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SENATE
Senate Bill No. 1032

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

EXPLANATORY NOTE

"At a time when society's biggest issue is youth unemployment, businesses and governments must work together to help young people develop an entrepreneurial mindset. That means fostering a culture which supports young people to take risks, set up businesses, create jobs and become masters of their own destiny. Whether it's through finance, mentoring, incentives or training, we must all play our part so that this generation can achieve its full potential. The time to act is now."

This is a quote from an Ernst & Young report called "Avoiding a Lost Generation," produced in June 2013 for the G20 Young Entrepreneurs' Alliance Summit. But it could very well reflect the imperatives for the youth of the Philippines. At a time when our youth population forms a large percentage of our total population, and when many of the unemployed belong to the youth sector, both the government and the private sector must work together to empower young Filipinos to be productive members of society. Aside from boosting job generation and gainful employment, our government must create the structures and the mechanisms to enable youth entrepreneurship as a pillar of inclusive growth.

In order to help create this environment, we propose the passage of the "**Youth Entrepreneurship Bill**", which seeks to integrate entrepreneurship into our secondary and tertiary education curricula; facilitate grants both for the teaching and the practice of entrepreneurship; and develop a national youth entrepreneurship program to provide support to young entrepreneurs.

This Bill seeks the cooperation of different departments 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 secondary and post-secondary school students, they shall also be tasked to facilitate 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, this Bill tasks the MSME Development Council to develop a National Youth Entrepreneurship Program that will provide young entrepreneurs with strategic support in terms of access to financing, capital, incubation, as well as technology and skills transfer services. The MSME Development Council and the Small Business Corporation shall provide preferential allocation for the youth in connection with available credit funds.

This Youth Entrepreneurship Bill is focused on the youth entrepreneur, is inclusive, and is geared toward all types of entrepreneurial talent belonging to underrepresented populations and communities. This Bill aims for sustainability and will be designed for long-term

implementation. If we make this a priority measure and pass this Bill, we can envision a future led by young Filipinos who have initiative, who are motivated and driven, and who have the best skills to succeed in creating businesses, providing jobs, and making inclusive growth a reality.

A handwritten signature in black ink, appearing to read "Bam Aquino". The signature is fluid and cursive, with the first name "Bam" being more prominent and the last name "Aquino" following in a similar style.

Senator Paolo Benigno "Bam" A. Aquino IV

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SENATE
S. B. No. 1032

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**AN ACT
TO ACTIVELY PROMOTE ENTREPRENEURSHIP AMONG FILIPINO YOUTH**

1 **Section 1. Short Title.** This Act shall be known as the "Youth Entrepreneurship Bill."
2

3 **Section 2. Definition.** As used in this Act, the following terms are referred to as follows:
4

5 (a) "Eligible Entity" refers to –
6

7 1. an institution for higher education or;
8

9 2. a partnership consisting of an institution for higher education; and
10

11 a. a non-profit organization with experience and proven track record
12 in quality financial literacy, entrepreneurship or personal finance
13 programs; and/or
14

15 b. a local government dedicated to uplifting the lives of its
16 constituents;
17

18 (b) "Department" refers to the Department of Education;
19

20 (c) "Commission" refers to the Commission on Higher Education;
21

22 (d) "Courses" means entrepreneurial courses, which may include courses in financial
23 literacy and accounting, securing capital and borrowing, business plan conception
24 and drafting, management, marketing, design thinking, social entrepreneurship and
25 community organizing;
26

27 (e) "Council" refers to the Micro, Small and Medium Enterprise Development Council
28 under the Department of Trade and Industry;
29

30 (f) "SB Corporation" refers to the Small Business Guarantee and Finance Corporation;
31

32 (g) "Young Entrepreneurs" means individuals within the age of 18 and 30 years old who
33 are engaged in the design, creation, establishment and/or management of a micro,
34 small or medium enterprise.
35

36 **Section 3. Promoting Youth Entrepreneurship through Education**
37

- 1 (a) The Department shall develop and integrate courses in entrepreneurship in the
2 curriculum for secondary school students;
3
- 4 (b) The Commission in cooperation with the Technical Education and Skills
5 Development Authority (TESDA) shall develop and integrate entrepreneurship
6 courses in the curriculum for post-secondary school students;
7
- 8 (c) The Department and Commission shall ensure coherence and clear progression in
9 the learning objectives and course design through close coordination with other
10 concerned agencies;
11

12 **Section 4. Grants** – Two (2) types of grants shall be established by this Act as follows:
13

14 (a) Capacity Building Grants for Entities Teaching Entrepreneurship;
15

- 16 1. The Department shall award grants for a term of not more than four (4) years
17 each, on a competitive basis, to eligible entities in order to –
18

- 19 a. Develop courses for secondary school students;
20
21 b. Train secondary school teachers all over the country to teach
22 courses developed;
23
24 c. Prepare methods to evaluate the effect of entrepreneurial
25 education and improve the course design as necessary; and
26
27 d. Develop the courses for inclusion by the Department in the
28 required training and education for aspiring secondary school
29 teachers.
30

