



Republic of the Philippines
QUEZON CITY COUNCIL

Quezon City
22nd City Council

PO22CC-334

72nd Regular Session

ORDINANCE NO. SP- **3300**, S-2024

AN ORDINANCE INSTITUTIONALIZING THE MICRO, SMALL ENTERPRISE AND COOPERATIVE (MSEC) SCALE-UP PROGRAM OF QUEZON CITY

Introduced by Councilor CANDY A. MEDINA

Co-Introduced by Councilors Bernard R. Herrera, Tany Joe "TJ" L. Calalay, Dorothy A. Delarmente, M.D., Joseph P. Juico, Nikki V. Crisologo, Charm M. Ferrer, Fernando Miguel "Mikey" F. Belmonte, Aly Medalla, Dave C. Valmocina, Tatay Rannie Z. Ludovica, Godofredo T. Liban II, Albert Alvin "Chuckie" L. Antonio III, Don S. De Leon, Wencerom Benedict C. Lagumbay, Atty. Anton L. Reyes, Edgar "Egay" G. Yap, Imee A. Rillo, Raquel S. Malañgen, Irene R. Belmonte, Nanette Castelo-Daza, Marra C. Suntay, Joseph Joe Visaya, Alfred Vargas, MPA, Shaira "Shay" L. Liban, Aiko S. Melendez, Mutya Castelo, Maria Eleanor "Doc Ellie" R. Juan, O.D., Kristine Alexia R. Matias, Eric Z. Medina, Emmanuel Banjo A. Pilar, Vito Sotto Generoso, Victor "Vic" Bernardo, Jose Maria M. Rodriguez and Jhon Angelli "Sami" C. Neri

WHEREAS, Section 12, Article XII of the 1987 Constitution provides that "the State shall promote the preferential use of Filipino labor, domestic materials, and locally produced goods, and adopt measures that help make them competitive";

WHEREAS, Section 2 of Republic Act No. 9501, otherwise known as the "Magna Carta for Micro, Small, and Medium Enterprises," recognizes the vital role of Micro, Small, and Medium Enterprises (MSMEs) for more employment generation and economic growth, and therefore can help provide a self-sufficient industrial foundation for the Country;

WHEREAS, Section 2 of the same law, provides further that it is a declared State policy to promote, support, strengthen and encourage the growth and development of MSMEs in all productive sectors of the economy;

WHEREAS, Section 2 of Republic Act No. 10644, otherwise known as "Go Negosyo Act," states that it is hereby declared the policy of the State to foster national development, promote inclusive growth, and reduce poverty by encouraging the establishment of MSMEs to facilitate local job creation, production and trade in the Country;

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WHEREAS, Section 455(b)(1)(iii) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, provides that the City Mayor can present the program of government and propose policies and projects for the consideration of the Sangguniang Panlungsod every calendar year and as often as may be deemed necessary for the general welfare of the inhabitants and as the needs of the City Government may require;

WHEREAS, Section 458(a), in relation to Section 458(2)(i) of the same Code, provides for the City Council's passage of an Ordinance appropriating funds to programs, projects, services and activities of the City in order to promote the general welfare of the City and its inhabitants;

WHEREAS, Section 2 of Quezon City Ordinance No. SP-2360, S-2014, as amended, otherwise known as Magna Carta for Micro and Small Business Enterprises in Quezon City, recognizes the potential of micro and small enterprises and entrepreneurs to generate sustainable employment and engender inclusive economic growth, thereby reducing poverty and creating empowered citizens. To this end, it shall promote, support, strengthen and encourage the establishment, continuing viability, sustainable growth and development of innovative micro and small enterprises and entrepreneurs in the priority development sectors or investment drivers of the City;

WHEREAS, Section 5(d) of the aforementioned City Ordinance identifies "Access to Financing (A2F)" as one of the development objectives to "enable MSEs and entrepreneurs to conveniently access appropriate and affordable financial products, services, and programs from multiple sources and for various purposes";

WHEREAS, Section 3(c) of Quezon City Ordinance No. SP-2364, S-2014 entitled "An Ordinance Creating the Quezon City Small Business and Cooperatives Development and Promotion Office (QC-SBCDPO), Defining its Powers and Functions Appropriating Funds Therefor and For Other Purposes," provides that it is the duty and function of QC-SBCDPO to spur inclusive growth and development by stimulating entrepreneurship, growing micro and small enterprises and strengthening cooperatives through appropriate organizational and business development programs and services;

WHEREAS, through a Memorandum of Agreement executed and entered into between the Quezon City Government (QCG) and Food and Drug Administration (FDA) in 2023, pursuant to Resolution No. SP-9224, S-2023, QC-SBCDPO initiated the QCertified Roadmap Program aimed at supporting Micro, Small Enterprise and Cooperatives (MSECs) by means of trainings and workshops on acquiring necessary business permits and licenses, in partnership with FDA, Department of Science and Technology (DOST), Department of Trade and Industry (DTI), and Polytechnic University of the Philippines - Sta. Mesa (PUP - Sta. Mesa);

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WHEREAS, MSECs face a significant financial challenge in scaling up their business operations due to the high cost of complying with the requirements for the issuance of permits, certifications, and licenses. On the average, these documents range from Php500.00 to Php10,000.00. Separately, product testing, analysis and labeling, facility certification, and hazard analysis entail additional costs ranging from Php2,500.00 up to Php10,000.00 per product type, variation and facility;

WHEREAS, the Quezon City Government, through the Local Development Investment Program (LDIP), a program allocating an investable portion of the Annual General Fund for implementing and funding the development of programs, projects and activities of the City, included the creation of the MSEC Scale-Up Program which aims to strengthen and promote the development of small businesses and cooperatives in Quezon City;

WHEREAS, there is a need to institutionalize a program that aims to boost the local economy of Quezon City by providing financial grants to registered small enterprises and cooperatives that can help them access new and diversified markets, and to align with the City Mayor's 14-Point Agenda in creating new jobs across more businesses.

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED:

SECTION 1. TITLE. – This Ordinance shall be known as the “Micro, Small Enterprise and Cooperative (MSEC) Scale-Up Program Ordinance.”

SECTION 2. DEFINITION OF TERMS. – The following terms used in this Ordinance are defined as follows:

- A. **Micro and Small Enterprise (MSE)** – refers to any business enterprise engaged in the production, processing or manufacturing of products, including agro-processing, as well as trading and services, with total assets of not more than Php15,000,000; such assets shall include those arising from loans but not the land on which the plant and equipment are located.

For the purpose of this Ordinance, “services” shall exclude those rendered by anyone, who is duly licensed by the government after having passed a government licensure examination, in connection with the exercise of one's profession (e.g., Accountant, Lawyer, Medical Doctor, etc.).

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- B. **Cooperative** – refers to an autonomous and duly registered association of persons, with a common bond of interest, and who have voluntarily joined together to achieve their social, economic and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services, and accepting a fair share of risks and benefits of the undertaking in accordance with the universally accepted cooperative principles.

The accepted convention of using MSEC to encompass Micro and Small Enterprises and Cooperatives is hereby adopted in this Ordinance.

- C. **QCertified Roadmap Program** – refers to a set of related measures and activities initiated by the QC-SBCDPO involving various partnerships, trainings and workshops aimed at providing MSECs with knowledge regarding the processes and requirements for the acquisition of business permits and licenses issued by the Quezon City Government and different National Government Agencies, such as the Food and Drug Administration (FDA), Bureau of Internal Revenue (BIR), and Department of Trade and Industry (DTI).
- D. **License to Operate (LTO)** – refers to an authorization or permission issued by the FDA to an establishment to undertake a trade or carry out a business activity, such as manufacturing, importation, exportation, sale, offering for sale, distribution or transfer of food products.
- E. **Certificate of Product Registration (CPR)** – refers to the certificate issued by the FDA for the purpose of marketing or free distribution of a product after evaluation of its safety, efficacy and quality.
- F. **Good Manufacturing Practice (GMP) Clearance** – refers to the document issued by the FDA Philippines to an applicant and a foreign drug manufacturer (for inspected site) for a fee, and represented by the FDA-licensed drug importer by virtue of an agreement to supply drug products in the Country after verification of compliance to international GMP standards. The GMP Clearance issued by the FDA Philippines is based on application, desktop assessment and/or actual inspection, as applicable, and shall not be considered as equivalent to a GMP Certificate.
- G. **Hazard Analysis Critical Control Point (HACCP)** – refers to a science-based system that identifies, evaluates and controls hazards that are significant for food safety at critical points during a given stage in the food supply chain.
- H. **Halal Certificate** – refers to a document issued by an accredited Halal-certifying body to a qualified company or manufacturer that produces certain Halal products for consumption.

