

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

18th Congress
First Regular Session

House Bill No. 556



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

EXPLANATORY NOTE

As the country's population continues to rise, the number of graduates persist to increase and the need for creating opportunities for income-generation is ever more evident. Government efforts such as the K-12 program aim to equip the youth with skills that would provide them with better employment opportunities but without sufficient jobs available, many of these young graduates become unemployed or underemployed.

This bill seeks to underscore the existence other available possibilities that will put the youth's talents to good use, helping quash unemployment/ underemployment, through a youth entrepreneurship program that furthers their senior high school/ tertiary education via integrated educational curricula, development of policies and programs, and provision of project grants to deserving entities.

As Dr. Jose Rizal put it, "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 brighter one for the nation.

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

A handwritten signature in black ink, appearing to read "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 Act."

Section 2. *Definition of terms.* As used in this Act,

- a) "Eligible Entity" refers to:
 - 1. 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 on 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" pertains to individuals between the ages of 18 to 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 subjects for secondary school students;
 - b. Train secondary school teachers all over the country to teach subjects developed;
 - c. Prepare methods to evaluate the effect of entrepreneurial education and improve the subject design as necessary; and
 - d. Develop the subjects 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 (4) years each, on a competitive basis, to eligible entities in order to:
 - a. Develop courses 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
 - d. Develop the courses for inclusion by the Commission in the required training and 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 may come in the form of a cash grant from the Commission or a link-up with another grant or scholarship-giving agency. Standards in choosing a project/study deserving of the grant shall 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. 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 the 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 is 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, the Commission, the TESDA, and the 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 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 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 the Bangko Sentral ng Pilipinas rules, whether private or public, shall allocate to micro, small, and medium enterprises established by young entrepreneurs at least Ten Percent (10%) of their total loan portfolio 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, Commission on Higher

Education, and Department of Trade and Industry, correspondingly, from the General Appropriations Act.

Section 9. *Implementing Rules and Regulations.* The Department of Education, the Commission on Higher Education, and the 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,