

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Sixteenth Congress
Third Regular Session
House Bill No. **6486**



Introduced by
HON. NEIL BENEDICT A. MONTEJO

EXPLANATORY NOTE

The pressing need to cultivate a strong and competitive mindset of youth entrepreneurship in the Philippines has become imperative at a time when the State is currently facing unabated issues on unemployment where basically all sectors of social life are directly affected. This need has risen timely in order to prepare the future of our youth as well as enhance their chances of securing entrepreneurial success through achievable programs and efficient initiatives of government delving on the varying levels of enterprises together in partnership with businesses, groups and organizations with similar persuasion.

It is thus envisaged by this bill that introducing entrepreneurship studies and training at the primary level, onto the secondary and tertiary levels, would give the Filipino youth the firsthand opportunity to learn the basic dynamics of these studies that will help equip them further in life. Using this as a premise, young people who transit from one level of education to another will develop the confidence to take on life's challenges as they grow old.

Quite odd, most countries today have over-emphasized the need for entrepreneurship education programs only in the higher institutions of learning. As can be gleaned from the experience of developed counties, the root of industrialization through entrepreneurship development must be rooted at the foundation of education, that is, during primary education.

According to Republic Act 8044 or the "Youth in Nation Building Act of 1995", the youth, by legal definition, comprises those who are 15 to 30 years old. Youth population makes up 27.7 percent or almost one-third of the country's total population as of the last survey. Surprisingly since within this age bracket are mostly young people who have finished college, they are the ones who remain out of employment if not underemployed due to government's inability to fast-track its efforts to address the rising unemployment incidence.

This is where creating structures and mechanisms by government on youth entrepreneurship becomes pertinent.

The State must not recognize the boosting of job creation and gainful employment as the sole and effective tool for inclusive growth but rather must complement it with actions that are equally vital such that it would result in the holistic empowerment of young Filipinos to be productive members of society. Empowerment could be done through providing greater opportunities for the youth. These opportunities will enable them to participate in deeper community life and capacity building. Moreover given their large number in our current population, they increasingly play an important role in the development of Philippine society. Having thus stated this role placed upon the youth, it is now an inescapable duty of the State to impress a positive entrepreneurial philosophy upon them that will orient them towards development. Just as our national hero, Dr. Jose Rizal, once said, the task of enriching the motherland is upon them. At best, their priorities, attitudes and values will be responsible in shaping a better country tomorrow.

Pursuing the objective of this bill, an integration of entrepreneurship into our primary, secondary and tertiary education curricula is best seen by this author that will serve as the foundation of the youth's strength to become effective managers of their own destiny through entrepreneurship.

Likewise, this bill seeks the cooperation of different key government learning and skills training agencies such as the Department of Education (DepEd), the Commission on Higher Education (CHED), and the Technical Education and Skills Development Authority (TESDA). Aside from developing and integrating entrepreneurship courses in the curriculum for primary, secondary and post-secondary school students, these agencies shall also be in charge with the provision of grants to ensure that our schools, teachers, and teaching partners have the capacity to teach these courses. Grants shall also be made available to support students who are pursuing studies and projects related to entrepreneurship.

Further, the MSME Development Council, whose one of the major duties and functions is to help establish the needed environment and opportunities conducive to the growth and development of the MSME sector, is called upon to work on a National Youth Entrepreneurship Program that will inspire young Filipino entrepreneurs to take advantage of the vast potentials of growing a business. The program shall include a support structure providing, among other things, access to financing and capital, as well as technology transfer services and skills development and training. The MSME Development Council and the Small Business Corporation shall provide priority in allocating for the youth the credit funds available.

Passage of the bill is earnestly sought.



HON. NEIL BENEDICT A. MONTEJO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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Sixteenth Congress
Third Regular Session
House Bill No. 6486

Introduced by
HON. NEIL BENEDICT A. MONTEJO

AN ACT ADVANCING THE PROMOTION OF YOUTH ENTREPRENEURSHIP

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

Section 1. *Title.* – This Act shall be known as the “*Youth Entrepreneurship Act of 2016*”.

Section 2. *Declaration of Policy.* – The State recognizes the vital role of the youth in nation-building and shall promote and protect their physical, moral, spiritual, intellectual, and social well-being. It shall inculcate in the youth patriotism and nationalism, and encourage their involvement in public and civic affairs. Towards this end, it shall be the objective of the State to provide the youth the opportunity to gain access to government support through education and skills training on entrepreneurship to instill upon them a positive outlook toward a successful community life and encourage the young people to participate in social development and nation-building.

Section 3. *Definition of Terms.* – For the purpose of this Act, the following terms shall be defined as follows:

- a. “Eligible Entity” refers to:
 - 1. an institution for basic and higher education or;
 - 2. a non-profit organization with experience and proven track record in quality financial literacy, entrepreneurship or personal finance programs;
 - 3. a local government dedicated to uplifting the lives of its constituents;
 - 4. a partnership consisting of institutions for basic and higher education; of the non-government and non-profit organizations and of local governments;
- b. “Department” refers to the Department of Education;
- c. “Commission” refers to the Commission on Higher Education;

d. "Courses" mean those pertaining to entrepreneurship, which may include, but not limited to, 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" mean 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 4. *Promoting Youth Entrepreneurship through Education and Skills Training.*

a. The Department shall develop and integrate courses in entrepreneurship in the curriculum for primary and 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 the Commission shall ensure coherence and clear progression in the learning objectives and course design through close coordination with other concerned agencies;

Section 5. *Grants.—TWO 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 county to teach courses developed;

- c. Prepare methods to evaluate the effect of entrepreneurial education and improve the courses as necessary; and
 - d. 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 the form of 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 6. *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 7. *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 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 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 startup 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 9. *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 10. *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 11. *Repealing Clause.*—All laws, issuances, rules and regulations inconsistent with any provision of this Act shall be deemed amended, modified, or repealed accordingly.

Section 12. *Separability Clause.*—If, for any reason, a provision or part hereof is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

Section 13. *Effectivity.*—This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved.