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NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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SENATE
S. B. No. 761

Introduced by Senator SONNY ANGARA

AN ACT
TO INSTITUTIONALIZE THE SHARED SERVICE FACILITIES (SSF) PROJECT FOR MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs) BY AMENDING REPUBLIC ACT NO. 6977 OTHERWISE KNOWN AS THE MAGNA CARTA FOR SMALL ENTERPRISES AS AMENDED BY REPUBLIC ACT NO. 9501 OTHERWISE KNOWN AS THE MAGNA CARTA FOR MICRO, SMALL AND MEDIUM ENTERPRISES

EXPLANATORY NOTE

In 2013, the Department of Trade and Industry (DTI) established the Shared Services Facilities (SSF) project aimed at increasing the productivity and innovative knowhow of the country's micro, small and medium enterprises (MSMEs). The SSFs, which are facilities equipped with the machinery and equipment needed to assist MSMEs, made a significant impact to many of the country's businesses as it helped address the bottlenecks in the production value chain which – in turn – allowed them to innovate and enter their goods and services to a wider market.

As of March 2022, the department reported that the national government has allocated a total of P3.19 billion for the project. As a result, these SSFs have assisted over 500,000 MSMEs and have generated around 200,000 in employment to businesses including those related to processed food, coconut, meat, coffee, gifts, decor and housewares (GDH), handicrafts, abaca, bamboo, etc. In fact, the Philippine Institute for Development Studies (PIDS) noted in its 2016 preliminary assessment of the SSF that the project had "notable and substantial impact on jobs and productivity."

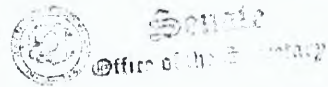
In line with this representation's "Tatak Pinoy" advocacy which aims to introduce government interventions to elevate and upscale the products being sold and exported by the country, the proposed measure seeks to institutionalize this landmark project by DTI and ensure its continued funding in the years to come. In addition, the measure also seeks to create additional SSF-Fabrication Labs (SSF-Fab Labs) in every province in order to encourage and assist our MSMEs in adopting new and innovative technologies in the manufacturing process which should improve the quality of the products as well as its market reach.

As the country moves towards a post-pandemic era, MSMEs - which are considered the backbone of the country's economy - should be given priority by addressing the commonly encountered gaps of the industry in order for them to compete in bigger markets both locally and abroad.

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




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

1 **SECTION 1.** A new section is hereby inserted after Section 15 of the Republic Act
2 No. 6977, as amended, to read as follows:

3 "SEC. 16. ESTABLISHMENT OF SHARED SERVICE FACILITIES (SSF)
4 FOR MSMES. – IN ORDER TO ADDRESS THE GAPS IN THE
5 PRODUCTION VALUE CHAIN, PROMOTE INNOVATION AMONG
6 MSMES AND ENHANCE THEIR CAPACITIES TO PRODUCE AND
7 OFFER SOPHISTICATED AND DIVERSE PRODUCTS AND SERVICES,
8 THE SHARED SERVICE FACILITIES (SSFS) PROGRAM OF DTI IS
9 HEREBY INSTITUTIONALIZED.

10 THE DTI SHALL ALSO ESTABLISH SSF – FABRICATION LABS
11 (SSF-FAB LABS), WHICH REFERS TO HIGH-END SSFS EQUIPPED
12 WITH AN ARRAY OF FLEXIBLE COMPUTER-CONTROLLED TOOLS
13 SUCH AS 3D PRINTERS THAT COVER SEVERAL DIFFERENT LENGTH

1 SCALE AND VARIOUS MATERIALS, IN EVERY PROVINCE TO ASSIST
2 MSMES IN THE MANUFACTURING OF NEEDED ASSETS AND
3 PRODUCTS. THE SSF-FAB LABS SHALL BE ATTACHED TO STATE
4 UNIVERSITIES AND COLLEGES (SUCS) OR LOCAL UNIVERSITIES OR
5 COLLEGES (LUCS) OF THE PROVINCE AS DETERMINED BY DTI FOR
6 PROPER MONITORING AND MAINTENANCE.

7 THE DTI SHALL FORMULATE AND IMPLEMENT THE RULES
8 AND REGULATIONS FOR THE ESTABLISHMENT OF THE SSFS UNDER
9 THIS SECTION INCLUDING THE GUIDELINES FOR THE
10 PARTNERSHIP WITH THE SUCS AND LUCS WHERE THE SSF-FAB
11 LABS WILL BE ESTABLISHED."

12 **SEC. 2. Appropriations.** – The amounts necessary to carry out the
13 implementation of this Act shall be charged against the current budget of DTI.
14 Thereafter, the funds necessary for the continuous implementation of this Act shall be
15 included in the annual General Appropriations Act (GAA).

16 **SEC. 3. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
17 publication in the Official Gazette or in a newspaper of general circulation.

Approved,