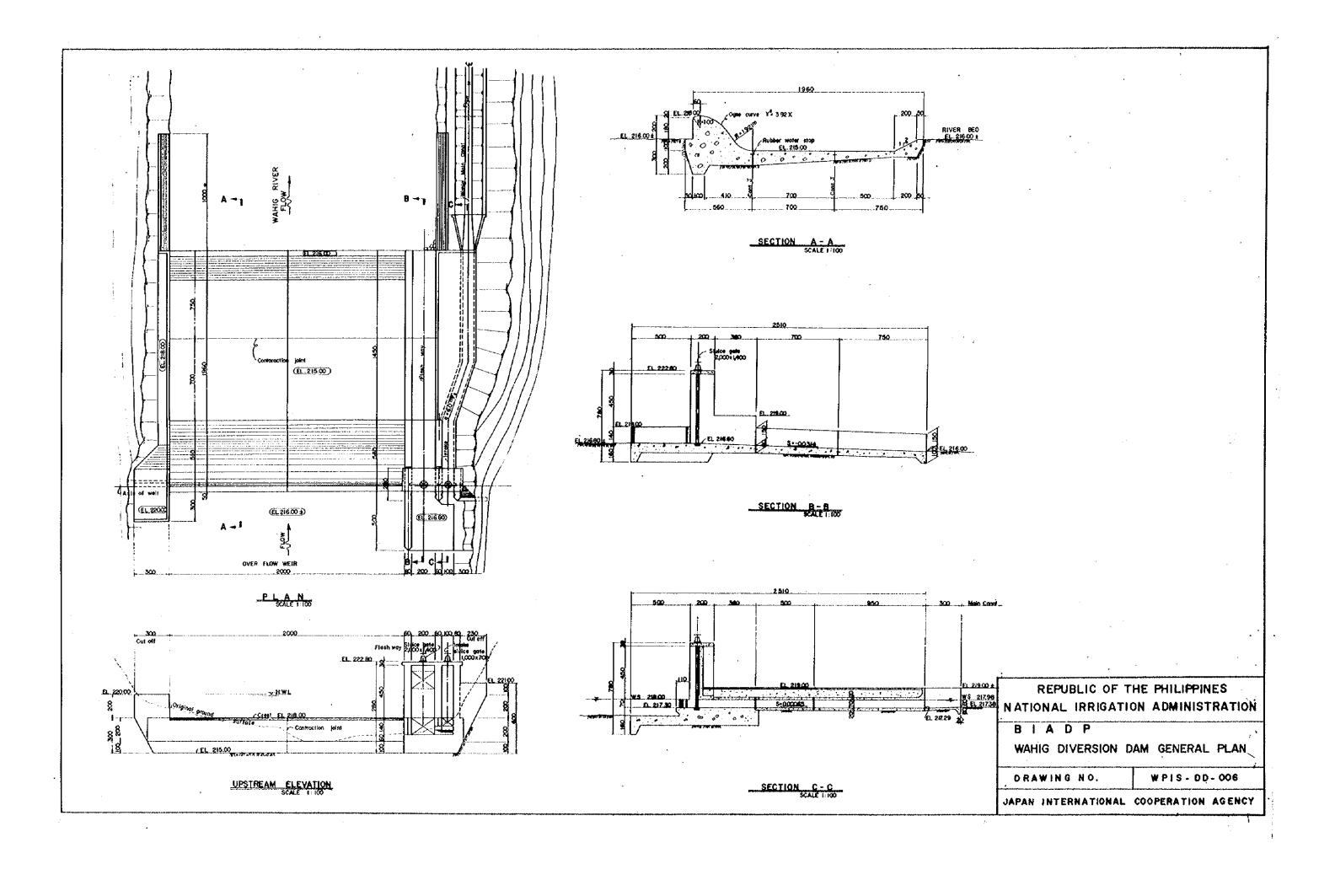


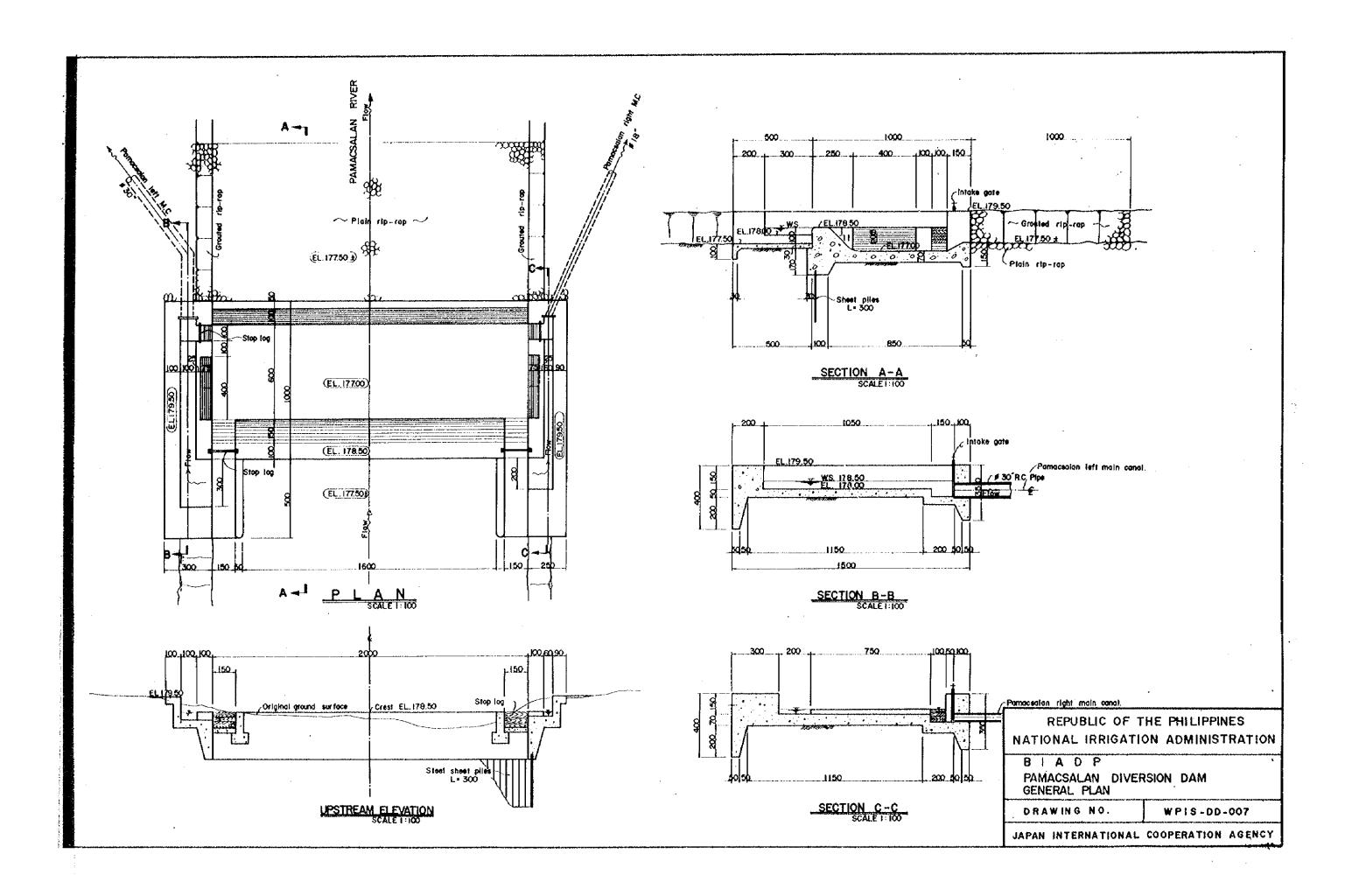




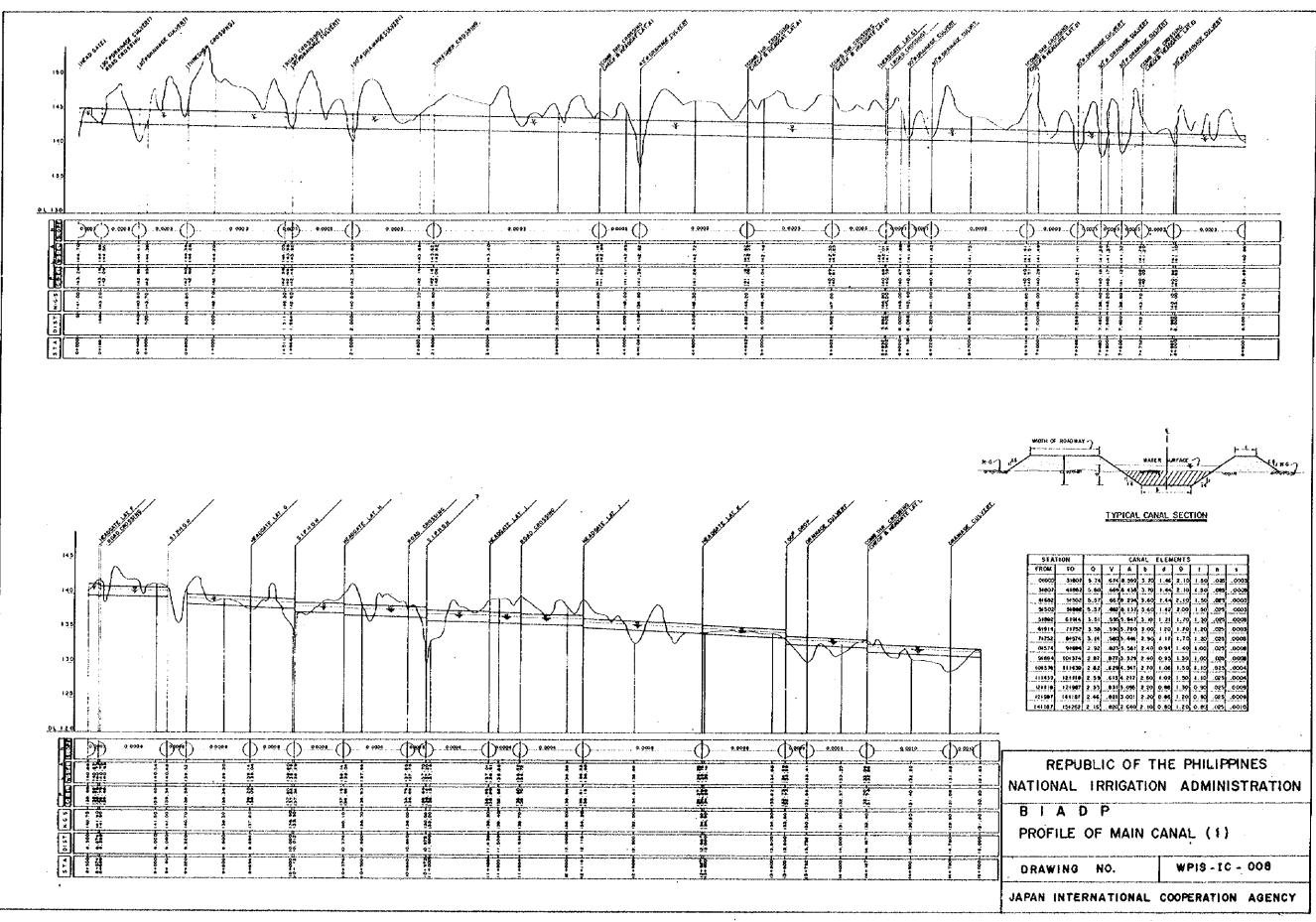


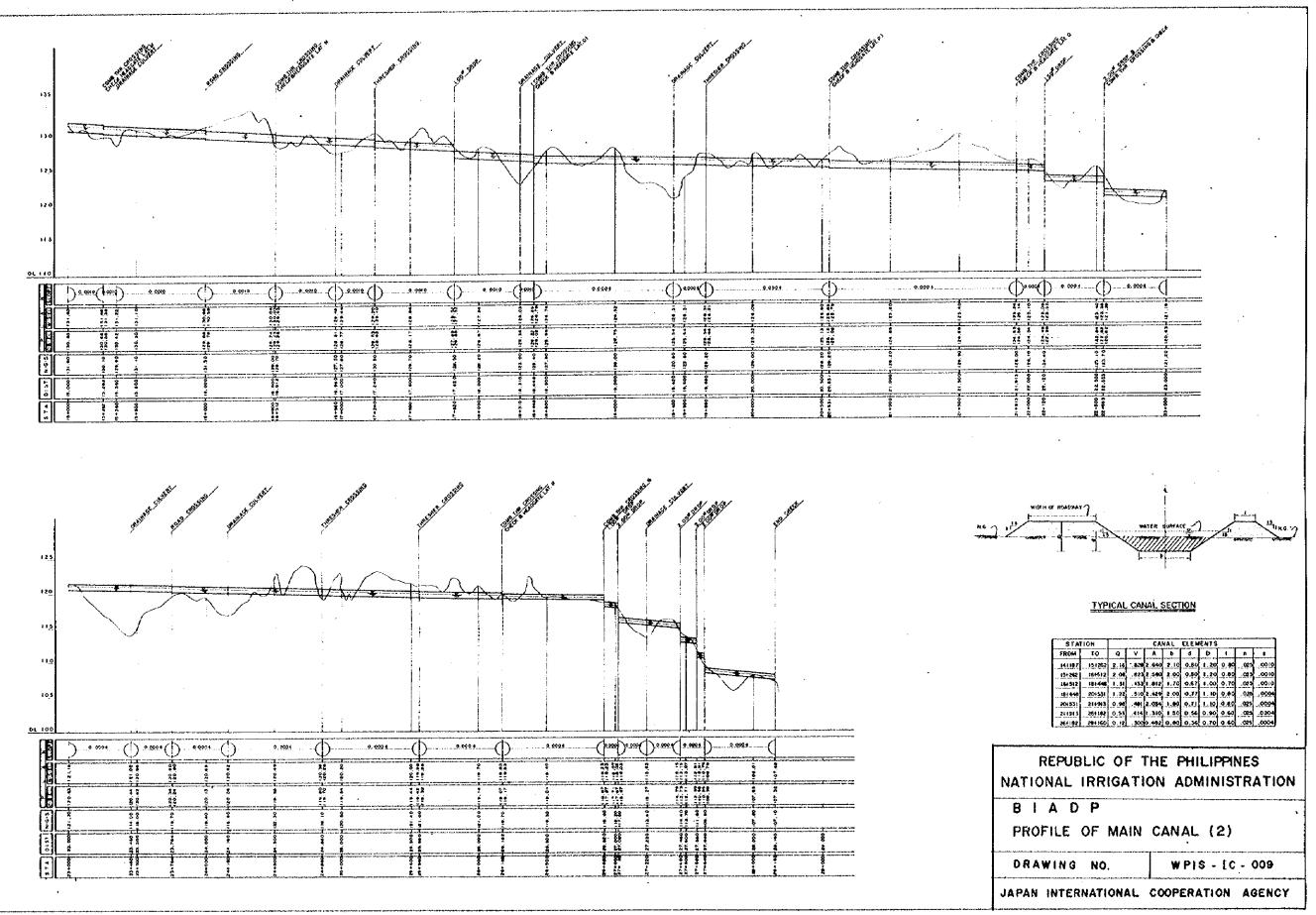




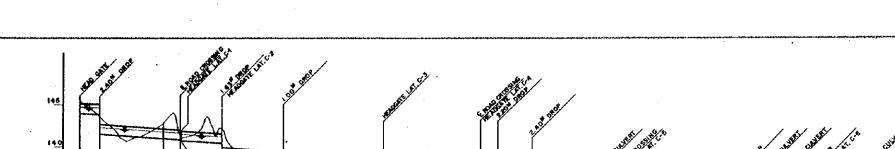


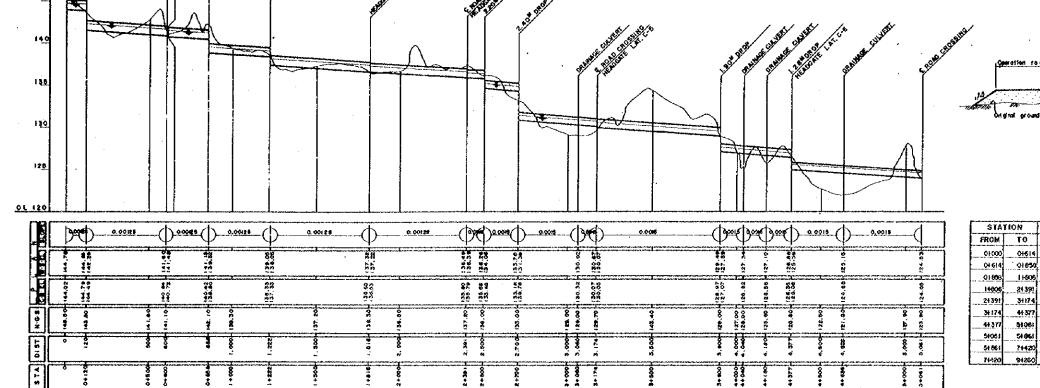


