



Sangguniang Panlalawigan

BATAAN CAPITOL, BALANGA CITY



EXCERPT FROM THE MINUTES OF THE 116TH REGULAR SESSION OF THE SANGGUNIANG PANLALAWIGAN OF BATAAN ON NOVEMBER 25, 2024 HELD AT THE SAKURA RESTAURANT, SUBIC BAY FREEPORT ZONE

PRESENT:

Hon. Ma. Cristina M. Garcia, Vice Governor and Presiding Officer

FIRST DISTRICT:

Hon. Antonino B. Roman III, J.D., LL.M., Board Member

Hon. Benjamin C. Serrano, Jr., Board Member

Hon. Jomar L. Gaza J.D., Board Member

SECOND DISTRICT:

Hon. Maria Margarita R. Roque, Board Member

Hon. Noel Joseph L. Valdecañas, Board Member

THIRD DISTRICT:

Hon. Romano L. Del Rosario, Board Member

Hon. Jorge S. Estanislao, M.D., Board Member

Hon. Angelito M. Sunga, Board Member

Hon. Roman Harold R. Espeleta, Board Member

Hon. Jovy Z. Banzon, Board Member (PCL President)

Hon. Romeo A. Austria, Board Member (FABC President)

Hon. Lovely Joy A. Poblete, Board Member (SKF President)

Hon. Feliciano G. Magay, Jr., Board Member (IPMR)

ABSENT:

Hon. Manuel N. Beltran, Board Member (On Leave)

PROVINCIAL ORDINANCE NO. 28

Series of 2024

AN ORDINANCE INSTITUTIONALIZING THE BATAAN STARTUP ECOSYSTEM AND SANDBOX ENVIRONMENT, AND APPROPRIATING FUNDS THEREFOR.

AUTHORED BY:

HON. ANTONINO B. ROMAN III, J.D., LL.M.

SPONSORED BY:

HON. JORGE S. ESTANISLAO, M.D.

WHEREAS, Section 10, Article XIV of the 1987 Philippine Constitution recognizes science and technology as essential for national development and progress. Accordingly, the State prioritizes research and development, invention, innovation, and their utilization; and science and technology education, training, and services. The State supports indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life;

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WHEREAS, R.A. No. 11293, otherwise known as the Philippine Innovation Act, fosters innovation as a vital component of national development and sustainable growth - recognizing its critical role in transforming the country into a knowledge-based economy;

WHEREAS, R.A. No. 11337, otherwise known as the Innovative Startup Act, declares that it is the policy of the State to foster inclusive growth through an innovative economy by streamlining government and non-government initiatives, in both local and international spheres, to create new jobs and opportunities, improve production, and advance innovation and trade in the country;

WHEREAS, R.A. No. 11337 aims to provide incentives and remove constraints aimed at encouraging the establishment and operation of innovative new businesses, businesses crucial to their growth and expansion, and to strengthen, promote, and develop an ecosystem of businesses and government and non-government institutions that foster an innovative entrepreneurial culture in the Philippines;

WHEREAS, among the primary objectives of R.A. No. 11966, also known as the Public-Private Partnership (PPP) Code of the Philippines (the "PPP Code"), is the creation of an environment for the private sector to mobilize resources for financing, designing, constructing, operating and maintaining infrastructure or development projects and services, including those related to innovation and technology;

WHEREAS, the Philippine Innovation Act, through the National Innovation Council, and the Innovative Startup Act provide appropriate strategies and framework for stimulating startup ecosystems and fostering innovation and technology development in the Philippines;

WHEREAS, the Provincial Government of Bataan (PGB) recognizes the importance of innovation and technology in driving economic growth and development in the province and in attaining its objective of becoming a key player in regional development;

WHEREAS, the PGB fully adheres to the principles of the foregoing legislation and recognizes the need to adapt and localize these strategies and framework to address the specific needs and challenges of the province;