- 31 2. The Commission shall award grants for a term of not more than four (4) years
32 each, on a competitive basis, to eligible entities in order to –
33

- 34 a. Develop subjects for post-secondary school students;
35
36 b. Train post-secondary school teachers all over the country to teach
37 courses developed;
38
39 c. Prepare methods to evaluate the effect of entrepreneurial
40 education and improve the courses as necessary; and
41
42 e. Develop the courses for inclusion by the Commission in the
43 required education for aspiring post-secondary school teachers.
44

45 (b) Project Grants for Young Entrepreneurs
46

- 47 1. The Commission shall provide grant assistance for deserving young
48 entrepreneurs who are pursuing a project/study that tackles
49 entrepreneurship. This grant may come in a cash grant from the Commission
50 or a link up with another grant or scholarship giving agency. Standards in
51 choosing a project/study that would deserve a grant would be included in
52 the implementing rules and regulations;

- 1
2 2. The Commission shall also provide an avenue for private corporations and
3 individuals who are interested in funding or providing support to post-
4 secondary school students or graduates for the incubation of an enterprise
5 project.
6

7 **Section 5. Available Assistance and Training. –**
8

- 9 (a) The Department and the Commission shall provide information on available
10 government and non-government assistance and training programs which may be
11 availed by students for further training and possible entrepreneurial and financial
12 ventures. This may be done through their website, agency announcements and
13 other forms of communication;
14
15 (b) The Department and the Commission shall develop mentoring and coaching
16 programs for young entrepreneurs in coordination with eligible entities to facilitate
17 sharing of technical knowledge and skills/technology transfer;
18
19 (c) The Department and Commission shall set up enterprise incubation laboratories and
20 creative spaces in schools in coordination with eligible entities to encourage
21 enterprise creation and development.
22

23 **Section 6. Report. –** The Department and the Commission shall provide the appropriate
24 committees in the Senate and House of Representatives with an annual status report on the
25 implementation and an overall assessment of the curricula and teaching and mentoring
26 programs.
27

28 **Section 7. National Program to Promote Youth Entrepreneurship Development**
29

- 30 (a) The Council shall include in its MSMED Plan the development of a program and
31 strategy for promoting youth entrepreneurship;
32
33 (b) The Council shall be responsible for facilitating national programs to encourage
34 youth entrepreneurship as part of a broader strategy to promote the viability and
35 growth of enterprises in the country;
36
37 (c) The composition of the Council shall include a youth representative with the
38 following duties:
39
40 1. Represent the youth sector and their concerns regarding entrepreneurship;
41
42 2. Coordinate with the Department of Education, the Commission for Higher
43 Education, TESDA, and other eligible entities on the education, mentoring
44 and support programs provided by this Act; and
45
46 3. Identify possible funding mechanisms to support young entrepreneurs in the
47 incubation and start up of enterprise projects.
48
49 (d) The SB Corporation shall be responsible for integrating youth entrepreneurship
50 promotion into the national policies and programs in support of micro, small and
51 medium enterprise development. Programs shall include finance and information
52 services, training and marketing support for young entrepreneurs;
53

1 (e) The SB Corporation shall also allocate at least Ten Percent (10%) of any Venture
2 Capital and Micro Finance Trust Fund for the purpose of promoting business
3 opportunities for young entrepreneurs. The allocated portion of the Micro Finance
4 Trust Fund shall be used to provide collateral-free fixed and working capital loans for
5 micro and small enterprises established by young entrepreneurs;
6

7 (f) All lending institutions as defined under Bangko Sentral ng Pilipinas rules, whether
8 private or public, shall allocate to micro and small and medium enterprises
9 established by young entrepreneurs at least Ten Percent (10%) of the total loan
10 portfolio that is allotted for micro, small and medium enterprises as mandated by
11 law;
12

13 **Section 8. Appropriations.** – The amount necessary for the implementation of this Act shall be
14 charged to the budget allocated to the Department of Education, The Commission on Higher
15 Education, and Department of Trade and Industry from the General Appropriations Act.
16

17 **Section 9. Implementing Rules and Regulations** – The Department of Education, Commission on
18 Higher Education, and Department of Trade and Industry shall promulgate rules and regulations
19 necessary for the proper implementation thereof within sixty (60) days from the effectivity of
20 this Act.
21

22 **Section 10. Repealing Clause.** All laws, decrees, executive orders or parts thereof inconsistent
23 with the provisions of this Act are hereby repealed, amended or modified accordingly.
24

25 **Section 11. Separability Clause.** If any provision of this Act is held invalid or unconstitutional,
26 other provisions not affected shall continue to be in full force and effect.
27

28 **Section 12. Effectivity.** This Act shall take effect fifteen (15) days after its complete publication
29 in at least two (2) newspapers of general circulation.
30