

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 4864



Introduced by **Rep. ALFREDO D. VARGAS III**

EXPLANATORY NOTE

Section 14 Article XII of the Philippine Constitution explicitly provides that sustained development of a reservoir of Filipino entrepreneurs and managers shall be promoted by the State.

The Philippines is an entrepreneurial country and Filipino entrepreneurs are gradually becoming the backbone of our economy. Small and medium-sized enterprises (SMEs) comprise around ninety nine (99) percent of the establishments in the country and provide 66 percent of total employment in the private sector. However, a number of problems continue to hold back Filipino entrepreneurs and SMEs from realizing their full potential. Among these are lack of adequate knowledge on business techniques and financial management, high cost of doing business, lack of access to finance and market information, and low productivity and competitiveness due to lack of innovative capacity¹. We may overcome these challenges by equipping the Filipino youth with the proper entrepreneurial knowledge and tools.

This bill seeks to promote entrepreneurship and financial education among Filipino Youth. To develop an innovative and entrepreneurial culture in the country, the bill mandates the introduction and promotion of youth entrepreneurship in all levels of education. It also instructs the establishment of financial assistance in form of grants and loans which may be awarded to young entrepreneurs and entities teaching entrepreneurship.

This measure is patterned after Senate Bill 2212 prepared by the Senate Committee on Youth joint with the Committees on Education, Arts and Culture; Trade, Commerce and Entrepreneurship; and Finance.

By empowering the Filipino Youth and our young entrepreneurs, we pave the way for the creation of businesses, more job opportunities, and better quality of life for the Filipinos. Thus, the speedy passage of this bill is earnestly sought.


ALFREDO D. VARGAS III

¹Department of Trade and Industry, n.d., *Micro, Small, Medium Enterprise Development Plan 2011-2016*. Available from:
[http://dti.gov.ph/uploads/DownloadableForms/MSMED%20Plan%202011-2016\(Final\).pdf](http://dti.gov.ph/uploads/DownloadableForms/MSMED%20Plan%202011-2016(Final).pdf). [8 August 2014]

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AN ACT
TO ACTIVELY PROMOTE ENTREPRENEURSHIP AND FINANCIAL EDUCATION AMONG
FILIPINO YOUTH

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Youth Entrepreneurship Act
2 of 2014.”
3

4 **SECTION 2. Definition.** – As used in this Act, the following terms are referred to as
5 follows:
6

7 (a) “Higher Education” refers to any post-secondary education may it be a technical,
8 vocational or degree program;
9

10 (b) “Alternative Learning Schools” refers to institutions accredited by the Department
11 of Education (DepEd) through the Bureau of Alternative Learning System that cater
12 to those who are not able to undertake formal education;
13

14 (c) “Eligible entity” refers to
15

- 16 1. an institution for formal or informal education or;
17 2. a partnership between an institution for higher education and;
18 i. a non-profit organization with experience and proven track record in
19 quality financial literacy, entrepreneurship or personal finance ; and/or
20 ii. a local government dedicated to uplifting the lives of its constituents; or
21 iii. learning organization with experience and proven track record in quality
22 financial literacy, entrepreneurship or personal finance programs;
23

24 (d) “Department” refers to the Department of Education;
25

26 (e) “Commission” refers to the Commission on Higher Education;
27

28 (f) “TESDA” refers to the Technical Education and Skills Development Authority;
29

30 (g) “Subject and Competencies” refers to entrepreneurship courses, which may include,

1 but not be limited to, subjects in financial literacy and accounting, agri-
2 entrepreneurship, agribusiness management, securing capital and borrowing,
3 business plan conception and drafting, management, marketing, design thinking,
4 social entrepreneurship and community organizing;
5

6 (h) "Council" refers to the Micro, Small and Medium Enterprise Development (MSMED)
7 Council under the Department of Trade and Industry;
8

9 (i) "Young entrepreneurs" refer to individuals within the age of 18 and 30 years old
10 who are engaged in the design, creation, establishment, and/or management of a
11 micro, small or medium enterprise; and
12

13 (j) "Learning community" or "learning organization" refers to the community
14 association wherein the people and institutions, such as the family, the school, the
15 church and businesses are together continually learning how to co-create
16 community enterprises with their children and the youth, in general, towards a
17 sustainable life.
18

19 **SECTION 3. *Promoting Youth Entrepreneurship Through Education.*** – Youth
20 entrepreneurship shall be promoted in all levels of education.
21

22 (a) Primary and Secondary Levels and Alternative Schools – The Department, in
23 consultation with learning organizations, non-government organizations, local
24 government units, and other concerned groups, shall develop and integrate subjects
25 and competencies in entrepreneurship in their curriculum; *Provided.* That at the
26 primary level, the subjects or competencies on entrepreneurship referred to in this
27 paragraph will principally focus on teaching the fundamental and ideal values
28 necessary to become successful entrepreneurs, which include but not necessarily
29 limited to being hardworking, creative, cost-efficient, and learning the propensity to
30 save.
31

32 (b) Post-secondary Level – The Commission and the TESDA shall develop and integrate
33 subjects and competencies in entrepreneurship in their curriculum.
34

35 **SECTION 4. *Entrepreneurship Education Committee*** – There shall be established an
36 entrepreneurship education committee which shall be headed by the DepEd. The regular
37 members shall consist of the Commission and TESDA. The MSMED Council shall sit as an *ex-*
38 *officio* member. The entrepreneurship education committee shall have the following functions:
39

- 40 1. Ensure coherence and clear progression in the learning objectives and course
41 design;
- 42 2. Study and standardize all current efforts of schools and institutions to teach
43 subjects and competencies in entrepreneurship; and
- 44 3. Research current government efforts in foreign countries with the end view of
45 applying relevant practices in our educational system.
46

47 **SECTION 5. *Grants and Loans.*** – Two (2) types of financing shall be established by this
48 Act as follows:
49

50 (a) Capacity Building Grants for Entities Teaching Entrepreneurship –

1
2 1. Primary and Secondary Levels and Alternative Schools – The Department shall
3 award grants for a term of not more than four (4) years each, on a competitive
4 basis to be determined in the implementing rules and regulations, to eligible
5 entities in order to:

- 6
7 i. Develop subjects and competencies for primary, secondary and
8 alternative learning school students;
9 ii. Train primary, secondary and alternative learning school teachers all
10 over the country to teach subjects and competencies developed;
11 iii. Prepare methods, through their consultants, to evaluate the effect of
12 entrepreneurial education and improve the subject and competencies
13 design as necessary; and
14 iv. Develop the subjects and competencies for inclusion by the Department
15 in the required training and education for aspiring primary, secondary
16 and alternative learning school teachers.
17

18 2. Post-secondary Level – The Commission and TESDA shall award grants for a
19 term of not more than four (4) years each, on a competitive basis, to be
20 determined in the implementing rules and regulations, to eligible entities in
21 order to:

- 22
23 i. Develop subjects and competencies for post-secondary school students;
24 ii. Train post-secondary school teachers all over the country to teach
25 subjects and competencies developed;
26 iii. Prepare methods, through its consultants, to evaluate the effect of
27 entrepreneurial education and improve the subject and competencies as
28 necessary; and
29 iv. Develop the subjects and competencies for inclusion by the Commission
30 and TESDA in the required education for aspiring post-secondary school
31 teachers.
32

33 The *entrepreneurship education committee* shall meet annually regarding
34 these capacity-building grants to monitor the absorptive capacity of the
35 receiving entities their fund utilization and their progress.
36

37 The capacity building grants to eligible entities referred to herein shall be
38 sourced from the respective annual appropriations of DepEd, the Commission
39 and TESDA, as the case may be.
40

