

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

SIXTEENTH CONGRESS  
Second Regular Session

**HOUSE BILL NO. 5169**



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Introduced by **HON. RENE L. RELAMPAGOS**  
First District, Bohol

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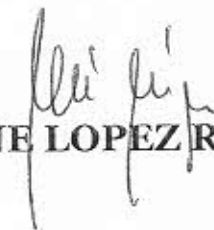
#### **EXPLANATORY NOTE**

This legislative proposal seeks to stimulate interest in entrepreneurship among the Filipino youth by providing entrepreneurial opportunities – financial and technical assistance— and by incorporating subjects and competencies in entrepreneurship in the school curriculum.

Entrepreneurship, without a doubt, is one of the main drivers of economic growth and social progress. Micro, small and medium enterprises (MSMEs) are viewed as important sources of employment and productivity growth. However, most entrepreneurs also face major challenges in the process of growing their business. Hence, we need to equip the youth with the necessary skills and values to turn their ideas into successful business and to be able to sustain growth amidst challenges.

This measure, thus, aims to motivate the youth to become entrepreneurs early on in their lives through the integration of entrepreneurship and financial literacy in all levels of education including alternative learning schools.

The new generation of entrepreneurs will also pave the way for the creation of more MSMEs — a strong engine of growth in our country. We hope that through the passage of this bill, we will further foster entrepreneurship among our youth with the ultimate goal of fueling and improving the country's growth, prosperity and quality of life.

  
**RENE LOPEZ RELAMPAGOS**

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**“AN ACT TO ACTIVELY PROMOTE ENTREPRENEURSHIP AND  
FINANCIAL EDUCATION 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 “Poverty Reduction  
through Youth Entrepreneurship Act.”

**SECTION 2.** Declaration of Policy. – It is the policy of the State to foster  
employment among the youth by providing entrepreneurial opportunities as a way of  
alleviating poverty and boosting the country’s economic competitiveness, trade and  
investment.

**SECTION 3.** Definitions. – As used in this Act, the following terms are referred  
to as follows:

- (a) “Entrepreneurship” is the capacity and willingness to develop, organize  
and manage a business venture along with any of its risks in order to make  
a profit.
- (b) “Higher Education” refers to any post-secondary education may it be a  
technical, vocational or degree program;
- (c) “Alternative Learning Schools” refer to institutions accredited by the  
Department of Education (DepEd) through the Bureau of Alternative  
Learning System that cater to those who are not able to undertake formal  
education;
- (d) “Eligible entity” refers to an institution for formal or informal education or  
a partnership between an institution for higher education; and

- i. a non-profit organization with experience and proven track record in quality financial literacy, entrepreneurship or personal finance programs; and/or
  - ii. a local government dedicated to uplifting the lives of its constituents; or
  - iii. learning organization with experience and proven track record in quality financial literacy, entrepreneurship or personal finance programs;
- (e) "Subjects and Competencies" refer to entrepreneurial courses, which may include, but not limited to, subjects in financial literacy and accounting, agri-entrepreneurship, agribusiness management, securing capital and borrowing, business plan conception and drafting, management, marketing, design thinking, social entrepreneurship and community organizing;
- (f) "Council" refers to the Micro, Small and Medium Enterprise Development (MSMED) Council under the Department of Trade and Industry;
- (g) "Young entrepreneurs" refers to 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; and
- (h) "Learning community" or "Learning organization" refers to the community association wherein the people and institutions, such as family, school, church, non-government organizations and business are together continually learning how to co-create community enterprises with their children and the youth, in general, towards a sustainable life.

**SECTION 4.** Promoting Youth Entrepreneurship Through Education. – Youth entrepreneurship shall be promoted in all levels of education.

