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SENATE

P. S. RES. NO. 69

REC'D BY: 

Introduced by SENATOR JOEL VILLANUEVA

RESOLUTION

DIRECTING THE APPROPRIATE COMMITTEE TO INQUIRE AND REVIEW, IN AID OF LEGISLATION, THE FEASIBILITY FOR BANKS TO ACCEPT A NATIONAL CERTIFICATE (NC) ISSUED BY THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) AS A COLLATERAL FOR BUSINESS START-UP FINANCE FOR INCLUSIVE ENTREPRENEURSHIP

WHEREAS, the Magna Carta for Micro, Small, and Medium Enterprises (MSMEs) requires banks to allocate 10% of their total loan portfolio for credit to MSMEs;

WHEREAS, as of June 2015, over Php 427 billion have been lent to MSMEs from only P16.8 billion in December 1991, the year that the mandatory credit allocation for MSMEs took effect;

WHEREAS, to ensure that more MSMEs prosper, the government should consider innovative policies that can help Filipino entrepreneurs, especially young startups, raise funds to execute their business ideas;

WHEREAS, since 2010, a total of 5,487,348 individuals had been certified in various qualifications by the Technical Education and Skills Development Authority (TESDA), which is equivalent to an average certification rating of 88.5% for the past six years;

WHEREAS, TESDA provides quality and relevant training, which is guaranteed by its nationwide ISO 9001:2008 Certification and its Recognition for Commitment to Quality Management of the Philippine Quality Awards (PQA);

WHEREAS, competencies on entrepreneurship were included in training design and delivery, especially in community-based training programs, to prepare TESDA trainees for self-employment;

WHEREAS, TESDA's Special Training for Employment Program (STEP), a community-based training program, combines technical and entrepreneurship training and provides starter toolkits that allowed its beneficiaries start and operate their own businesses immediately after graduation;

WHEREAS, while training grants have supported the self-employment of TVET graduates, many of them still confront financing problems as a major constraint to sustaining and expanding their businesses;

WHEREAS, certified TVET graduates, especially women, youth, elderly, and members of indigenous cultural communities, can succeed and create more opportunities for other Filipinos by giving them access to microfinance;

WHEREAS, most TESDA National Certificate (NC) holders do not have bank qualifications and their inability to put up real estate or personal collateral lowers their chances of getting their bank loans approved;

WHEREAS, TESDA's National Certificates (NCs) may be accepted by banks, microfinance institutions, and cooperatives that offer microfinance loans, as collateral for business start-up finance and in supporting inclusive entrepreneurship;

RESOLVE BY THE SENATE, to direct the appropriate committee to inquire and review, in aid of legislation, the feasibility for banks to accept National Certificates (NCs) issued by the Technical Education and Skills Development Authority (TESDA) as collateral for business start-up finance for inclusive entrepreneurship.

Adopted,


SENATOR JOEL VILLANUEVA