WHEREAS, to stimulate and support a startup ecosystem in the province and to drive economic and social development, the PGB underscores the importance of the triple helix model of innovation which involves academia, industry, and the government. Likewise essential is the collaboration among regulatory bodies, industry experts, and the startup community;

WHEREAS, in the evaluation of the necessary measures to achieve and operationalize the foregoing objectives, the PGB identifies a sandbox approach as conducive and appropriate to foster innovation, regulatory compliance, and support startup growth. A sandbox environment provides a controlled space for startups to experiment with innovative products and services without the full weight of regulatory restrictions;

WHEREAS, a well-structured sandbox environment can accelerate product development, reduce market entry barriers, and stimulate economic growth while ensuring protection of consumer interests, data privacy, and financial stability;

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WHEREAS, the Development Academy of the Philippines (DAP), through its Public Management Development Program (PMDP), invites Local Chief Executives and Department Heads of all Local Government Units (LGUs) to undergo its Local Government Executives and Managers Class (LGEMC), a comprehensive training program that aims to strengthen the capabilities of local government functionaries so they may excel in their roles, be more adaptive in a changing and disruptive environment, and propel good practices and innovations for sustained delivery of public services at the local government level;

WHEREAS, Abul Khayr Amalon M. Alonto II, the Department Head of the Bataan PPP & Investment Center, completed the DAP LGEMC program and was awarded the Best Innovative Project Concept for submitting the "1BATAAN SANDBOX (Synergistically Accelerate and Nurture Diverse Business Opportunity eXploration): A Startup Ecosystem for the Province of Bataan," which could serve as a blueprint for this initiative;

NOW THEREFORE, be it ordained as it is hereby ordained by the Sangguniang Panlalawigan of the Province of Bataan, in session assembled, that:

Section 1. Title. - This Ordinance shall be known and cited as the "Bataan Startup Ecosystem and Sandbox Ordinance."

Section 2. Purpose. - This Ordinance establishes a framework for creating a startup ecosystem in Bataan, including a sandbox environment, to stimulate and support innovation, facilitate collaboration between stakeholders, and ensure regulatory compliance.

Section 3. Definition of Terms. - For this Ordinance, the following terms shall be defined as follows:

- a. Startup - A newly established company that often focuses on bringing innovative products or services to market, typically with the goal of rapid growth.
- b. Sandbox - A controlled environment used for testing, experimentation, or safe execution of programs and processes. For purposes of this Ordinance, it stands for "Synergistically Accelerate and Nurture Diverse Business Opportunity eXploration."
- c. Incubator - A program designed to help startups in their early stages by providing resources, mentorship, and networking opportunities.
- d. Ecosystem - A collaborative network of resources - including people, investors, institutions, and companies - dedicated to building a supportive environment where startups can flourish.
- e. Startup Hub - A space designed to offer the ideal environment for founders to rapidly develop their startups.
- f. Official Development Assistance (ODA) - refers to government-provided aid intended to support the economic growth and well-being of developing nations.

Section 4. Framework. - In operationalizing the framework for startup ecosystem in the province, the PGB endeavors to undertake the following:

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- a. Develop a roadmap to support startups, aligned with national laws and relevant rules and regulations;

a.1. Alignment with National Laws:

In addition to aligning with national laws and relevant rules and regulations, the PGB shall actively leverage the provisions of the following statutes to support the startup ecosystem:

- **R.A. No. 11927 (Philippine Digital Workforce Competitiveness Act):**
 - Conduct a comprehensive assessment of the skills competencies and gaps in the local talent pool.
 - Develop and implement programs for upskilling, reskilling, and training the workforce, with a focus on nurturing future startup founders.
- **R.A. No. 11302 (Ease of Doing Business and Efficient Delivery of Government Services Act):**
 - In coordination with constituent LGUs, encourage and explore streamlining the procedures for the issuance of local business licenses, clearances, permits, certifications, or authorizations to facilitate the registration and operation of startups.
- **R.A. No. 10055 (Technology Transfer Act of 2009):**
 - Promote the effective use, protection, management, and commercialization of intellectual property assets generated through publicly funded research and development.
 - Facilitate the transfer of technology and knowledge from research institutions to startups.

a.2. Startup Eligibility:

To ensure that the startup ecosystem benefits the local community, the following eligibility criteria shall be established:

- **Local Affiliation:** At least one member of the startup team must be a resident of Bataan.
- **Stage Agnostic:** Startups at all stages of development, from early-stage to growth-stage, shall be eligible to participate in the program.