- (a) Primary and Secondary Levels and Alternative Schools – The Department of Education (DepEd), in consultation with learning organizations, non-government organizations, local government units, and other concerned groups, shall develop and integrate subjects and competencies in entrepreneurship in their curriculum: Provided, That at the primary level, the subjects or competencies on entrepreneurship referred to in this paragraph will principally focus on teaching the fundamental and ideal values necessary to become successful entrepreneurs, which include but not necessarily limited to being hardworking, creative, cost-efficient, and learning the propensity to save.
- (b) Post-secondary Level – The Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA)

shall develop and integrate subjects and competencies in entrepreneurship in their curriculum.

**SECTION 5.** Providing Training and Support Through Private-Public Partnership.

- (a) The Department of Trade and Industry (DTI) shall help in strengthening the entrepreneurial capabilities of the youth by providing support and training as needed. These interventions may include linkages to private industries, strong information campaign, business infrastructure support and mentoring.
- (b) DTI shall also seek partnership with the private sector, the academe and the civil society in order to achieve its objectives. By establishing strong linkages among industries, schools and NGOs, the youth will have the opportunity to be exposed to a fast-paced entrepreneurial environment. They are expected to gain knowledge on various business tools, strategies and practices which they can eventually apply as they execute their business plans and ideas.

**SECTION 6.** Entrepreneurship Education Committee. – There shall be established an entrepreneurship education committee which shall be headed by the Secretary of DepEd or his/her authorized representative whose rank shall not be lower than an Undersecretary. The regular members shall consist of the Chairperson of CHED and Director General of TESDA or their authorized representatives whose ranks shall not be lower than an Undersecretary or its equivalent. The MSMED Council shall sit as an ex-officio member. The entrepreneurship education committee shall have the following functions:

- (a) Ensure coherence and clear progression in the learning objectives and course design;
- (b) Study and standardize all current efforts of schools and institutions to teach subjects and competencies in entrepreneurship; and
- (c) Research best practices in foreign countries with the end view of applying relevant practices in our educational system.

**SECTION 7.** Grants and Loans. – Two (2) types of financing shall be established by this Act as follows:

- (a) Capacity Building Grants for Entities Teaching Entrepreneurship –
  - 1. Primary and Secondary Levels and Alternative Schools – DepEd shall award grants for a term of not more than four (4) years each, on a competitive basis, to be determined in the implementing rules and regulations, to eligible entities in order to:

- i. Develop subjects and competencies for primary, secondary and alternative learning school students;
  - ii. Train primary, secondary and alternative learning school teachers all over the country to teach subjects and competencies developed;
  - iii. Prepare methods, through their consultants, to evaluate the effect of entrepreneurial education and improve the subject and competencies design as necessary; and
  - iv. Develop the subjects and competencies for inclusion by the DepEd in the required training and education for aspiring primary, secondary and alternative learning school teachers.
2. Post-secondary Level – CHED and TESDA shall award grants for a term of not more than four (4) years each, on a competitive basis, to be determined in the implementing rules and regulations, to eligible entities in order to:
  - i. Develop subjects and competencies for post-secondary school students;
  - ii. Train post-secondary school teachers all over the country to teach subjects and competencies developed;
  - iii. Prepare methods, through its consultants, to evaluate the effect of entrepreneurial education and improve the subjects and competencies as necessary; and
  - iv. Develop the subjects and competencies for inclusion by the Commission and TESDA in the required education for aspiring post-secondary school teachers.

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

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

(b) Project Grants and Loans for Young Entrepreneurs –

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

2. The entrepreneurship education committee shall partner with government financial institutions, banks, nongovernment 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 national policies 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 8.** Available Assistance, Training and Support. – The entrepreneurship education committee shall:

- (a) Provide information on available government and nongovernment 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 9.** Report. – The entrepreneurship education committee shall provide the appropriate committees in the Senate and House of Representatives with an annual implementation status report and an overall assessment of the subjects, competencies, teaching methods and mentoring programs.

**SECTION 10.** 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, by the National Youth Commission, with the following duties:

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

**SECTION 11. 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, the Technical Education and Skills Development Authority and the Department of Trade and Industry from the General Appropriations Act.

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

**SECTION 13. 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 14. 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 15. Effectivity.** – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,