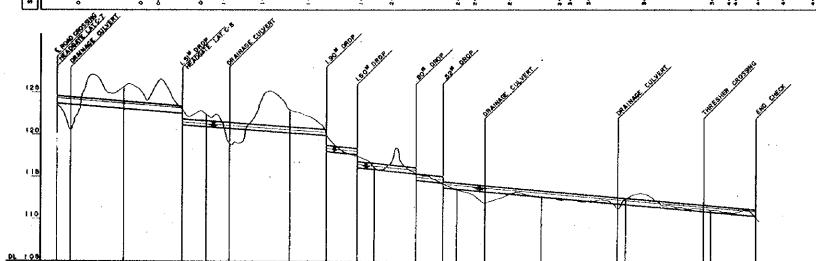




.

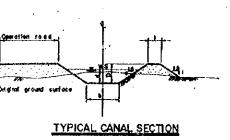




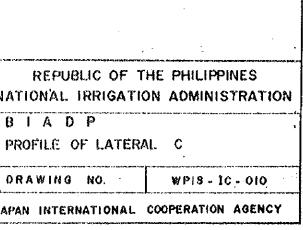


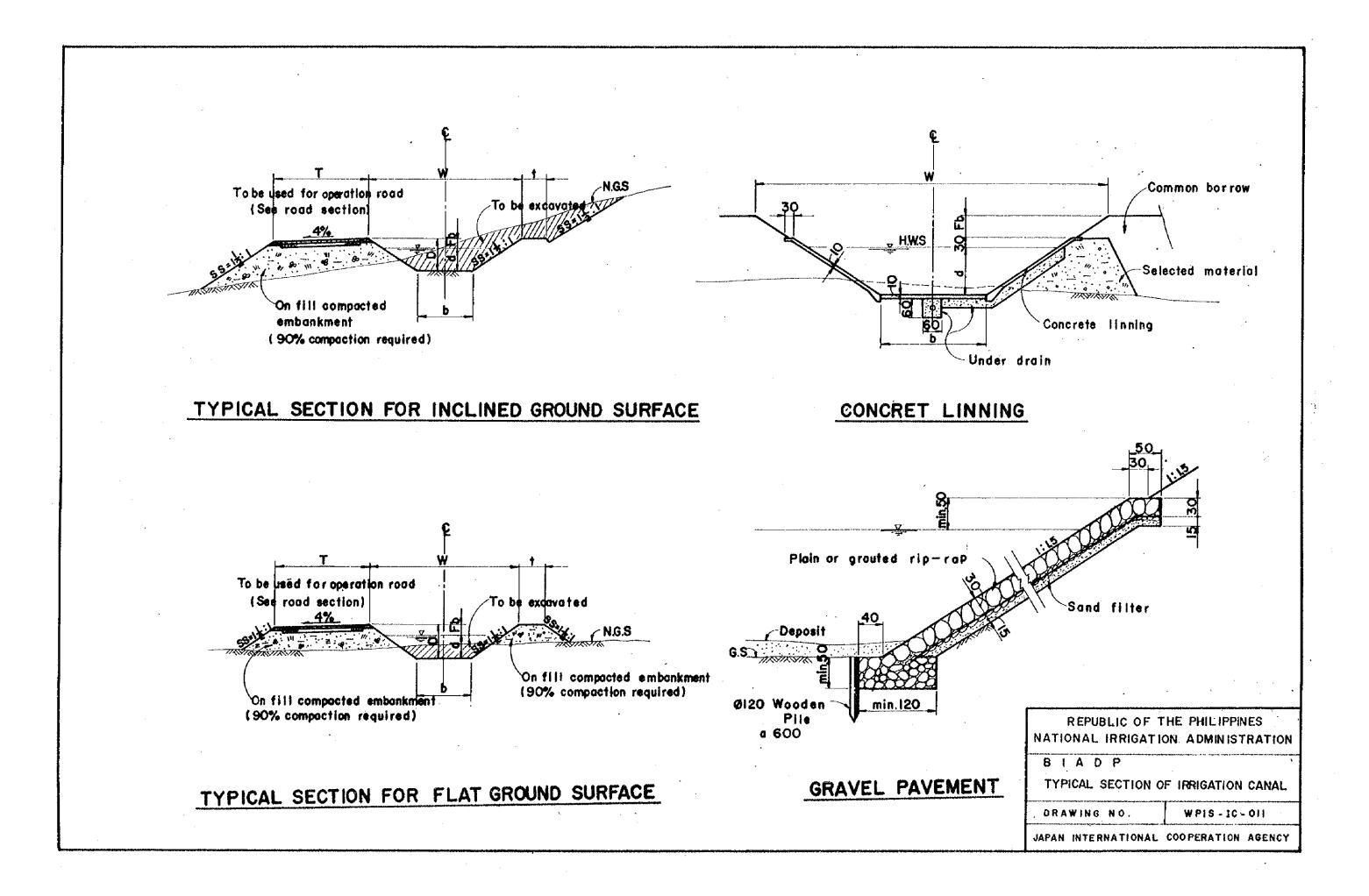
L 1000 1 10 10 10 10 10 10 10 10 10 10 10

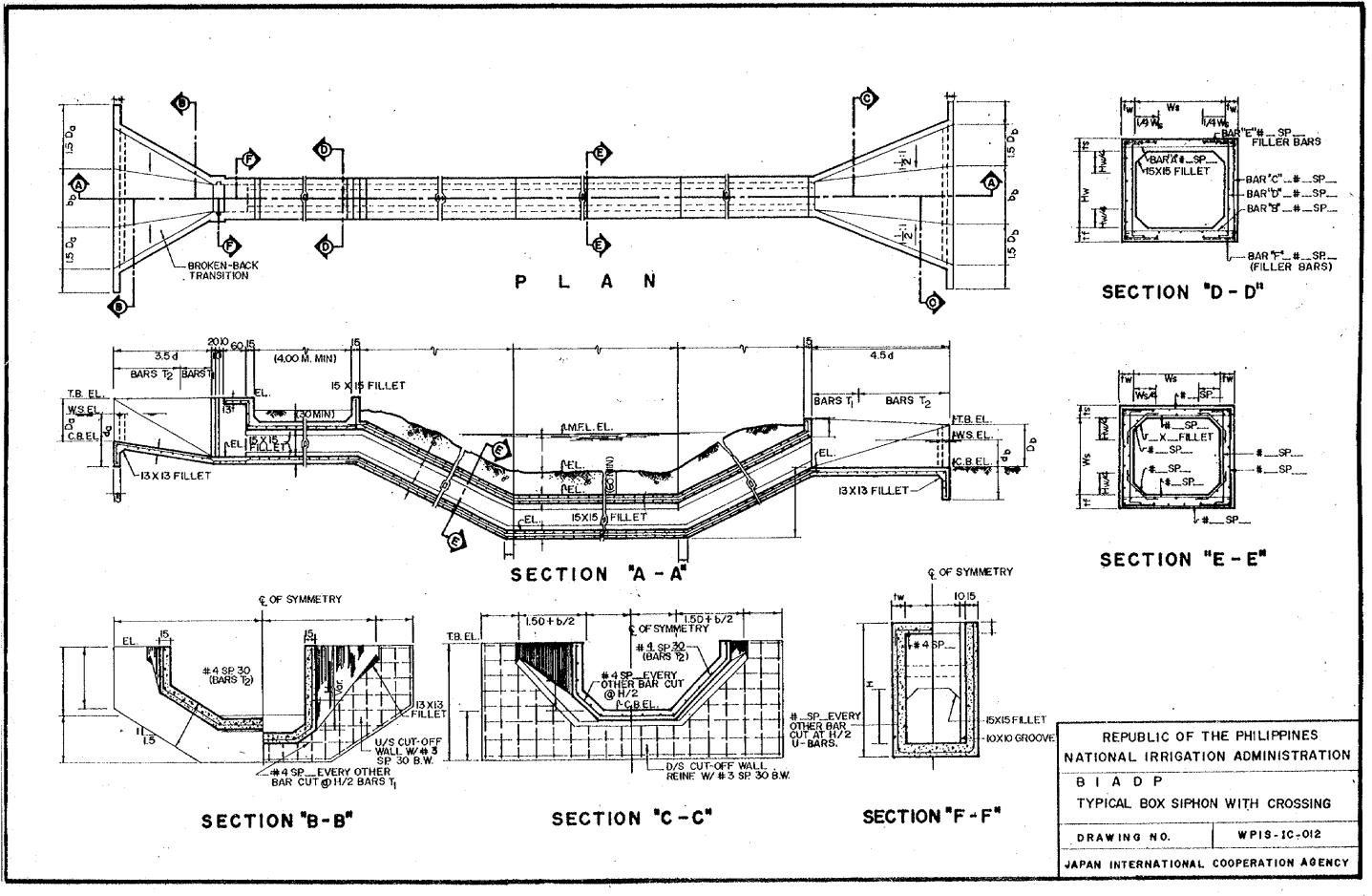
BIADP ----

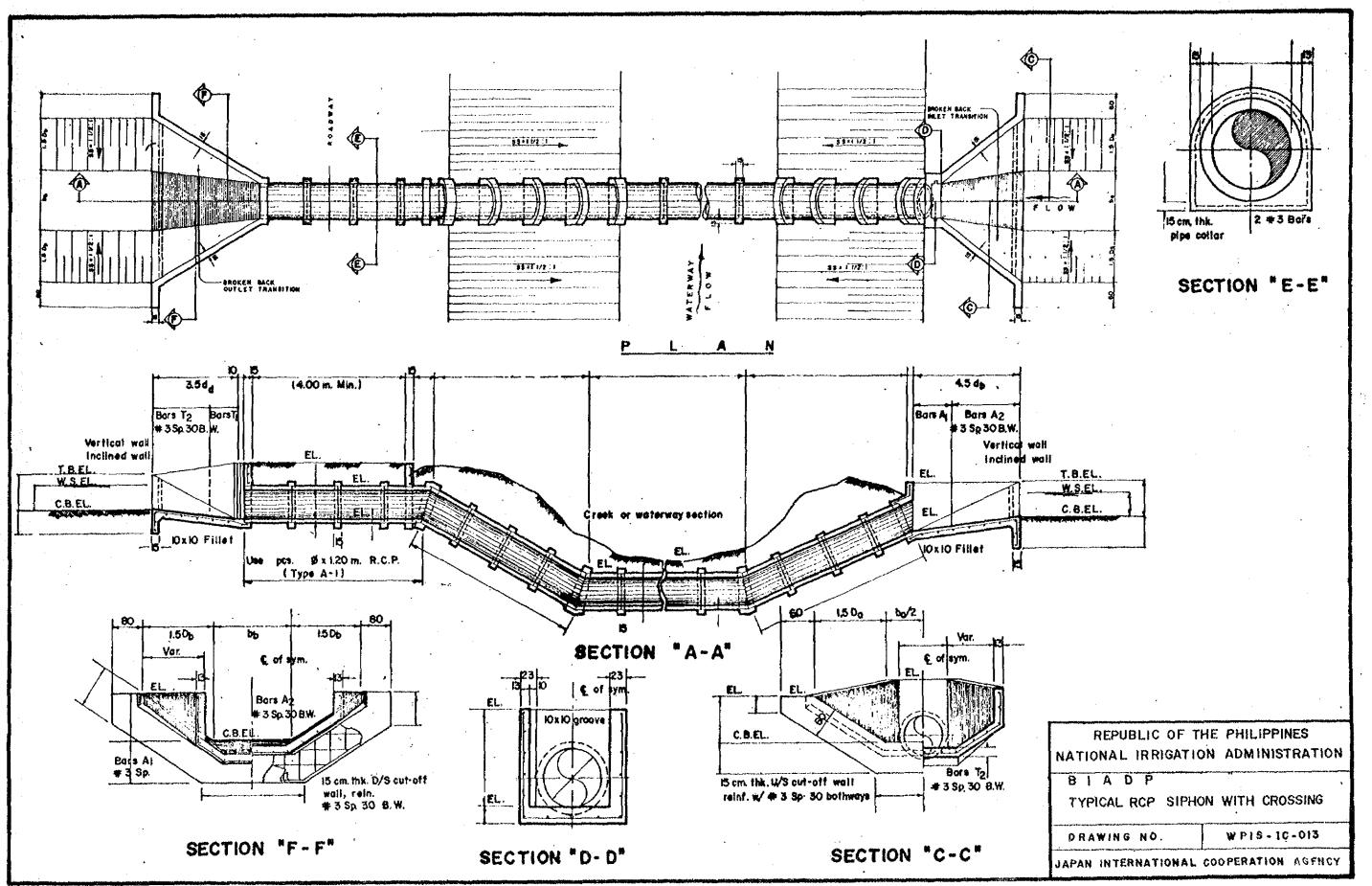


<u> </u>	CANAL ELEMENTS								
0	٧	A	b	1	D	1	n	.\$	
2.02		2.310	1.90	0.76	1, 10	0.80	.025	.00125	
1.85	.005	2.145	1.90	0.73	1.10	0.00	.025	.00125	
1.78	.857	2.043	1.60	0.72	1.10	0.90	.025	. 00125	
1.62	.683	1.956	1.80	0.59	1.00	0.70	.025	.00:25	
1.24	.837	1.500	1.60	0.60	0.00	0.00	.028	.00150	
0.81	.706	1.062	1.30	0.52	Ó. 90	Q. 80	. 020	.00150	
0.64	. 717	0. 822	1.20	0.40	0.00	0.60	.025	.00150	
0.46	.652	0.703	1.10	0.41	0.80	0.40	.025	.00180	
0.36	.618	0.618	1.00	0.39	0.70	0.00	.025	.0060	
0.36	.636	0. 559	0.90	0.38	0.70	0.60	. 025	.00176	