- b. Identify and implement incentives to attract startups;

b.1. Consultation with Other LGUs:

The PGB shall benchmark with other LGUs with startup and/or innovation programs:

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- Learn from their experiences in establishing and operating successful startup ecosystems.
 - Identify best practices and lessons learned that can be applied to the Bataan startup ecosystem.
- c. Establish a sandbox environment for eligible startups to develop and test innovative products and services;
 - d. Establish a platform for startups to connect with resources and partners;
 - e. Integrate technology and innovation into the educational curriculum and extracurricular activities; and
 - f. Support job creation and skills development in the technology sector.

Section 5. Sandbox Environment. - A sandbox environment shall be created to provide a controlled space for eligible startups to experiment with innovative products and services, subject to the following:

- a. **Eligibility Criteria:** Clearly defined criteria for startups to qualify for the sandbox program, such as industry focus, stage of development, and potential impact, prioritizing startups with local affiliation;
- b. **Application and Selection Process:** Outlined application process, evaluation criteria, and selection mechanism for startups entering the sandbox;
- c. **Regulatory Sandbox Framework:** Specific regulatory framework for the sandbox, including permissible activities, exemptions, and conditions;
- d. **Data Privacy and Security:** Strict data protection measures to safeguard user data within the sandbox environment;
- e. **Consumer Protection:** Implementation of measures to protect consumer interests and address potential risks associated with innovative products and services;
- f. **Monitoring and Evaluation:** Establishment of a system for monitoring sandbox participants and evaluating the effectiveness of the program;
- g. **Exit Strategy:** Defined process for startups to transition from the sandbox to the live market, including potential licensing or regulatory approval requirements; and
- h. **Collaboration:** Foster collaboration among the PGB, LGUs, regulatory agencies, industry experts, and academic institutions to support the sandbox program. The PGB shall endeavor to obtain priority processing from relevant government agencies for its startup applicants and explore the possibility of adopting the following:
 - Appointing dedicated contact personnel within government agencies to handle startup permit applications to ensure efficient communication and timely responses.
 - Simplifying documentation requirements to streamline and minimize administrative burdens.
 - Digitizing application and approval to reduce processing time and enhance transparency.

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- Conducting regular monitoring to ensure a smooth and efficient process.

The PGB shall also collaborate with local research institutions to:

- Facilitate the transfer of research findings and intellectual property to startups.
- Provide technical assistance and mentorship to startups developing innovative products and services.
- Foster a culture of innovation and entrepreneurship within the research community.

Section 6. 1Bataan Innovation Council. - The 1Bataan Innovation Council shall be created which shall operate as the lead and supervising body in the implementation of this Ordinance. The Council shall develop an innovation strategy and startup development roadmap for the province, coordinate innovation initiatives, and provide support to startups and innovators. The Council shall likewise oversee the sandbox program and collaborate with relevant stakeholders to foster innovation.

