

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 9206

Introduced by **REPRESENTATIVE AUDREY KAY T. ZUBIRI**

**AN ACT INSTITUTIONALIZING THE POVERTY REDUCTION THROUGH
SOCIAL ENTREPRENEURSHIP (PRESENT) PROGRAM, PROMOTING SOCIAL
ENTERPRISES WITH THE POOR AS PRIMARY STAKEHOLDERS, AND
STRENGTHENING SUPPORT SYSTEMS FOR SOCIAL IMPACT ECONOMIES**

EXPLANATORY NOTE

The persistent challenge of poverty in the Philippines continues to demand innovative, inclusive, and sustainable solutions. Despite periods of economic growth, millions of Filipinos remain excluded from meaningful participation in the economy, particularly those in marginalized sectors such as farmers, fisherfolk, women, informal workers, and indigenous communities.

Recent data from the new Social Weather Station survey shows that as of 2025, approximately some 15.5 million Filipinos live below the national poverty threshold¹. While this reflects gradual improvement from previous years, inequality, underemployment, and vulnerability to shocks—such as inflation, climate-related disasters, and public health crises—continue to undermine poverty reduction efforts.

At the same time, current economic conditions marked by rising oil, food prices and supply chain disruptions have disproportionately affected low-income households.

In this context, social entrepreneurship has emerged as a viable and transformative approach to poverty alleviation. Social enterprises operate not only to generate profit but, more

¹<https://www.rappler.com/philippines/self-rated-poverty-survey-sws-april-2025/#:~:text=15.5%20million%20Filipino%20families%20consider,from%20April%2011%20to%2015.>

importantly, to create social value by empowering disadvantaged groups as active economic participants. These enterprises reinvest a significant portion of their earnings into programs that directly benefit marginalized communities, thereby promoting inclusive growth and sustainable development.

This proposed measure finds firm grounding in the 1987 Philippine Constitution. Article II, Section 9 mandates the State to “promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty.” Furthermore, Article XIII (Social Justice and Human Rights) compels the State to reduce social, economic, and political inequalities and to ensure equitable access to opportunities, resources, and services.

Complementing these constitutional mandates, existing laws such as Republic Act No. 8425 (Social Reform and Poverty Alleviation Act) recognize the need to uplift marginalized sectors through targeted and inclusive strategies. However, current poverty reduction programs remain fragmented and often lack sustainability, coordination, and long-term impact.

The Poverty Reduction through Social Entrepreneurship (PRESENT) Act seeks to address these gaps by institutionalizing a whole-of-government approach to nurturing and scaling social enterprises as key drivers of inclusive growth. By providing access to finance, markets, technology, and capacity-building, the State can empower these enterprises to expand their reach and deepen their social impact.

Moreover, the bill aligns with the Philippines’ commitment to the United Nations Sustainable Development Goals (SDGs), particularly Goal 1 (No Poverty), Goal 8 (Decent Work and Economic Growth), Goal 10 (Reduced Inequalities), and Goal 12 (Responsible Consumption and Production). Social enterprises play a crucial role in achieving these goals by fostering innovation, promoting equitable participation in value chains, and supporting environmentally sustainable practices.

By institutionalizing the PRESENT Program, this measure ensures that social enterprises are systematically integrated into national and local development strategies. It establishes a supportive ecosystem through financing mechanisms, incentives, accreditation systems, and education initiatives that will enable social enterprises to thrive.

Ultimately, this bill recognizes that poverty alleviation cannot rely solely on traditional welfare approaches. It must also harness the entrepreneurial capacity of communities themselves, transforming beneficiaries into active stakeholders in development. Through this measure, the State affirms its commitment to inclusive growth, social justice, and sustainable economic transformation.

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



AUDREY KAY T. ZUBIRI

Representative, 3rd District of Bukidnon

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

1 **Section 1. Short Title.** - This Act shall be known as the "Poverty Reduction through Social
2 Entrepreneurship (PRESENT) Act."