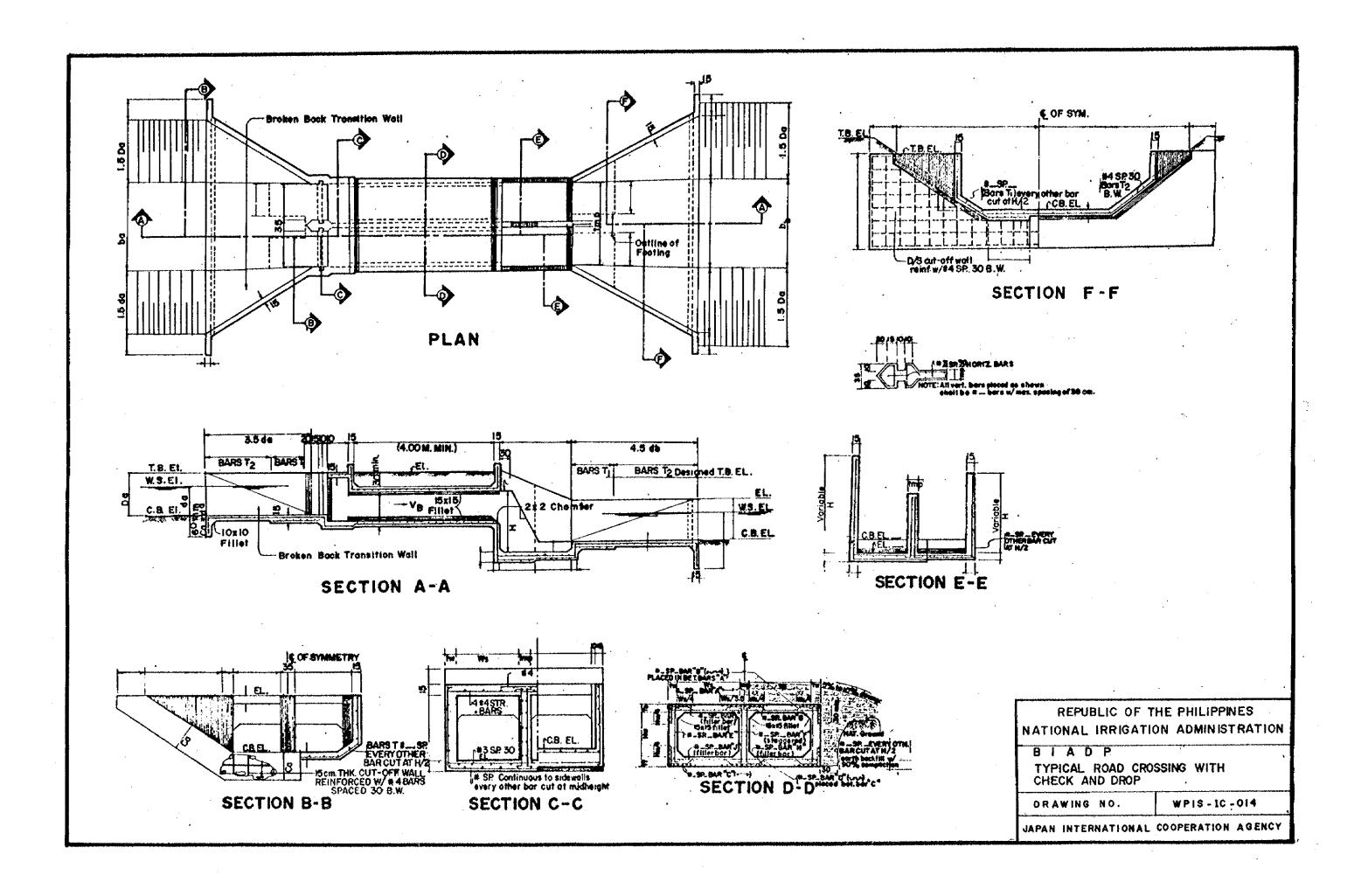


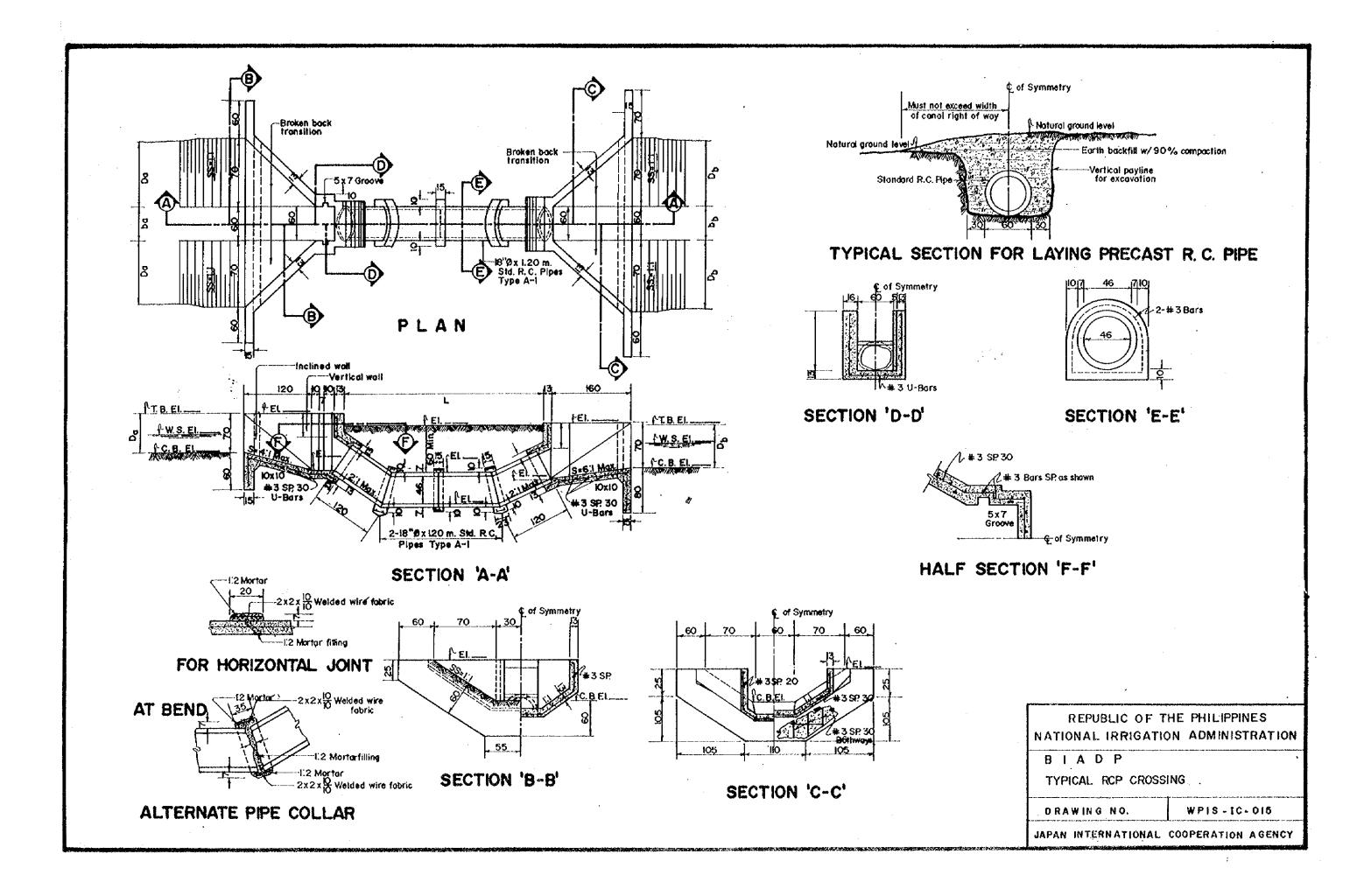


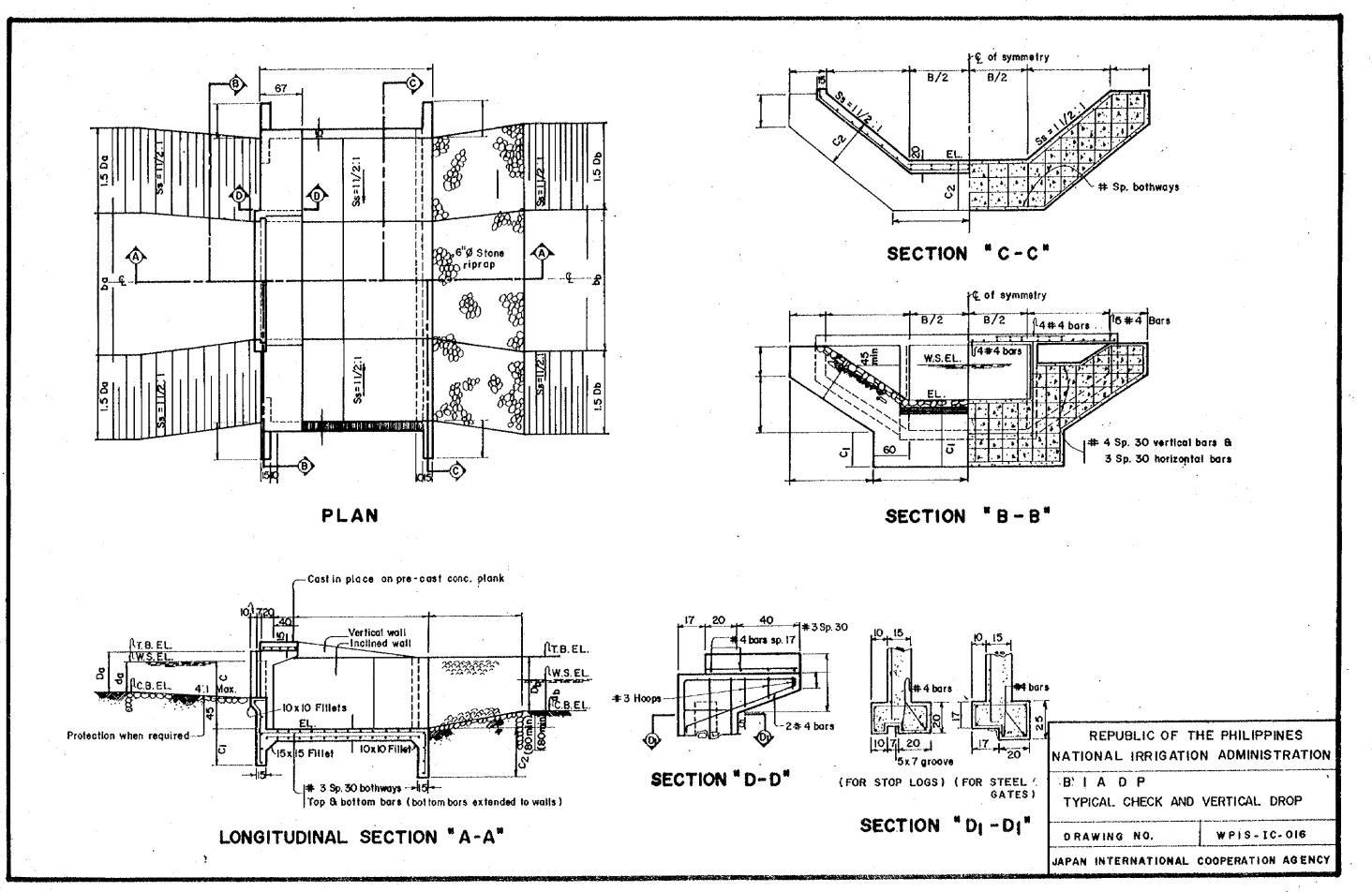




.







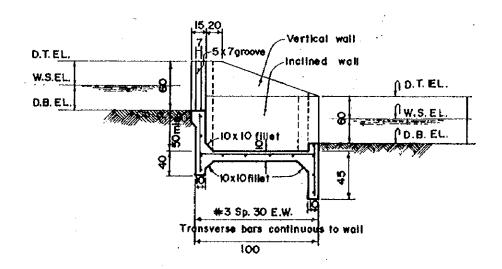
. .

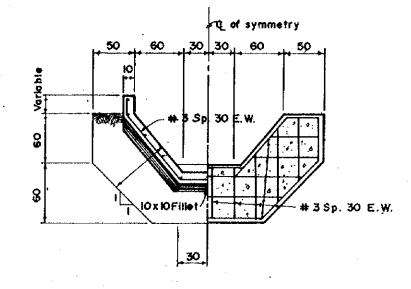
.

•

r€ of symmetry 50 50 0 30 30 0 Ortline of out/s sec. of formditch 00 腳 |5x7 ♀ |groove g 89 12 ŝ 8 FLOW Sa = 1:1 Ss=1:1 ê +: 8 ¥ 3 Sp. 30 E.W. 8 -lox 10 Fillet ତ SECTION "B-B"

PLAN

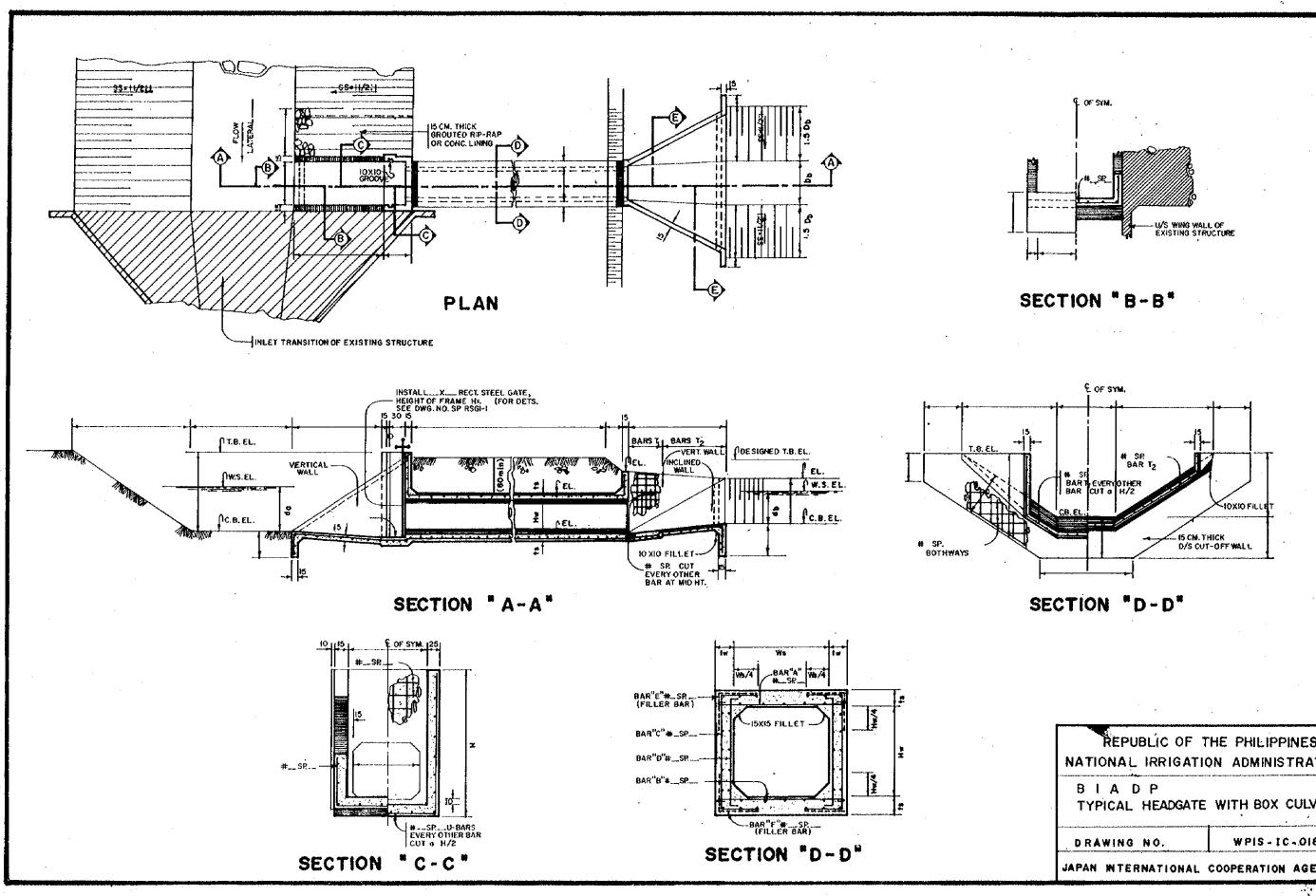




SECTION "C-C"