Composition. The Council shall be composed of the following:

Chairperson	Provincial Governor
Vice Chairperson	Department Head, Bataan PPP and Investment Center
Secretary	Bataan PPP and Investment Center
Members	Chairperson, Sangguniang Panlalawigan Committee on Trade, Commerce and Industry
	Chairperson, Sangguniang Panlalawigan Committee on Education and Culture
	Provincial Administrator
	Provincial Tourism Officer
	Bataan Peninsula State University
	Bataan Information and Communications Technology Council
	Philippine Chamber of Commerce and Industry - Bataan
	Junior Chamber International - Bataan
	Private College Representative to be chosen by the Council
	Department of Science and Technology - Bataan
	Department of Trade and Industry - Bataan
	Department of Information and Communications Technology - Bataan
	Department of Education - Bataan
	Commission on Higher Education
	Technical Education and Skills Development Authority - Bataan
	Authority of the Freeport Area Bataan
	Local Economic Development and Investment Promotion Officer of the LGUs in Bataan

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For quorum purposes, a majority of the voting members must be present. The voting members are (1) Provincial Governor, (2) Department Head, Bataan PPP and Investment Center, (3) Chairperson, Sangguniang Panlalawigan Committee on Trade, Commerce and Industry, (4) Chairperson, Sangguniang Panlalawigan Committee on Education and Culture, (5) Provincial Administrator, (6) Provincial Tourism Officer, (7) Bataan Peninsula State University, (8) Bataan Information and Communications Technology Council, (9) Philippine Chamber of Commerce and Industry - Bataan, (10) Junior Chamber International - Bataan, and (11) Private College Representative to be chosen by the Council. The remaining members serve in a non-voting capacity with advisory responsibilities.

The Provincial Governor may modify the composition of the Council as needed for the effective performance of its functions.

Section 7. Startup Hubs. - Subject to applicable rules and regulations and fund availability, the PGB may establish and operate startup hubs in the province, which shall function as venues for the sandbox program, to provide learning resources, co-working spaces, and brainstorming areas to support startups.

Section 8. Appropriation. - The PGB shall allocate funds necessary for the implementation of this Ordinance. Additionally, it may source funds from National Government Agencies (NGAs), Non-Governmental Organizations (NGOs), private corporations and individuals, ODA, Government-Owned and Controlled Corporations (GOCC), and PPPs, among others.

Section 9. Implementing Rules and Regulations. - The Office of the Provincial Governor shall issue the necessary Implementing Rules and Regulations for the effective implementation of this Ordinance, subject to the approval of the Sangguniang Panlalawigan.

Section 10. Separability Clause. - If any part of this Ordinance is declared invalid, unconstitutional or unlawful, such declaration shall not affect or impair the remaining provisions, sections or parts thereof, which shall remain or continue to be in full force and effect.

Section 11. Repealing Clause. - All ordinances, resolutions, executive orders, and other issuances inconsistent with any of the provisions of this Ordinance are hereby repealed or modified accordingly.

Section 12. Effectivity. - This Ordinance shall take effect in accordance with the provisions of the Local Government Code.

UNANIMOUSLY ENACTED this 25th day of November 2024.


I HEREBY CERTIFY to the enactment of the foregoing ordinance.

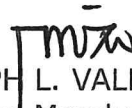

ATTY. MARK LORENZ C. QUEZON
Secretary to the Sangguniang Panlalawigan


ANTONINO B. ROMAN III, J.D., LL.M.
Board Member


MARIA MARGARITA R. ROQUE
Board Member



JOSE ENRIQUE S. GARCIA III
Provincial Governor


BENJAMIN C. SERRANO, JR.
Board Member


NOEL JOSEPH L. VALDECAÑAS
Board Member


JOMAR L. GAZA J.D.
Board Member


ANGELITO M. SUNGA
Board Member



ROMANO L. DEL ROSARIO
Board Member



ROMAN HAROLD R. ESPELETA
Board Member


JORGE S. ESTANISLAO, M.D.
Board Member


ROMEO A. AUSTRIA
Board Member
(FABC President)


JOVY Z. BANZON
Board Member
(PCL President)



LOVELY JOY A. POBLETE
Board Member
(SKF President)


FELICIANO G. MAGAY, JR.
Board Member
(IPMR)

ATTESTED:


MA. CRISTINA M. GARCIA
Vice Governor & Presiding Officer

APPROVED:


JOSE ENRIQUE S. GARCIA III
Provincial Governor
Date: 12-5-2024

