

# SALIENT PROVISIONS OF R.A. NO. 11039

ATTY. VIC P. ALVARO


Chairman

Committee to Craft the Implementing Rules and Regulations  
of RA No. 11039

**REPUBLIC ACT NO. 11039**

**AN ACT INSTITUTIONALIZING THE  
ELECTRIC COOPERATIVES EMERGENCY AND  
RESILIENCY FUND AND APPROPRIATING  
FUNDS THEREFOR**

- The law is also known as the **“ELECTRIC COOPERATIVES EMERGENCY AND RESILIENCY FUND ACT”** (ECERF Act of 2018). The law was a consolidation of Senate Bill No. 1461 and House Bill No. 7054 and approved by President Rodrigo R. Duterte on 29 June 2018.


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- On 25 July 2018, Administrator Edgardo R. Masongsong issued Office Order No. 2018-167, Series of 2018 creating the Committee to craft the Implementing Rules and Regulations (IRR) of the ECERF Act pursuant Section 15 of the said Act.




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## ***SEC. 2. DECLARATION OF POLICY***


(a) Support and assist, to the fullest extent, electric cooperatives adversely affected by a fortuitous event or by force majeure in order to immediately restore electric service recognizing that the absence of electric service after a fortuitous event or by force majeure is a national security issue, thereby:

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- (1) Facilitating the rescue and relief operations, availability of basic services such as food, water, medicine, and hospitals, and mitigation of civil unrest;
  - (2) Aiding the normal functioning of local government units (LGUs) and communities, and easing the recovery of the adversely affected individuals and families; and
  - (3) Complementing the efforts of the affected LGUs in expediting the rendering of aid, assistance, and emergency services, and the reconstruction and rehabilitation of devastated areas.



b) Provide an orderly and continuing means of financial assistance to electric cooperatives in carrying out their responsibility of providing reliable electric service necessary to alleviate the sufferings and damages brought about by a fortuitous event or force majeure by:



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1. Allocating funds in the form of grants for disaster mitigation, disaster preparedness, and restoration or rehabilitation of electric cooperatives' damaged facilities that are readily accessible;
  2. Providing a streamlined process for the availment of the fund; and
  3. Requiring the electric cooperatives to develop and implement comprehensive vulnerability and risk assessments which identify disaster preparedness and mitigation measures to protect and strengthen critical infrastructure assets, and emergency response plans to address immediate restoration or rehabilitation efforts.

***SEC. 5. CREATION OF THE ELECTRIC COOPERATIVES  
EMERGENCY AND RESILIENCY FUND.***

(a) There is hereby created and Electric Cooperatives Emergency and Resiliency Fund (ECERF) to be managed and administered by the NEA.

## ***SEC. 9. APPROPRIATIONS.***

The sum of Seven Hundred Fifty Million Pesos (P750,000.000.00) for the initial implementation of the ECERF Act shall be taken from the National Disaster Risk Reduction and Management Fund under Republic Act No. 10121 also known as the Philippine Disaster Risk Reduction and Management Act of 2010 (PDRRM Act of 2010). The Seven Hundred Fifty Million Pesos (P750,000,000.00) comprising the initial amount of the ECERF shall be immediately released to the NEA Quick Response Fund (QRF) for proper release to qualified ECs subject to Section 10 of R.A. No 11039 or the ECERF Act. Thereafter, such amounts necessary for the sustainable implementation of the ECERF shall be included in the annual General Appropriations Act (GAA).

## ***SEC. 10. ALLOCATION OF THE ELECTRIC COOPERATIVES EMERGENCY AND RESILIENCY FUND (ECERF)***

The ECERF shall be allocated to NEA exclusively for the restoration or rehabilitation of the ECs' damaged infrastructures after a fortuitous event *or force majeure*, and the amount shall not be used for the conversion of a calamity loan into a grant.

In case of a deficiency of the fund, the NEA shall seek for the allocation of a supplementary budget from the National Disaster Risk Reduction and Management Fund, subject to the approval by the President of the Republic of the Philippines.

## ***SEC. 11. DONATIONS.***

Donations in the form of funds, materials, or equipment, whether local or international, intended for the express purpose of restoring or rehabilitating the EC's infrastructure damaged by a fortuitous event or *force majeure*, shall be received directly by the NEA, subject to existing auditing rules and regulations and shall be exempt from all duties, fees, taxes, and other charges.



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