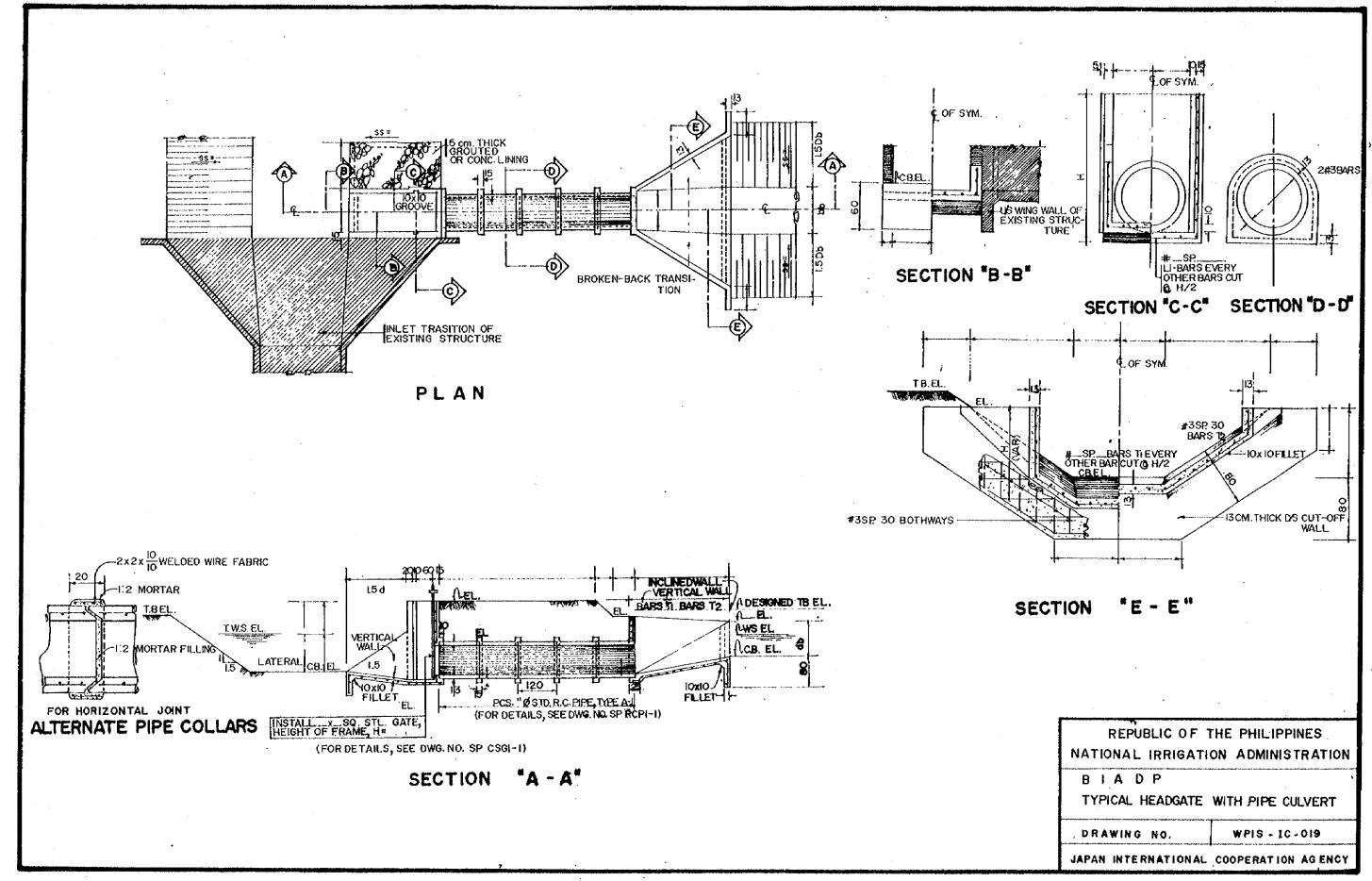


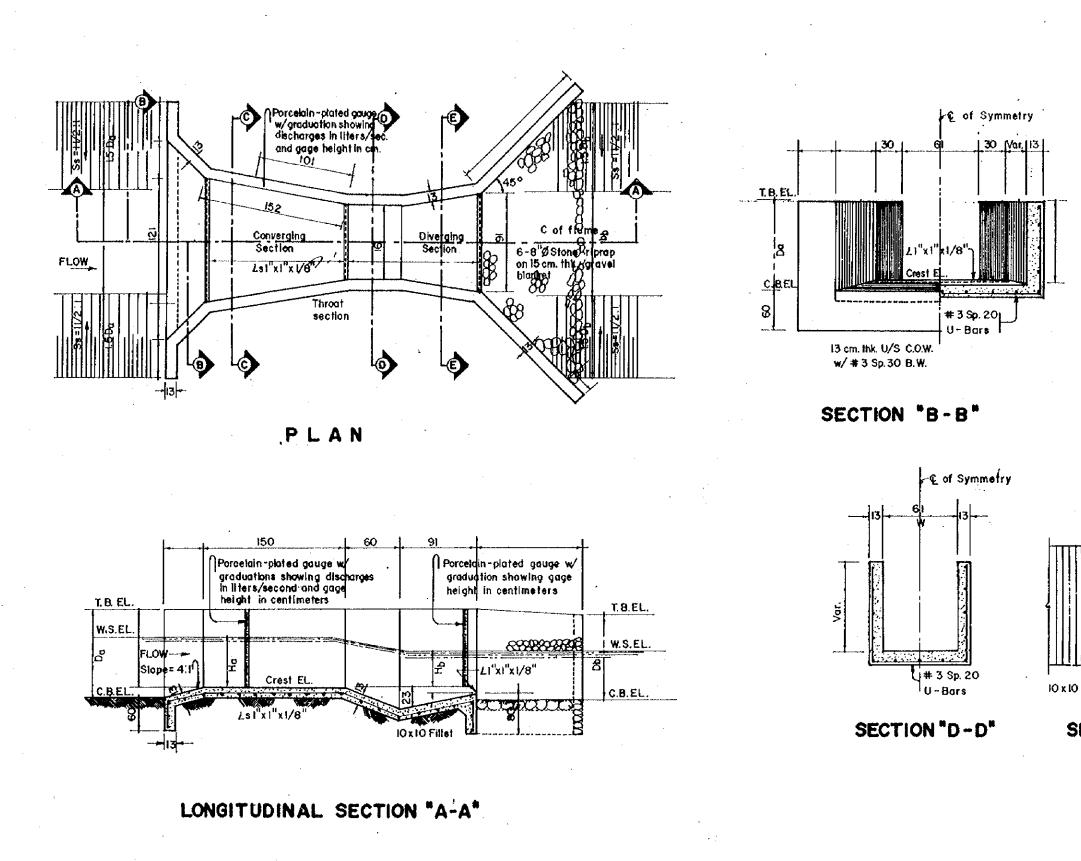
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017 APAN INTERNATIONAL COOPERATION AGENCY		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		1
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017	•	
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017		2
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-1C-017	x	
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
REPUBLIC OF THE PHILIPPINES ATIONAL IRRIGATION ADMINISTRATION B I A D P TYPICAL SUB-LATERAL DROP D RAWING NO. WPIS-IC-017		
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017		
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017		
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017		
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017		
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017		
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017		
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017		· · ·
ATIONAL IRRIGATION ADMINISTRATION B A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-1C-017	· · · · · · · · · · · · · · · · · · ·	۰. ۲
B I A D P TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-IC-017	REPUBLIC OF THE	PHILIPPINES
TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-IC-017	ATIONAL IRRIGATION	DMINISTRATION
TYPICAL SUB-LATERAL DROP DRAWING NO. WPIS-IC-017	BIADP	1
		DROP
		PIS-1C-017
AFAN INTERNATIONAL COUPERATION AGENUT	<u> </u>	
	AFAN INTERNATIONAL COOT	TERATION AGENUT



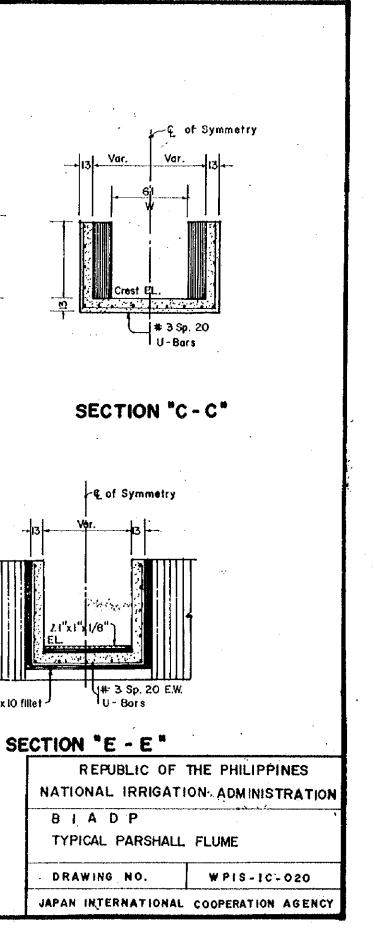
•

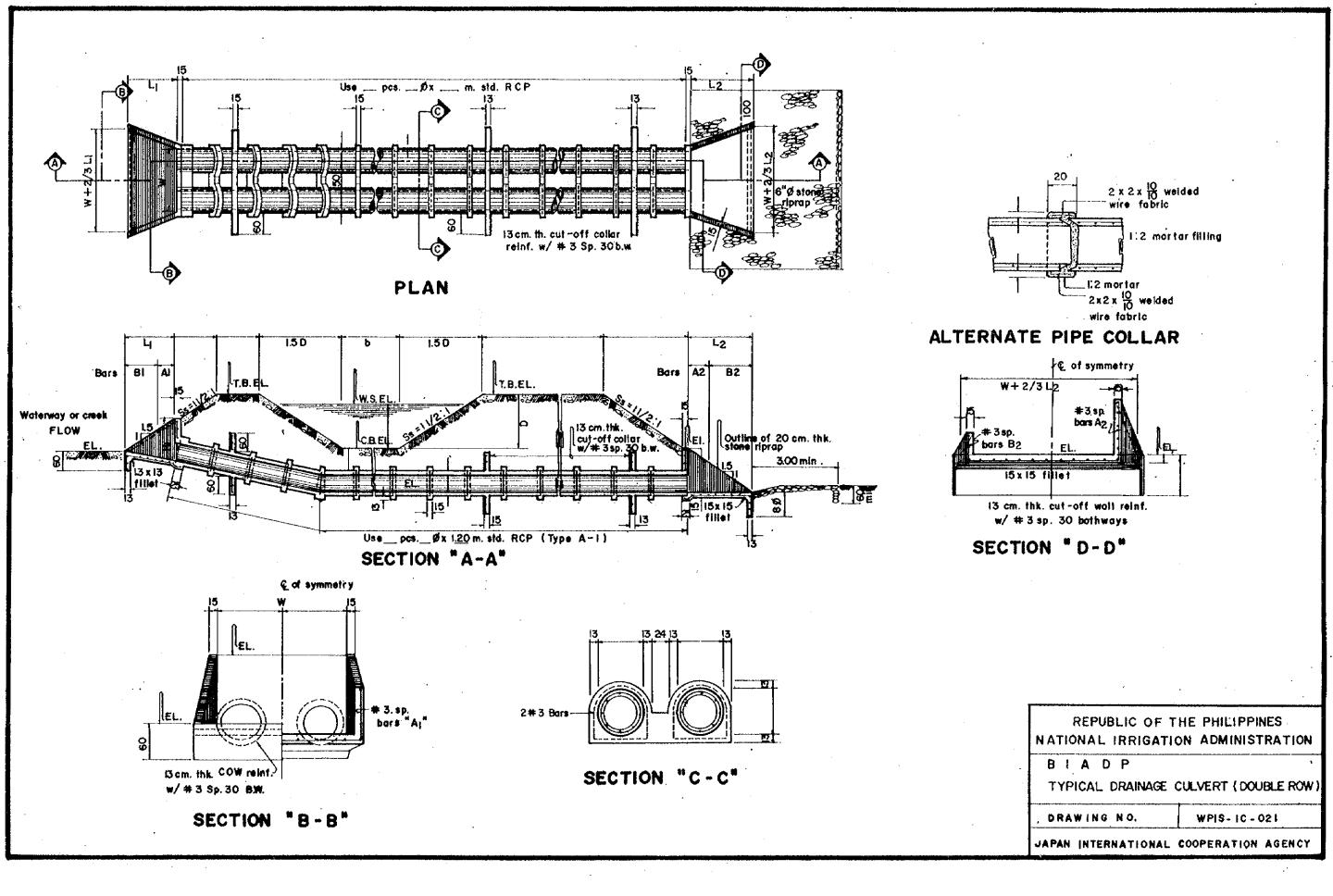
REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION TYPICAL HEADGATE WITH BOX CULVERT WPIS-IC-018 JAPAN INTERNATIONAL COOPERATION AGENCY