3
4 **Sec. 2. Declaration of Policy.** - It is hereby declared the policy of the State to promote a just,
5 inclusive, and sustainable economic system that empowers the poor and marginalized to
6 become productive contributors to national development. The State recognizes the role of
7 social enterprises as mission-driven organizations that pursue economic activities primarily to
8 uplift the conditions of disadvantaged groups by engaging them as workers, suppliers, owners,
9 or clients and reinvesting the majority of their profits to further their social mission.

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11 To this end, the State shall:

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13 a) Create an enabling environment that supports the development, growth, and sustainability
14 of social enterprises;

15 b) Facilitate the integration of social enterprises into government poverty reduction and local
16 economic development plans;

- c) Ensure access to finance, markets, technology, and capacity-building for social enterprises;
- d) Promote inclusive, equitable, and environmentally sustainable business models;
- e) Encourage innovation in addressing systemic social problems through entrepreneurship;
- f) Rationalize and align support mechanisms from government agencies to avoid fragmentation and duplication of poverty reduction programs;
- g) Promote the rights of women and marginalized sectors by advancing gender equality, social equity, and environmental justice through enterprise-based solutions.

Sec. 3. *Definition of Terms.* - For purposes of this Act:

a) "Social Enterprise (SE)" refers to any legally registered organization, regardless of form, that pursues a primary mission of addressing poverty or social exclusion through economic activity, and reinvests at least sixty percent (60%) of its net profits into programs that benefit the poor and marginalized. Such entities must demonstrate active engagement of the poor as workers, suppliers, owners, or beneficiaries.

b) "Certified SE" refers to a social enterprise that has been accredited by the Department of Trade and Industry (DTI) upon satisfying defined impact and operational criteria, and is duly registered in the National Social Enterprise Registry.

c) "Marginalized Sectors" refer to groups identified in Republic Act No. 8425 (Social Reform and Poverty Alleviation Act) and Republic Act No. 9710 (Magna Carta of Women), including but not limited to: farmers, fisherfolk, women, informal workers, persons with disabilities, indigenous peoples, senior citizens, urban poor, and disaster-affected populations.

d) "Social Enterprise Resource Institutions (SERI)" refer to academic institutions, non-governmental organizations, cooperatives, or enterprises that provide support services—such as training, research, market development, or technology transfer—to social enterprises.

e) "Social Enterprise Development Fund (SEDF)" refers to the fund established under this Act to support grants, financing, insurance, and 3 ecosystem-building activities for social enterprises.

Sec. 4. *PRESENT Program.* - The Poverty Reduction through Social Entrepreneurship (PRESENT) Program is hereby institutionalized as a flagship program of the government to support the emergence and scaling up of social enterprises across the country. The DTI, through its Bureau of Micro, Small and Medium Enterprise (MSME) Development, and in coordination with the National Anti-Poverty Commission (NAPC), shall serve as the lead implementing agency. 10 The PRESENT Program shall:

- a) Identify and support social enterprises operating in strategic economic subsectors with high potential for inclusive growth;
- b) Provide access to business development services, technical assistance, market linkages, and digital transformation;
- c) Integrate social enterprises into national and local development planning, including Local Development Investment Plans;
- d) Promote inclusive and sustainable value chains that enhance the participation and benefit of the poor and marginalized;
- e) Recognize the role of social enterprises in achieving the Sustainable Development Goals, particularly zero poverty, gender equality, decent work, reduced inequalities, and responsible consumption and production;
- f) Strengthen the resilience and preparedness of social enterprises for disaster risk reduction, climate change adaptation, and recovery from crises or shocks, including pandemics.

Sec. 5. *Accreditation and Registry.* - The DTI shall establish and maintain a National Social Enterprise Registry. Only Certified SEs listed in this registry shall be eligible to access the benefits and support provided under this Act. Accreditation shall be based on the following minimum criteria:

- a) Demonstrated reinvestment of at least sixty percent (60%) of net profits for the benefit of marginalized stakeholders;
- b) Evidence of direct engagement of marginalized groups in enterprise operations or governance;
- c) Submission of annual impact and financial reports, including data on beneficiaries, employment generated, and community outcomes; d) Verification by a third-party validator or community-based certification mechanism, as may be defined in the implementing rules and regulations.

