

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

16th Congress
1st Regular Session

House Bill No. 5057



Introduced by **HON. RODRIGO A. ABELLANOSA**

EXPLANATORY NOTE

Amidst the ever-increasing number of graduates every year and the growing need to create income-generating activities for our populace, providing our youth with access to the necessary resources may be crucial to resolving the great hurdle of unemployment and/or underemployment that the nation is facing.

This bill seeks to accomplish that by promoting youth entrepreneurship development through integration of skills training into educational curricula, development of policies and programs, and the provision of project grants to deserving entities.

As our national hero Dr. Jose Rizal said, "The youth is the hope of our fatherland," our youth indeed hold the key to the future. An educated and empowered youth must surely enjoy greater odds of opening the door to a bright one for the country.

In view of the foregoing, approval of this bill is earnestly sought.

A handwritten signature in dark ink, appearing to be "Rodrigo A. Abellanos".

RODRIGO A. ABELLANOSA

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AN ACT
TO ACTIVELY PROMOTE ENTREPRENEURSHIP AMONG FILIPINO YOUTH

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

Section 1. Short Title. This Act shall be known as the "Youth Entrepreneurship Bill."

Section 2. Definition. As used in this Act, the following terms are referred to as follows:

- (a) "Eligible Entity" refers to-
 - 1. an institution for higher education or;
 - 2. a partnership consisting of an institution for higher education; and
 - a. a non-profit organization with experience and proven track record in quality financial literacy, entrepreneurship or personal finance programs; and/or
 - b. a local government dedicated to uplifting the lives of its constituents;
- (b) "Department" refers to the Department of Education;
- (c) "Commission" refers to the Commission on Higher Education;
- (d) "Courses" means entrepreneurial courses, which may include courses in financial literacy and accounting, securing capital and borrowing, business plan conception and drafting, management, marketing, design thinking, social entrepreneurship and community organizing;
- (e) "Council" refers to the Micro, Small and Medium Enterprise Development Council under the Department of Trade and Industry;
- (f) "SB Corporation" refers to the Small Business Guarantee and Finance Corporation;
- (g) "Young Entrepreneurs" means individuals within the age of 18 and 30 years old who are engaged in the design, creation, establishment and/or management of a micro, small or medium enterprise.

Section 3. Promoting Youth Entrepreneurship through Education

- (a) The Department shall develop and integrate courses in entrepreneurship in the curriculum for secondary school students;
- (b) The Commission in cooperation with the Technical Education and Skills Development Authority (TESDA) shall develop and integrate entrepreneurship courses in the curriculum for post-secondary school students;
- (c) The Department and Commission shall ensure coherence and clear progression in the learning objectives and course design through close coordination with other concerned agencies;

Section 4. Grants - Two (2) types of grants shall be established by this Act as follows:

- (a) Capacity Building Grants for Entities Teaching Entrepreneurship;
 1. The Department shall award grants for a term of not more than four (4) years each, on a competitive basis, to eligible entities in order to -
 - a. Develop courses for secondary school students;
 - b. Train secondary school teachers all over the country to teach courses developed;
 - c. Prepare methods to evaluate the effect of entrepreneurial education and improve the course design as necessary; and
 - d. Develop the courses for inclusion by the Department in the required training and education for aspiring secondary school teachers.
 2. The Commission shall award grants for a term of not more than four (4) years each, on a competitive basis, to eligible entities in order to -
 - a. Develop subjects for post-secondary school students;
 - b. Train post-secondary school teachers all over the country to teach courses developed;
 - c. Prepare methods to evaluate the effect of entrepreneurial education and improve the courses as necessary; and
 - e. Develop the courses for inclusion by the Commission in the required education for aspiring post-secondary school teachers.
- (b) Project Grants for Young Entrepreneurs
 1. The Commission shall provide grant assistance for deserving young entrepreneurs who are pursuing a project/study that tackles entrepreneurship. This grant may come in a cash grant from the Commission or a link up with another grant or scholarship giving agency. Standards in choosing a project/study that would deserve a grant would be included in the implementing rules and regulations;
 2. The Commission shall also provide an avenue for private corporations and individuals who are interested in funding or providing support to post-secondary school students or graduates for the incubation of an enterprise project.

Section 5. Available Assistance and Training. -

- (a) The Department and the Commission shall 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 website, agency announcements and other forms of communication;

- (b) The Department and the Commission shall develop mentoring and coaching programs for young entrepreneurs in coordination with eligible entities to facilitate sharing of technical knowledge and skills/technology transfer;
- (c) The Department and Commission shall set up enterprise incubation laboratories and creative spaces in schools in coordination with eligible entities to encourage enterprise creation and development.

Section 6. Report. - The Department and the Commission shall provide the appropriate committees in the Senate and House of Representatives with an annual status report on the implementation and an overall assessment of the curricula and teaching and mentoring programs.

Section 7. 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 facilitating 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 with the following duties:
 1. Represent the youth sector and their concerns regarding entrepreneurship;
 2. Coordinate with the Department of Education, the Commission for Higher Education, TESDA, and other eligible entities on the education, mentoring and support programs provided by this Act; and
 3. Identify possible funding mechanisms to support young entrepreneurs in the incubation and start-up of enterprise projects.
- (d) The SB Corporation 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, training and marketing support for young entrepreneurs;
- (e) The SB Corporation shall also allocate at least Ten Percent (10%) of any Venture Capital and Micro Finance Trust Fund for the purpose of promoting business opportunities for young entrepreneurs. The allocated portion of the Micro Finance Trust Fund shall be used to provide collateral-free fixed and working capital loans for micro and small enterprises established by young entrepreneurs;
- (f) All lending institutions as defined under Bangko Sentral ng Pilipinas rules, whether private or public, shall allocate to micro and small and medium enterprises established by young entrepreneurs at least Ten Percent (10%) of the total loan portfolio that is allotted for micro, small and medium enterprises as mandated by law;

Section 8. Appropriations. - The amount necessary for the implementation of this Act shall be charged to the budget allocated to the Department of Education, The Commission on Higher Education, and Department of Trade and Industry from the General Appropriations Act.

Section 9. Implementing Rules and Regulations - The Department of Education, Commission on Higher Education, and Department of Trade and Industry shall

promulgate rules and regulations necessary for the proper implementation thereof within sixty (60) days from the effectivity of this Act.

Section 10. Repealing Clause. All laws, decrees, executive orders or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 11. Separability Clause. If any provision of this Act is held invalid or unconstitutional, other provisions not affected shall continue to be in full force and effect.

Section 12. Effectivity. This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,