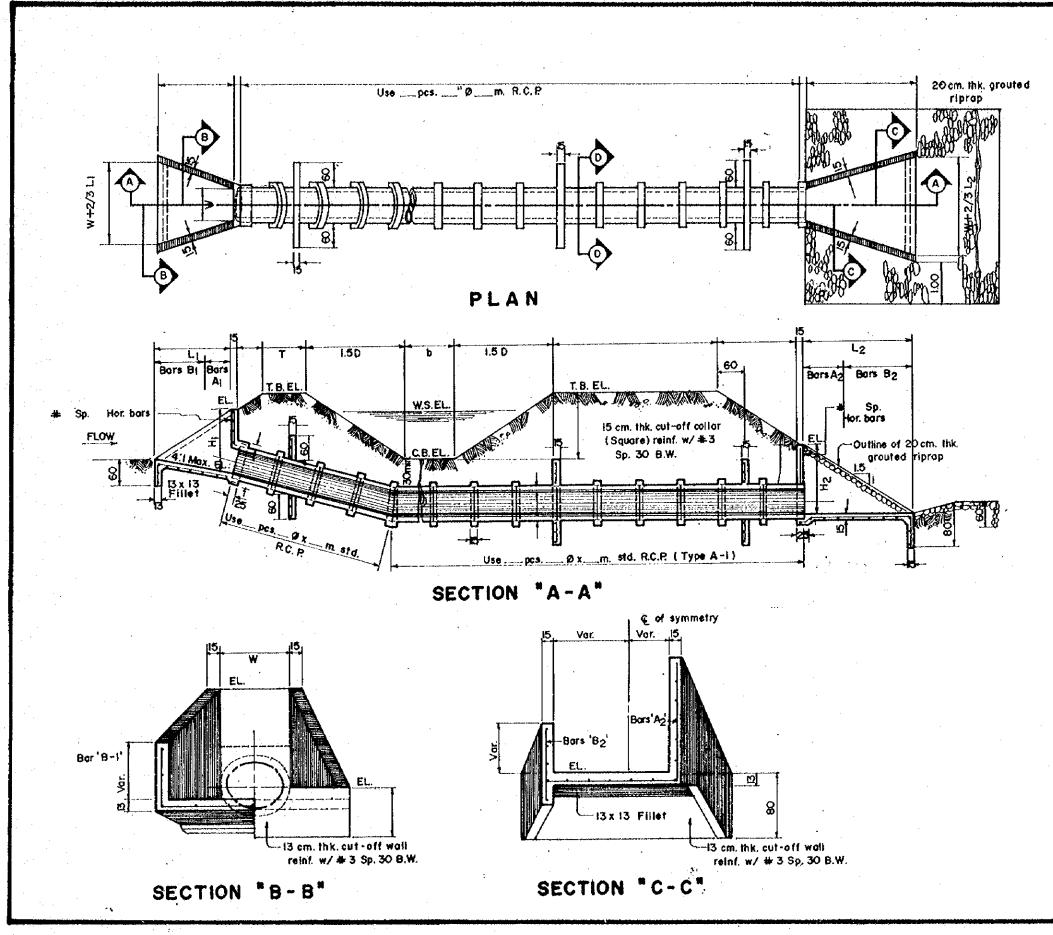




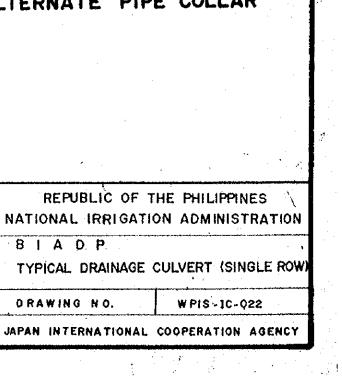
IO x IO fillet



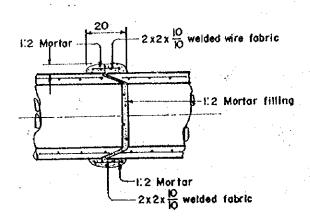




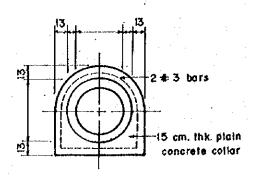
•

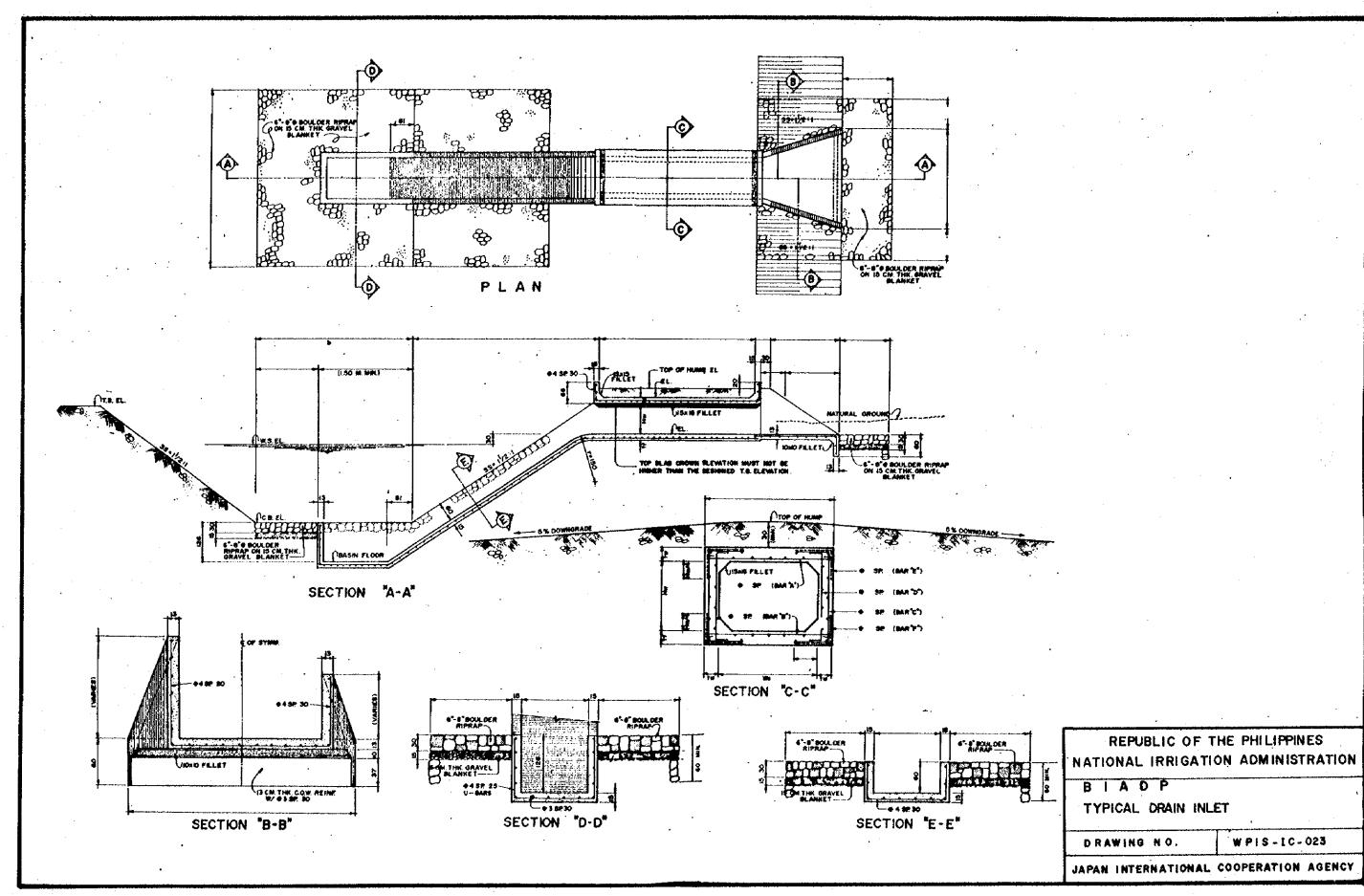


ALTERNATE PIPE COLLAR

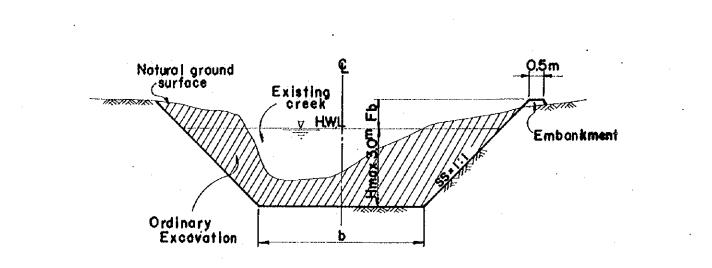


SECTION "D-D"

