

THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUN 30 P5:18

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S E N A T E

S. No 414

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Introduced by Senator S. R. Osmeña III

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**EXPLANATORY NOTE**

The congestion in Metro Manila is not surprising considering the lopsided allocation of the national budget in favor of the National Capital Region.

The lip service that has thus far been paid to countryside development must begin to be translated into real resource reallocations in favor of the countryside if the counterproductive and distortionary inequities in the present system are to be reversed.

This bill seeks to establish a capital fund from which qualified rural electric cooperatives may draw resources to finance their initial capital requirements for the establishment, operation and maintenance of light and power systems in barangays. Electricity is a key input to modernization. Our farms, and the various farm and non-farm enterprises in the countryside cannot take off unless there exists a stable, reliable source of power in the local countryside areas. The rural electric cooperatives are the local non-government organizations that should be empowered to deliver electricity as the key to the development of our countryside.

In view of the foregoing, early passage of this bill is earnestly requested.

*S. Osmeña III*  
SERGIO OSMEÑA III  
Senator

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**AN ACT**  
**PROVIDING FOR A BARANGAY ENERGIZATION FUND FOR RURAL**  
**ELECTRIC COOPERATIVES (RECs) TO ENERGIZE ALL BARANGAYS IN**  
**LUZON, VISAYAS AND MINDANAO**

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

1           SECTION 1. *Title.* – This Act shall be known and cited as the “**Barangay**  
2 **Energization Fund.**”

3           SEC. 2. *Declaration of Policy.* – The State shall vigorously pursue total  
4 electrification of the countryside to spur the socio-economic development of the  
5 country.

6           SEC. 3. *Barangay Energization Fund.* – There is hereby created the  
7 Barangay Energization Fund which shall be used to provide funds to rural electric  
8 cooperatives for the establishments, operation and maintenance of light and  
9 power systems in barangays.

10          SEC. 4. *Scope.* – This Act shall cover all barangays with rural electric  
11 cooperatives (RECs).

12          SEC. 5. *Allocation of the Barangay Energization Funds.* – The allocation  
13 of the barangay energization fund to qualified rural electric cooperatives (RECs)  
14 shall be administered by a board composed of the Secretary of the Department  
15 of Environment and Natural Resources as Chairman and the Administrator of the

1 National Electrification Administration and the President of the National Power  
2 Corporation as members.

3 SEC. 6. *Appropriation.* – There is hereby authorized to be appropriated  
4 out of any and all savings and unutilized funds in the National Treasury not  
5 otherwise appropriated the sum of Five hundred million pesos (P500,000,000.00)

6 SEC. 7. *Rules and Regulations.* – The Department of Environment and  
7 Natural Resources shall promulgate the necessary rules and regulations and the  
8 implementing guidelines to carry out effectively the provisions of this Act.

9 SEC. 8. *Separability of Provision.* - If any part or provision of this Act is  
10 held invalid or unconstitutional, the other parts or provisions thereof shall remain  
11 valid and effective.

12 SEC. 9. *Repealing Clause.* – All laws, orders, issuances, rules and  
13 regulations or parts thereof inconsistent with this Act are hereby repealed or  
14 modified accordingly.

15 SEC. 10. *Effectivity.* – This Act shall take effect fifteen (15) days after  
16 publication in the *Official Gazette*.

Approved,