41 (b) Project Grants and Loans for Young Entrepreneurs –
42

- 43 1. The Department, Commission and TESDA shall make available to deserving
44 young entrepreneurs who are pursuing a project or study on entrepreneurship
45 assistance in the form of grants or loans, as applicable. Such applications for
46 grants and loans shall be considered based on the qualifications that each
47 agency will require, the area or level of study and the standards to be
48 determined in the implementing rules and regulations. This shall be sourced
49 from each agency's annual appropriations.
50

2. The entrepreneurship education committee shall partner with government financial institutions, banks, non-government organizations, foundations, private corporations and individuals, foreign or local, who are interested to support entrepreneurship education by launching small enterprise incubation programs with them and making available to young entrepreneurs funding and support for the incubation of an enterprise project; and
3. The Department of Trade and Industry (DTI) and the Council shall be responsible for integrating youth entrepreneurship promotion into the national policies and programs in support of micro, small and medium enterprise development. Programs shall include finance and information services, and training and marketing support for young entrepreneurs.

SECTION 6. Available Assistance, Training and Support. – The entrepreneurship education committee shall:

- (a) Provide information on available government and non-government assistance and training programs which may be availed by students for further training and possible entrepreneurial and financial ventures. This may be done through their agency's website, agency announcements and other forms of communication;
- (b) Develop mentoring and coaching programs for young entrepreneurs in coordination with eligible entities to facilitate sharing of technical knowledge and skills/technology transfer;
- (c) Set up enterprise incubation laboratories and creative spaces in schools and communities in coordination with eligible entities to encourage enterprise creation and development; and
- (d) Coordinate with the Department of Agriculture and Land Bank of the Philippines to develop lending and other support programs specifically for agriculture-related entrepreneurship activities.

SECTION 7. Report. – The entrepreneurship education committee shall provide the appropriate committees in the Senate and House of Representatives with an annual implementation status and an overall assessment of the subjects, competencies, teaching methods and mentoring programs.

SECTION 8. National Program to Promote Youth Entrepreneurship Development. –

- (a) The Council shall include in its MSMED Plan the development of a program and strategy for promoting youth entrepreneurship;
- (b) The Council shall be responsible for facilitation national programs to encourage youth entrepreneurship as part of a broader strategy to promote the viability and growth of enterprises in the country;
- (c) The composition of the Council shall include a youth representative, deputized by the National Youth Commission, with the following duties:

- 1 1. Represent the youth sector and their concerns regarding entrepreneurship;
- 2 2. Coordinate with the entrepreneurship education committee on mentoring and
- 3 support programs provided by this Act; and
- 4 3. Identify possible funding mechanisms to support young entrepreneurs in the
- 5 incubation and start-up of enterprise projects.

6 **SECTION 9. Appropriations.** – The amount necessary for the implementation of this Act
7 shall be charged to the budget allocated to the Department of Education, the Commission on
8 Higher Education, the Technical Education and Skills Development Authority and the
9 Department of Trade and Industry from the General Appropriations Act.

10
11 **SECTION 10. Implementing Rules and Regulations.** – The Department of Education, the
12 Commission on Higher Education, Technical Education and Skills Development Authority and
13 the Department of Trade and Industry shall promulgate rules and regulations necessary for
14 the proper implementation thereof within sixty (60) days from the effectivity of this Act.

15
16 **SECTION 11. Repealing Clause.** – All laws, decrees, executive orders or parts thereof
17 inconsistent with the provisions of this Act are hereby repealed, amended or modified
18 accordingly.

19
20 **SECTION 12. Separability Clause.** – If any provision of this Act is held invalid or
21 unconstitutional, other provisions not affected shall continue to be in full force and effect.

22
23 **SECTION 13. Effectivity.** – This Act shall take effect fifteen (15) days after its complete
24 publication in at least two (2) newspapers of general circulation.

25
26 Approved,