

# Investors to be offered 135 water projects

THE Department of Environment and Natural Resources (DENR) said it will offer 135 water projects to private investors by next year.

Speaking at a forum organized by the Stratbase ADR Institute on Wednesday, Environment Secretary Maria Antonia Yulo-Loyzaga said that the DENR is hoping that the projects “increase the number of persons with access

to drinking water and generate inexpensive hydropower.”

She said the projects will be structured to channel some of the resulting government revenue into watershed protection projects.

Separately, Undersecretary Carlos Primo C. David said that the 135 water projects involve water rights held by the National Irrigation Administration (NIA).

“Most of our water is being used by a single sector... agriculture. More than 70% of the water for the entire country is allocated for agriculture through irrigation,” Mr. David added.

“We do not irrigate (the whole year); during the rainy season there is no use for irrigation because all the farms are rain fed,” he added.

He added that some farmland has been converted by residential

developers, “and yet our water is still locked in agriculture or irrigation use.”

In October, the DENR and the NIA signed a memorandum of agreement to repurpose surplus irrigation water.

“What this means is that any excess water in irrigation structures, (like) dams and impoundments, can now be utilized for other beneficial uses,” he said.

The NIA has said that the surplus water may now be used for power production, bulk water supply, aquaculture, recreation, and tourism.

Executive Order No. 22 established the Water Resources Management Office under the DENR. It was tasked with undertaking the “integration and harmonization” of all government agencies and activities to ensure available water and sustainable management.

Mr. David added that the volume of the 135 water rights to be offered amount to 12,000 cubic meters per second.

He said that without private sector involvement “(we cannot use) these natural asset for economic development.”

He added that the NIA will be in charge of assigning the water rights to the private investors. — **Adrian H. Halili**

## Gov’t cash utilization rate hits 94% at end of Oct.

THE cash utilization rate of government agencies hit 94% in the ten months to October, the Department of Budget and Management (DBM) said.

The DBM reported that the National Government, local governments and state-owned companies used P3.39 trillion of the P3.6 trillion worth of notices of cash allocation (NCAs) issued as of the end of October.

Unused NCAs amounted to P209.5 billion. The NCA utilization rate was on pace with the 94% rate posted a year earlier.

NCAs are a quarterly disbursement authority that the DBM issues to agencies, allowing them to withdraw funds from the Bureau of the Treasury to support their spending needs.

As of the end of October, line departments had used 92% of their allotments, equivalent to P2.46 trillion of their P2.67 trillion NCAs issued.

In the 10 months to October, the Commission on Audit was the only department to post a 100% budget usage rate.

Meanwhile, the Department of Information and Communications Technology had the lowest utilization rate of 35%.

Earlier, the DBM reported that it had released 95.8% of the 2023 national budget at the end of October, equivalent to P5.294 trillion of the adjusted P5.529-trillion 2023 spending plan. — **Luisa Maria Jacinta C. Jocsom**

## Nine potential microgrid bidders pre-qualified by DoE committee

THE Department of Energy (DoE) said it pre-qualified nine entities for an upcoming auction for microgrid service areas.

“After a careful evaluation and deliberation of the (Special Bids and Awards Committee), the DoE announces that a total of nine MGSPs (microgrid services provider proponents) were considered as pre-qualified to bid in the MGSP competitive selection process (CSP),” the DoE said in an advisory.

Pre-qualified were DMCI Power Corp., Smart Power Solutions Corp., Alternative Power Resource Holdings, Inc., Manila Electric Co. sub-

siary MSpectrum, Inc., Maharlika Clean Power Holdings Corp., Powersource OEG Services, Inc., One Renewable Energy Enterprise, Inc., FP Island Energy Corp., and Vivant Energy Corp.

The pre-bid conference is scheduled for Nov. 29.

According to Republic Act No. 11646 or the Microgrid Systems Act, the DoE is required to conduct a CSP for concessions to serve off-grid areas.

“The DoE looks forward to working closely with the pre-qualified bidders in the next phase of the MGSP-CSP,” the DoE said.

The DoE last month invited potential bidders to provide microgrid services in 98 unserved and under-served areas.

The 2023-2032 National Total Electrification Roadmap identified 285 unserved and 122 underserved areas in off-grid locations, which will receive priority in CSP auctions.

The DoE has said that some 15,645 households, equivalent to around 39% of potential power consumers in unserved and under-served areas, are expected to benefit from the initial auction round.

The concessions are expected to be awarded by the first quarter of 2024. — **Sheldeen Joy Talavera**

### OPINION

## What’s next for forex in streamlined BSP regulations

In its commitment to maintain a foreign exchange regulatory framework that is responsive to the needs of a dynamic and expanding Philippine economy, the Bangko Sentral ng Pilipinas (BSP) issued a number of circulars in 2022 and 2023 which streamlined the requirements for forex transactions. The salient provisions of these circulars are as follows.

#### CURRENCIES DECLARATION FORM

The BSP allows persons to bring into or take out of the country a maximum of P50,000 in Philippine currency, up from P10,000 without prior written authorization.

Under BSP Circular No. 1146 (dated May 26, 2022), submission of a CDF for the physical cross-border transfer of Philippine currency exceeding P50,000 is now required.

The CDF requires the person transferring currency to declare the following information:

- (1) Identification of the transferor (name, birth details and citizenship, travel document details);
- (2) Occupation or principal business activity;
- (3) Addresses (local and overseas, as applicable);
- (4) Travel details (ports of origin and destination, dates of departure and arrival);
- (5) Types of currency being transferred;
- (6) Date of written BSP authorization; and
- (7) Source of funds (e.g., salary, business) and purpose of the currency transport (e.g., travel, medical).