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SECTION 3. MICRO, SMALL ENTERPRISE AND COOPERATIVE (MSEC) SCALE-UP PROGRAM. – The City Government shall allocate financial assistance to City-registered MSECs that are determined to acquire national business permits and licenses, such as, but not limited to, License to Operate (LTO), Certificate of Product Registration (CPR), Good Manufacturing Practices (GMP) Clearance, Hazard Analysis Critical Control Point (HACCP) Certificate, Halal Certificate, and Bureau of Internal Revenue (BIR) Registration.

Each qualified MSEC is entitled to a financial grant amounting to Php100,000.00 that can be utilized for production, facility construction or renovation in compliance with industry standards, mandatory laboratory tests, product registration, product research and development, and other market compliance required for the issuance of permits and licenses by local and various national agencies.

SECTION 4. DOCUMENTARY REQUIREMENTS. – To qualify for the MSEC Scale-Up Program, the owner or representative of the MSEC must submit the following requirements:

- a. Notarized Application Form with Attestation and Undertaking;
- b. Comprehensive Business Scale-Up Plan;
- c. Quezon City Business Permit (Mayor's Permit) indicating that the business/cooperative has been operating for at least 1 year;
- d. Quezon City ID and other Valid Government ID of Owner/Representative;
- e. Certificate of Compliance issued by the Cooperative Development Authority (for cooperatives); and
- f. Other documents that may be required by the Quezon City Government.

SECTION 5. MONITORING. – The QC-SBCDPO shall monitor and ensure that the financial assistance granted is utilized accordingly for the sole purpose of developing and upscaling the business enterprise and its operation.

SECTION 6. IMPLEMENTING RULES AND REGULATIONS. – The QC-SBCDPO, in consultation with the relevant QC Departments/Offices and National Government Agencies, shall formulate the Implementing Rules and Regulations (IRR) necessary to implement the provisions of this Ordinance.

SECTION 7. APPROPRIATIONS. – In the initial year of implementation, the amount of Php2,000,000.00 shall be charged against the available funds of the City and shall thereafter be part of the regular programs and projects of the QC-SBCDPO.

SECTION 8. REPEALING CLAUSE. – All ordinances, resolutions, executive orders, memorandum circulars, and administrative orders or parts thereof which are inconsistent with any provisions of this Ordinance are hereby repealed or modified accordingly.

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SECTION 9. SEPARABILITY CLAUSE. – If any provision of this Ordinance is declared void or unconstitutional, the remaining portions shall not be affected and shall remain in full force and effect.

SECTION 10. EFFECTIVITY CLAUSE. – This Ordinance shall take effect upon its approval.

ENACTED: July 29, 2024.


GIAN G. SOTTO
City Vice Mayor
Presiding Officer

ATTESTED:



ATTY. JOHN THOMAS S. ALFEROS, III
City Government Department Head III
(City Council Secretary)

APPROVED: SEP 05 2024


MA. JOSEFINA G. BELMONTE
City Mayor

CERTIFICATION

This is to certify that this Ordinance was APPROVED by the City Council on Second Reading on July 29, 2024 and was PASSED on Third/Final Reading on August 5, 2024.


ATTY. JOHN THOMAS S. ALFEROS, III
City Government Department Head III
(City Council Secretary)