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Sec. 6. Access to Finance.

- a) Government financial institutions, including the Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP), and other government-owned or -controlled banks, shall allocate at least five percent (5%) of their loanable funds for special credit facilities for Certified SEs. These facilities shall feature flexible terms, low collateral requirements, and interest rates below prevailing market levels.
- b) A Social Enterprise Guarantee Fund shall be established and administered by the Small Business Corporation (SBC) to guarantee noncollateralized loans extended to Certified SEs, including performance bond guarantees for government procurement participation.
- c) DTI, in partnership with the private sector and multilateral institutions, shall promote hybrid financing options combining grants, equity investments, and concessional loans to fund social enterprise growth and innovation.

Sec. 7. Incentives and Support.

- a) Certified SEs shall be eligible to access the following:
 - i. Startup and capacity-building grants under the Social Enterprise Development Fund;
 - ii. Preferential access to at least ten percent (10%) of government procurement, subject to guidelines issued by the Government Procurement Policy Board (GPPB); and
 - iii. Access to microinsurance and customized insurance products endorsed by the Insurance Commission (IC);
- b) SEs that are women-led or actively engage informal workers in their formalization efforts shall be prioritized for technical support, tax incentives, and partnerships with local governments and cooperatives.

Sec. 8. Education and Awareness. - The Department of Education (DepEd), the Commission on Higher Education (CHED), and the Technical Education and Skills Development Authority (TESDA) shall incorporate social entrepreneurship education in appropriate academic and vocational curricula. Continuing education programs shall also be developed for community-based learners and out-of-school youth, focusing on inclusive business models, sustainability, and value-based enterprise development. The social enterprise curriculum shall include

118 concepts such as fair trade, **environmental stewardship, gender justice, and community**
119 transformation.

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121 **Sec. 9. Monitoring and Accountability.** - An Independent Social Enterprise Impact Committee
122 shall be created under the Congressional Oversight Committee on MSMEs. It shall:

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124 a) Review and assess annual implementation reports submitted by the Department of Trade and
125 Industry, including budget utilization and outcomes achieved;
126 b) Oversee the integrity of the accreditation and registry process;
127 c) Evaluate compliance by government agencies and financial institutions with the mandates
128 of this Act; and
129 d) Recommend policy or budgetary adjustments to improve program delivery.

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131 **Sec. 10. Appropriations.** - An initial amount of One Billion Pesos (P1,000,000,000.00) shall
132 be appropriated from the current year's budget of the DTI for the implementation of this Act.
133 The fund may be augmented from the following sources:

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135 a) A minimum of two percent (2%) of annual collections from sin tax revenues and Tourism
136 Infrastructure and Enterprise Zone Authority earnings, subject to existing laws;
137 b) Official development assistance, foreign grants, and donations from private foundations and
138 philanthropies; and
139 c) Undisbursed portions of the fund from the preceding fiscal year, which shall be carried over
140 to the succeeding year.

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142 **Sec. 11. Implementing Rules and Regulations.** - Within ninety (90) days from the effectivity of
143 this Act, the DTI, in consultation with the NAPC, Department of Finance (DOF), Bangko
144 Sentral ng Pilipinas (BSP), Department of Budget and Management (DBM), GPPB, IC, and
145 accredited social enterprise stakeholders, shall promulgate the necessary implementing rules
146 and regulations to carry out the provisions of this Act.

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148 **Sec. 12. Separability Clause.** - If any provision of this Act is declared unconstitutional or
149 invalid, the remaining provisions shall remain in full force and effect.

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151 **Sec. 13. *Repealing Clause.*** - All laws, presidential decrees, executive orders, rules and
152 regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or
153 amended accordingly.

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155 **Sec. 14. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in the
156 Official Gazette or in at least two (2) national newspapers of general circulation.

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158 *Approved,*