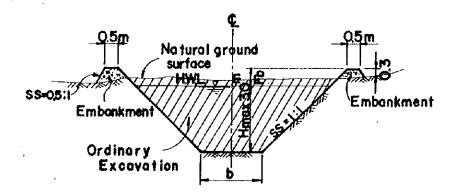




,

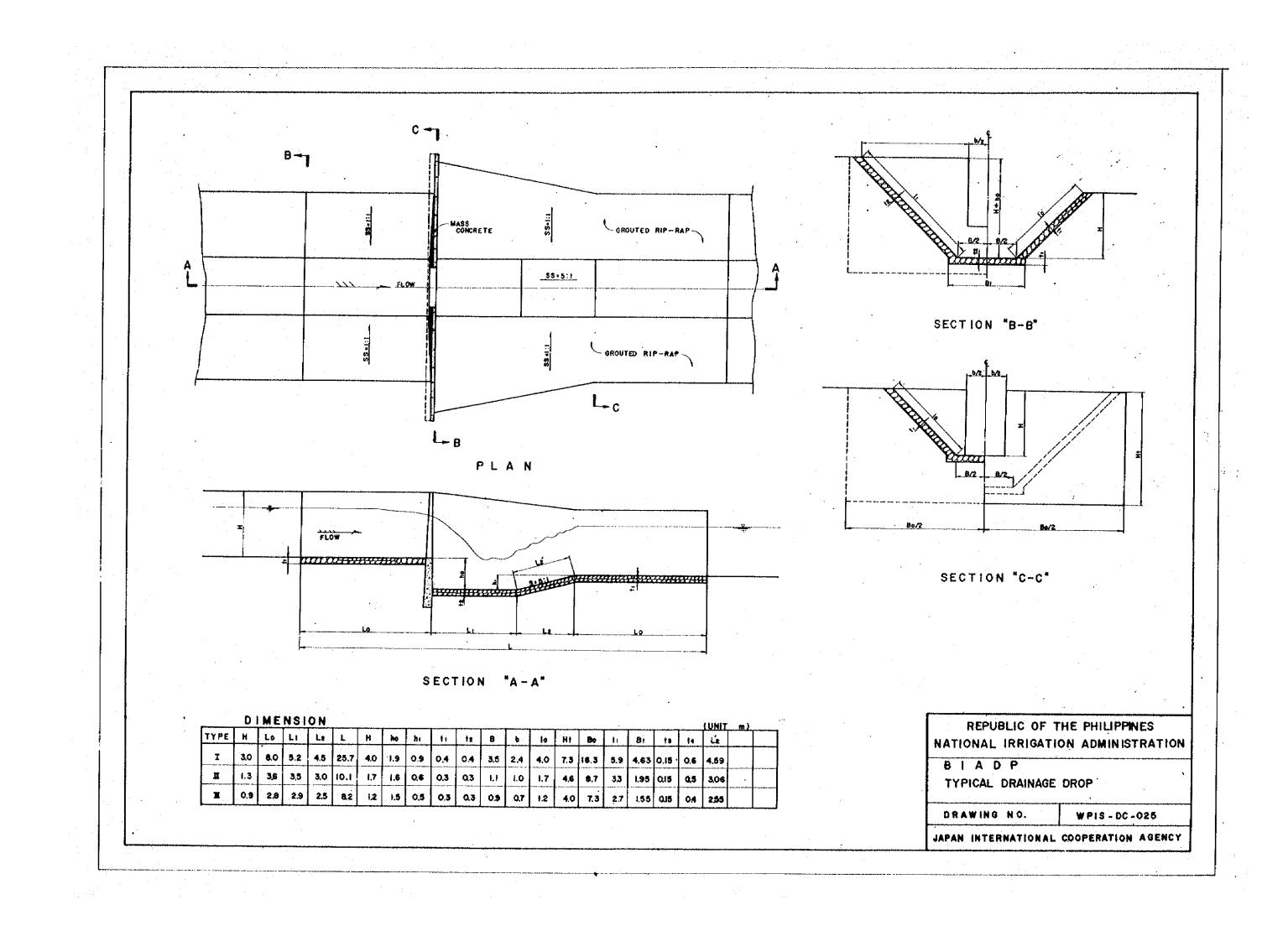


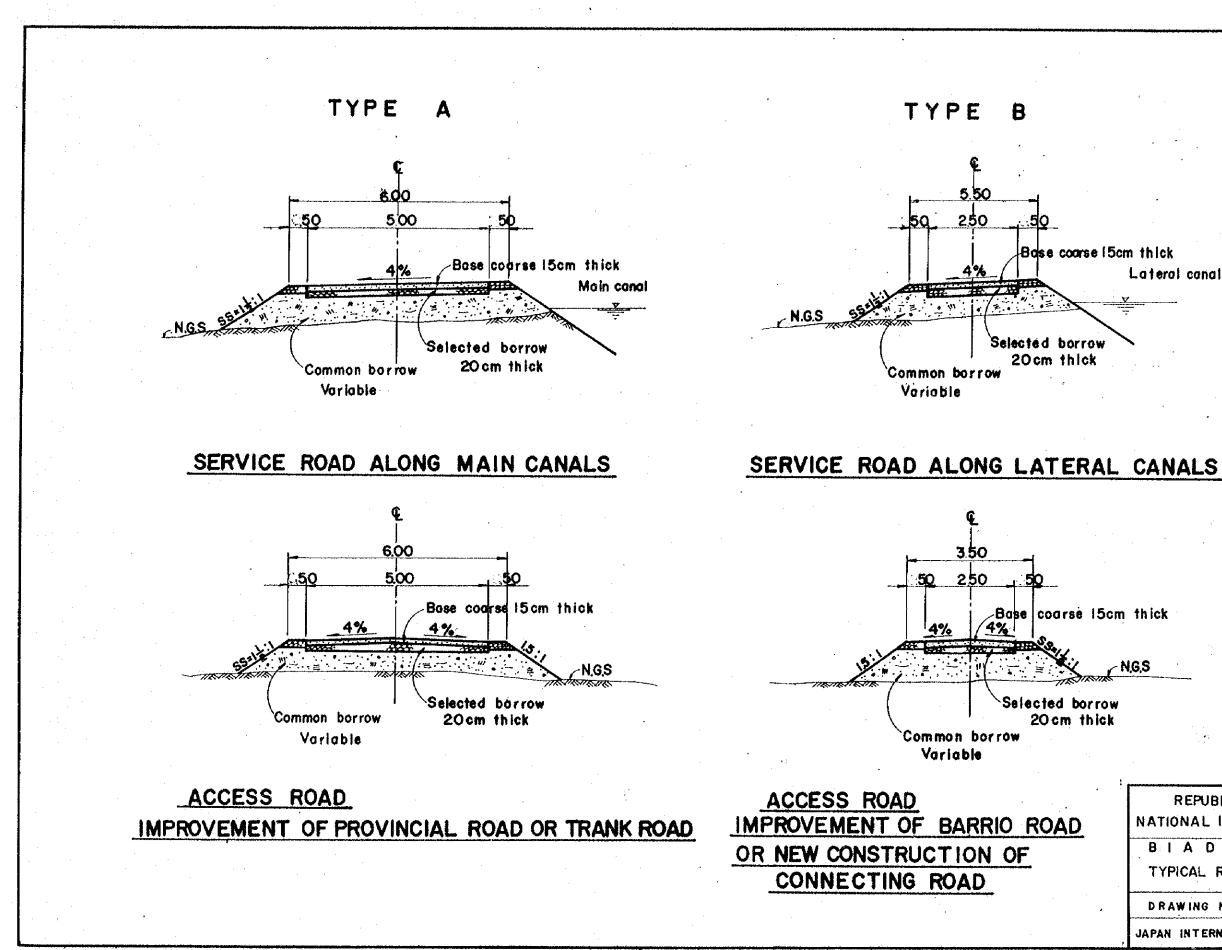
TYPICAL SECTION OF IMPROVEMENT CANALS



TYPICAL SECTION OF NEWLY CONSTRUCTED CANALS

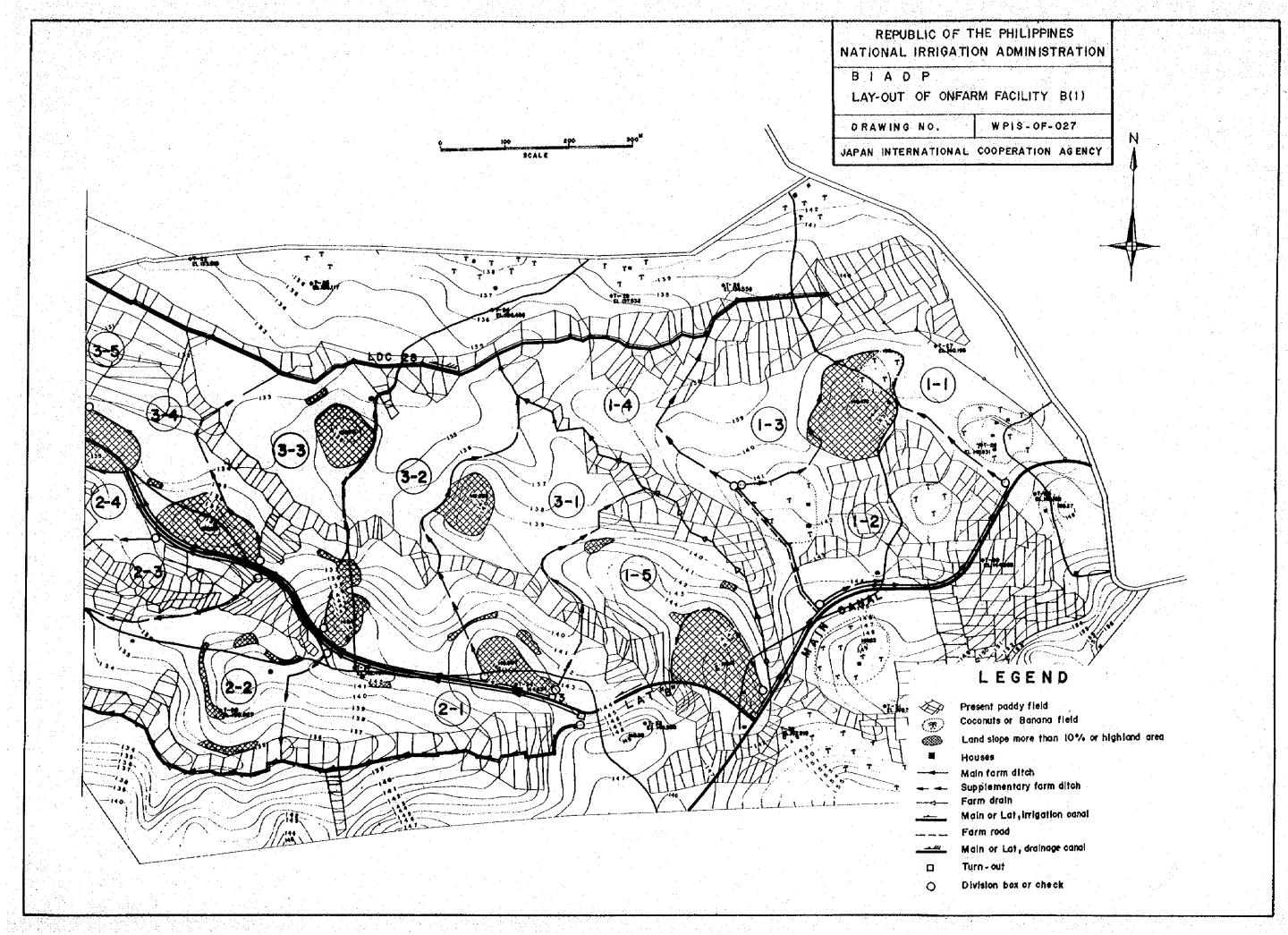
				[`
	·			
			.	
	,			
,				
· ·				
REPUBLIC OF THE PHILIPPINES			ION	
B I A D P TYPICAL DRAINA	GE CAN	AL SEC	CTION	r r
DRAWING NO.	W	PIS - D	C - 024	
APAN INTERNATION				