The above information consolidates the requirements of the BSP, Bureau of Customs (BoC), and the Anti-Money Laundering Council for the more efficient and timely capture of data. Incidentally, an official from the BoC would be required to administer an oath and sign the CDF to verify the currency count.

Finally, the CDF indicates that the limit for cross-border transfer of Philippine currency is on a per-person basis, regardless of age. As an example, for a family of four, a total of P200,000 may be brought in or out of the Philippines without prior authorization.

#### SIMPLER ELECTRONIC DOCUMENT SUBMISSION

In response to the pandemic, the BSP temporarily allowed the submission of soft-copy documents; in turn, all documents issued by the BSP (e.g., letters of approval and the Bangko Sentral Registration Document or BSRD) during the quarantine period were made electronic. A year after, the BSP formally adopted, on a permanent basis, the issuance and submission of documents via electronic means through BSP Circular No. 1124.

BSP Circular No. 1171 (dated March 29, 2023) was also issued to further formalize the simplified documentary requirements, as follows:

- (1) Application forms from the BSP-International Operations Department (IOD) can be electronically filed to the BSP without e-signatures, provided that these are accompanied with the attestation required under prevailing circulars; and

- (2) Relevant supporting documents are not required to be notarized (unless provided for by applicable laws), subject to the submission of the above attestation.

Following these, the effective date of filing/submission to the BSP will be the date when the reports are sent electronically to the designated BSP e-mail addresses. Prior to Circular No. 1171, it was mandatory for forex reports to be filed physically at the BSP’s Main Office or its Regional Offices.

In view of the above, prior to processing a forex transaction, authorized agent banks are required to verify first with the BSP the authenticity of electronically issued BSP documents submitted by their clients.

#### NO PROCESSING FEES

In the same circular, applications for approval and/or registration of forex transactions submitted to the BSP-IOD (e.g., forex loans, inward investments) are now free of charge, unless otherwise required. As such, the BSP deleted the corresponding appendix listing of its processing fees on forex transactions.

The BSP likewise repealed the assessment of processing fees when a private sector foreign loan (that is not publicly guaranteed) is registered with the BSP.

#### REISSUANCE OF LOST E-BSRDS

From March 27, 2020, lost BSRDs issued in electronic form may now be reissued by the BSP pursuant to Circular No. 1171, provided that there has been no change in the financial terms of the registered forex loan. Previously, the BSP only allowed the replacement of lost BSRDs subject to the foreign investor’s submission of an affidavit of loss.

A request to reissue shall be filed with the BSP-IOD by the resident borrower, supported simply by a cover letter or e-mail containing the signed attestations required by the BSP.

#### APPRAISAL OF NON-CASH INWARD INVESTMENT

Finally, Circular No. 1171 removes the requirement that the BSP appraise the value of in-kind inward foreign investment (i.e., assets actually transferred to the Philippines, such as machinery/equipment) for registration purposes.

Given the pressing need to make cross-border transactions more convenient, it is encouraging to see the BSP revisiting its regulations and ensuring that these keep up with the faster pace of doing business after the pandemic.

*The views or opinions expressed in this article are solely those of the author and do not necessarily represent those of Isla Lipana & Co. The content is for general information purposes only, and should not be used as a substitute for specific advice.*

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## Hog, chicken egg output rise in 3<sup>rd</sup> quarter

HOG and chicken egg production rose in the third quarter, according to the Philippine Statistics Authority (PSA).

In a report, the PSA said hog output rose 3.3% year on year to 450.9 thousand metric tons (MT) on a live-weight basis.

The top-producing region during the period was the Central Visayas with 67.66 thousand MT, followed by Calabarzon (59.81 thousand MT), Northern Mindanao (54.5 thousand MT), Central Luzon (46.16 thousand MT), and the Davao Region (36.16 thousand MT).

Central Luzon also reported a top growth rate, doubling its year-earlier total for hog production.

These regions accounted for 58.6% of the hog production during the period, the PSA said.

The national hog inventory declined 2.1% during the period to 9.86 million head, as of Sept. 30, the PSA said.

About 67.5% of hogs are grown by smallhold farms, with the remaining



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29.2% and 3.3% accounted for by commercial and semi-commercial farms, respectively.

The average farmgate price of slaughtered hogs dropped 6.1% year on year to P163.34 per kilogram.

Meanwhile, the PSA also reported a 4.7% year-on-year increase in chicken egg output for the period to 185.26 thousand MT.

The top chicken egg-producing region was Calabarzon with 58.53 thousand MT, or 31.6% of national output.

This was followed by Central Luzon (34.11 thousand MT), Northern Mindanao (20.14 thousand MT), the Central Visayas (18.96 thousand MT), and the Western Visayas (10.55 thousand MT).

The leading regions accounted for 76.8% of the national chicken egg total.

As of Sept. 30, the layer flock was about 71.18 million birds, up 5.4% from a year earlier.

The average farmgate price for chicken egg rose 15.3% year on year to P7.45 each. — **Adrian H. Halili**



### NASDAQ CONGRATULATES HOTEL101 GLOBAL AT NASDAQ TOWER TIMES SQUARE NEW YORK

DoubleDragon Corporation's subsidiary Hotel101 Global Pte Ltd was recently congratulated by NASDAQ at the NASDAQ Tower, Times Square, New York City, United States. NASDAQ stock exchange based in New York City USA is one of the largest and most active stock exchanges worldwide by volume.

The concept patent application of Hotel101's novel and pioneering hybrid condotel concept has already been filed and the Hotel101 trademark and country specific domains have been secured in various countries globally.