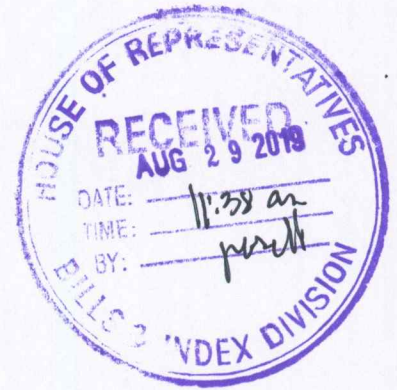


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**Eighteenth Congress**  
**First Regular Session**



HOUSE BILL NO. 4263

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**Introduced by Honorable Mark O. Go**

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**EXPLANATORY NOTE**

Micro, small and medium enterprises (MSMEs) form the backbone of the Philippine economy. Based on 2015 data of the Philippine Statistics Authority (PSA), MSMEs constitute about 99.5% of all the enterprises operating all over the country, and employs almost two-thirds of the working sector or about 62.8%. That being said, the country has yet to fully capitalize on the potential of MSMEs for national productivity growth and job creation.

In terms of employment generation, the Philippines' MSME sector which accounts for about 62.8% of our workforce lags behind other Asian countries. In Indonesia, 92% of total jobs are from MSMEs, 80.4% in Thailand, and 70% in Malaysia, meanwhile, around 14 million jobs are created in India by MSMEs per annum. The promotion of MSMEs can help solve the country's unemployment, which currently stands at 5.1%, spread economic growth across different segments of the society, and ignite countryside development. As it is, MSME distribution is still heavily concentrated in NCR, CALABARZON and Central Luzon, and remains low in the regions of ARMM and Caraga. Further, despite accounting for two-thirds of the workforce, the contribution of MSMEs to the country's total GDP remains at only 36%. In contrast with Asian countries that nurtured environments for start-ups and existing MSMEs like Taiwan and South Korea, our MSME sector has yet to deliver significant boost to our domestic economy.

The Philippine Institute for Development Studies (PIDS) identified three major challenges of the MSMEs in the country: (a) low rate of business entry, (b) low productivity, and (c) failure of most MSMEs to grow. This bill seeks to empower the country's youth sector to reenergize the economy by infusing new blood to the MSME sector through establishing the Philippine Entrepreneurs Academy. Said Academy shall formalize and integrate under a school system the non-formal entrepreneurship programs and short-courses of the TESDA, DTI, DOST and other government agencies to provide a degree course, short-term courses and modular trainings that will enhance the core competencies of its clients. By cultivating a culture of entrepreneurship, developing the practical know-how of the youth in skilled trade and management, and bolstering

support through a specialized institute that would cater to the distinct needs in providing entrepreneurial education, we would be able to facilitate the growth of MSME's as driver towards the twin goals of national productivity and job creation.

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



MARK O. GO



Republic of the Philippines  
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**AN ACT ESTABLISHING THE PHILIPPINE ENTREPRENEURS ACADEMY,  
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

*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 “Philippine Entrepreneurs Academy Act.”

**SEC. 2. *Establishment.*** – There is hereby established an Entrepreneurs Academy, under the supervision of the Commission on Higher Education (CHED), to be known as the Philippine Entrepreneurs Academy.

**SEC. 3. *General Mandate.*** – The Academy shall provide a degree course, short-term courses and modular trainings that will enhance the core competencies of individuals on entrepreneurship that will cater to senior high school, technical and vocational, and college graduates. It shall promote the relevance of entrepreneurship to job generation and its significant role to the country’s sustainable economic growth.

The Academy shall formalize and integrate under a school system the non-formal entrepreneurship programs and short-courses of the Technical Education and Skills Development Authority (TESDA), Department of Trade and Industry (DTI), Department of Science and Technology (DOST) and other government agencies. It shall conduct scientific and policy-oriented research, education, training, consultancy, and publication on entrepreneurship.

**SEC. 4. *Curricular Offerings.*** – The Academy shall offer degree and short-term courses on entrepreneurship. **The programs shall include entrepreneurship development for the fields of agriculture, trade and technology and manufacturing sectors. The curriculum and modules of the programs shall be designed and developed following the competency-based curriculum model and in accordance to the mandate of this Act.**

**SEC. 5. *School site.*** – The Academy shall be established in the National Capital Region to be determined by the CHED.

**SEC. 6. *Governing Board.*** – The Academy shall have, as its governing and policy making body, a Board of Trustees composed of the Chairperson of the Commission on Higher Education, the Director General of TESDA, the Chairperson of the Committee on Higher and Technical Education of the Senate and of the House of Representatives, two (2) representatives from the private and business sector, and the President of the Academy.

The Trustees shall not receive any compensation or remuneration for their services as such, but they may be reimbursed for actual expenses incurred in discharging the business of the Academy.

**SEC. 7. *Responsibilities of the Board.*** – In the exercise of the powers granted to it under this Act, the Board of Trustees shall:

- a) Prepare and adopt such rules and regulations as it considers necessary for the effective discharge of its responsibilities;
- b) Constitute the Executive Board, as hereinafter defined;
- c) Appoint the President, and one or more Vice-Presidents to assist the President, in the administration of the affairs of the Academy; and
- d) To review periodically the administration and the programs of the Academy.

**SEC. 8. *Executive Committee.*** – There shall be an Executive Committee consisting of the President of the Academy and four other members to be elected by the Board of Trustees from the membership of the Board. Members of the Executive Board, other than the President of the Academy, shall hold office for terms of two years, unless at the time of election a shorter term is specified, and shall be eligible for re-election. The Board of Trustees shall elect the Chairman of the Executive Committee from the membership of the Board.

**SEC. 9. *Functions of the Executive Committee.*** – The Executive Committee shall administer the affairs of the Academy in accordance with such functions, powers and responsibilities as may be delegated by the Board of Trustees.

**SEC. 10. *President of the Academy.*** – The President of the Academy shall be the chief executive officer, who shall be appointed by the Board of Trustees, and receive such compensation and remuneration to be fixed by the Board. His powers and duties are:

- (a) To submit for the consideration of the Board of Trustees and the Executive Committee policies and measures which he believes to be necessary to carry out the purposes of the Academy;
- (b) To recommend, coordinate and administer the programs and projects of the Academy;



(c) To direct and supervise the operations and internal administration of the Academy, and to delegate administrative responsibilities in accordance with the rules and regulations of the Academy;

(d) To submit an annual report to the Board of Trustees setting forth the work of the Academy during the year, its financial operations and status, and a program and budget for the ensuing year; and

(e) To exercise such other powers and to discharge such other functions as may be vested in him by the Board of Trustees and The Executive Committee.

**SEC. 11. *Government Support and Coordination.*** – The CHED Chairperson is hereby authorized to call upon any department, bureau, agency or instrumentality of the government for such assistance as may be necessary for the effective implementation of this Act.

**SEC. 12. *Appropriations.*** – The amount necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act.

**SEC. 13. *Implementing Rules and Regulations.*** – The Commission on Higher Education, in coordination with TESDA and DTI, shall promulgate the necessary implementing rules and regulations within ninety (90) days from the effectivity of this Act.

**SEC. 14. *Separability Clause.*** – Should any provision of this Act be declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

**SEC. 15. *Repealing Clause.*** – All laws, presidential decrees, executive orders, proclamations or administrative regulations that are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

**SEC. 16. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

*Approved,*