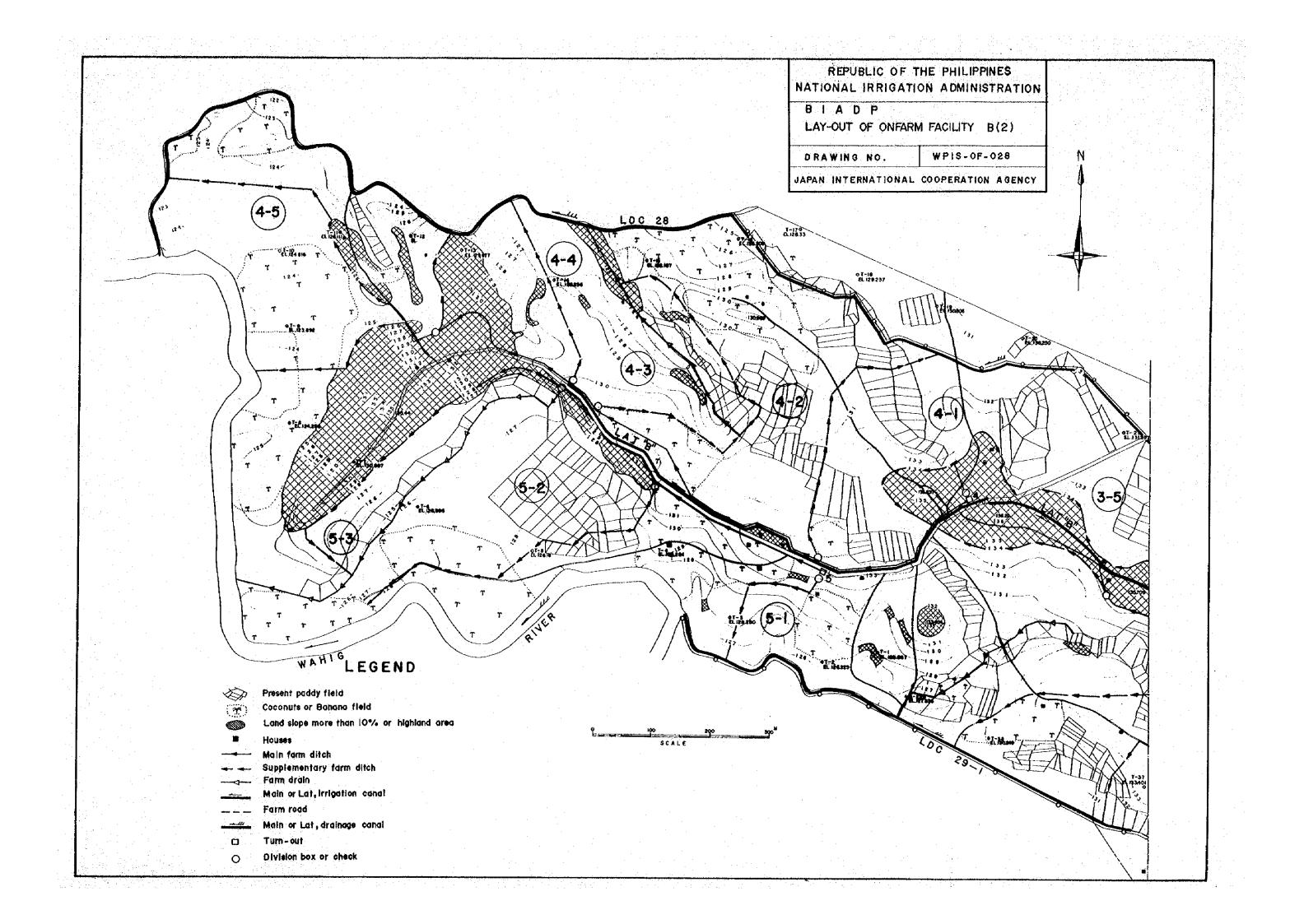


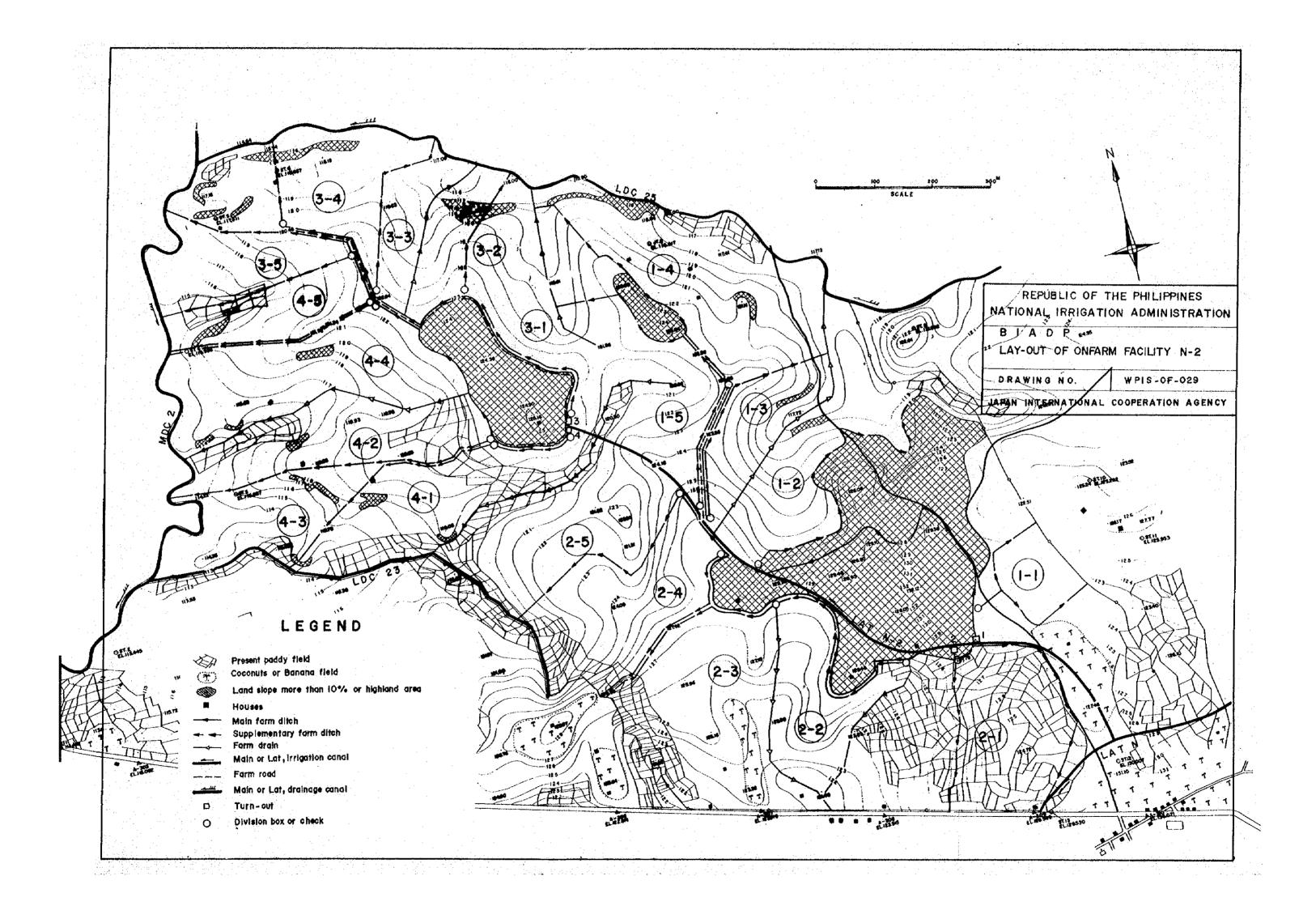


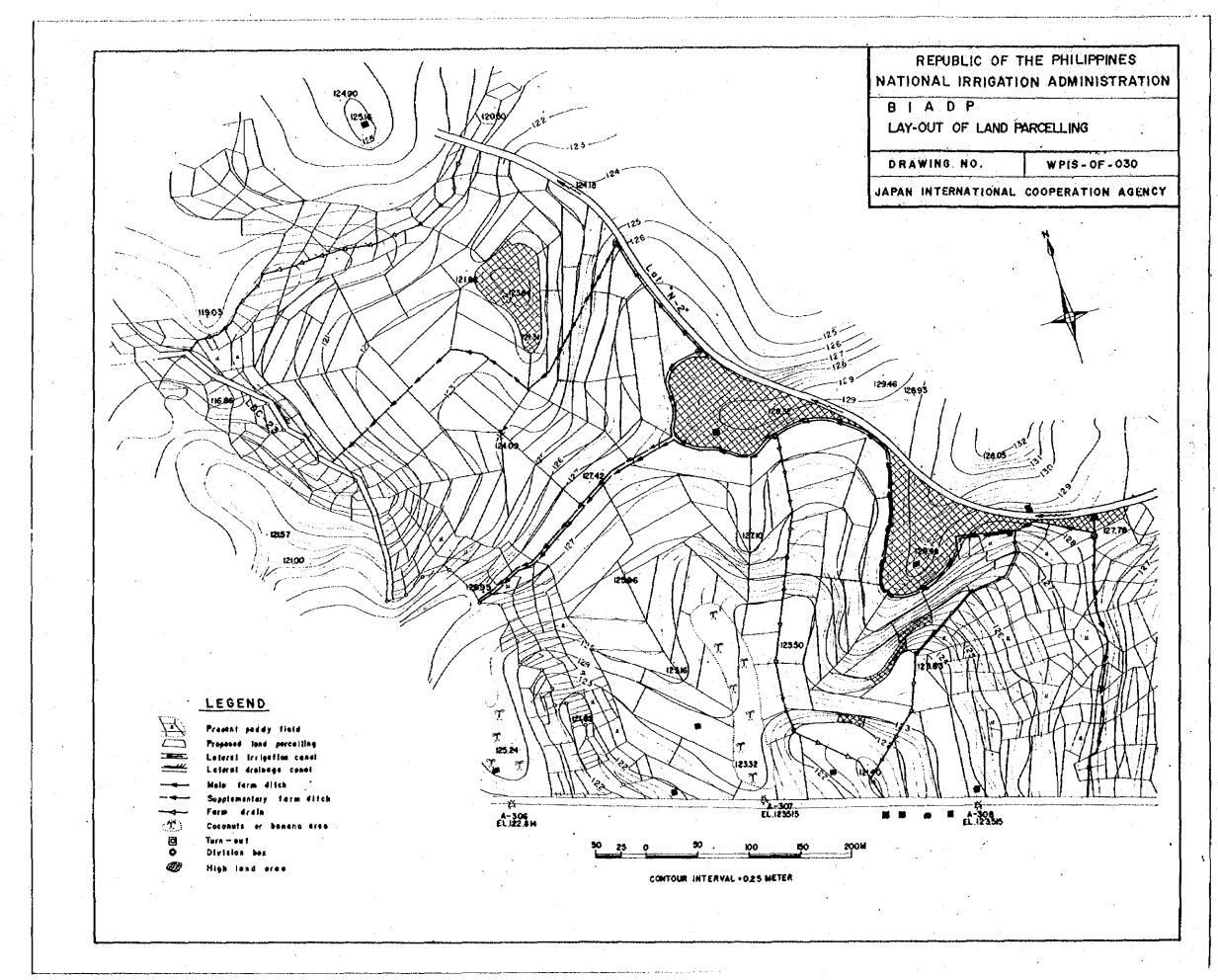
Lateral canal

,				
REPUBLIC OF T	HE PHILIPPINES			
ATIONAL IRRIGATIO	ON ADMINISTRATION			
BIADP				
TYPICAL ROAD SECTION				
DRAWING NO.	WPIS-RW-026			
APAN INTERNATIONAL COOPERATION AGENCY				
	· · · · · · · · · · · · · · · · · · ·			

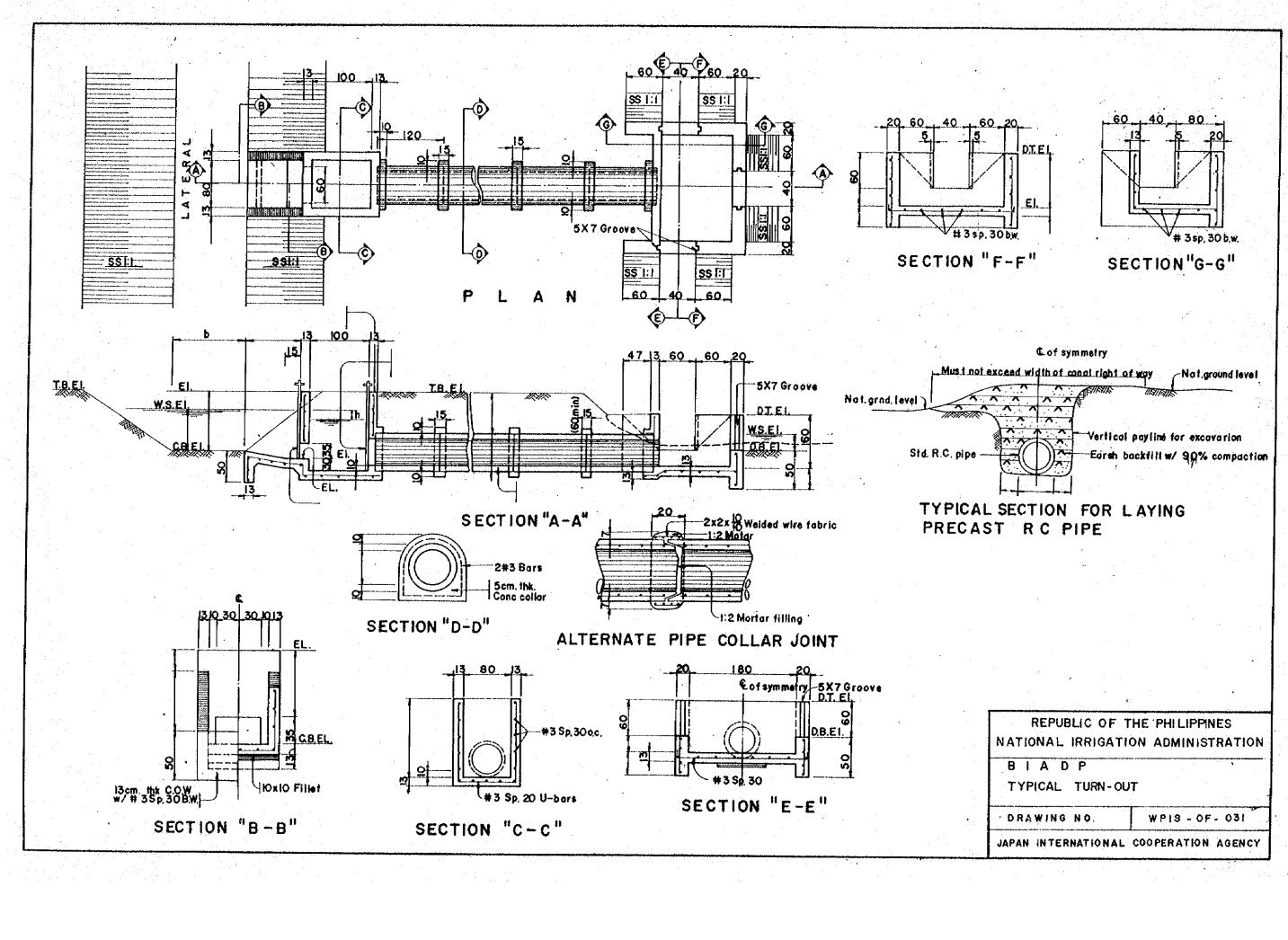


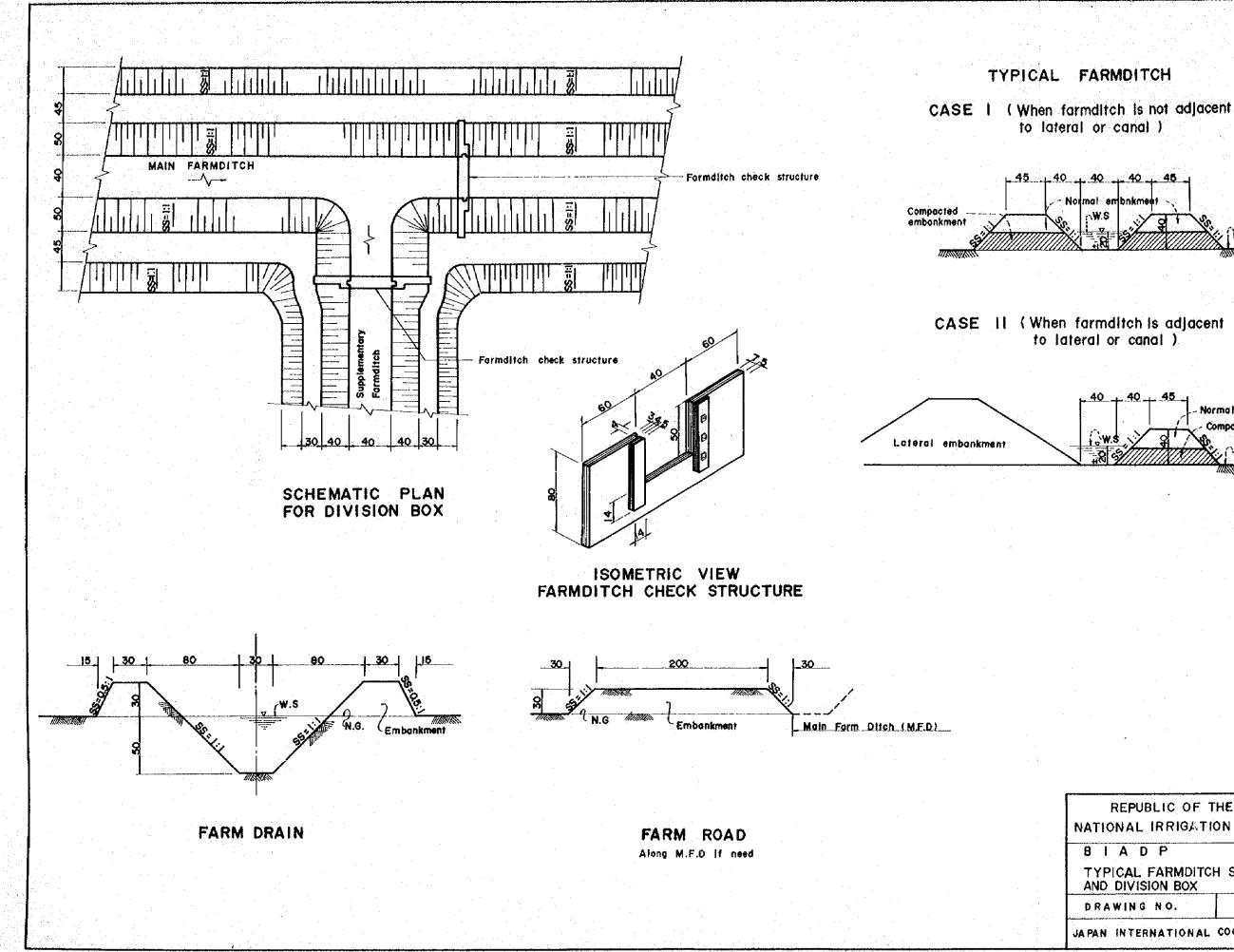






.





지수는 물건에서 가장 감독을 가지 않는 것이 물건이 주말했다.

to lateral or canal)

45 Normal embrikme W.S Natural ground

to lateral or canal).

40 40 _ 45 Normal embankment Compacted embankment ું₩.\$ Natural ground

	THE PHILIPPINES
BIADP	
TYPICAL FARMDITO	CH SECTION
DRAWING NO.	WPIS-0F-032
APAN INTERNATIONAL	COOPERATION AGENCY

