TESDA CIRCULAR

Subject: Implementing Guidelines for Pilot Implementation on the Establishment of Industry Boards		**Number** 017 **Series of 2021** **Page 1 of 6 pages**
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I. BACKGROUND

With the creation of the Technical Education and Skills Development Authority (TESDA), reforms in technical education and training have been adopted. The basic objective of this reform is to translate into operational terms the user-led TVET strategy — not just to increase private industry participation in skills development but to have the private industry lead in all aspects of TVET. (Board Resolution No. 96-04)

Since the launching of the Recognition of Industry Bodies (RIBs) Program on 26 March 2019, which encourages more involvement of the industry in providing high-quality technical-vocational education and training, TESDA intensified efforts to establish linkages with various industries and key stakeholders to contribute in shaping a globally-oriented human resources. These Recognized Industry Bodies are partners in the delivery of TVET programs or services. However, the existing is lacking adequate representations from various key stakeholders coming from the workers group and learning institutions to assure that labor market intelligence provided by the industry are translated into curricular/learning contents that address the skills requirements of the industry.

In order to reduce occurrence of skills mismatch between the outputs of the learning institutions and the requirements of the industries, and at the same time shift from being supply – driven to demand – driven TVET, TESDA pursues the revival of the industry boards, adopting the sectoral skills council concept of other countries. The Sectoral Skills Council is an independent, industry-led board that helps workers, employers, educators and government identify needed skills, improve skills gap and training standards in a particular sector.

The establishment of Industry Board (IB) is anchored on the TESDA Law (RA No 7796) Section 26 and Rule VI of the TESDA Implementing Rules and Regulations which states that TESDA shall "establish effective and efficient institutional arrangements with industry boards and such other bodies or associations to provide direct participation of employers and workers in the design and implementation of skills development schemes, trade skills standardization and certification and such other functions in the fulfilment of the Authority's objectives".

The Industry Board is a quadripartite body which will be represented by the employers, labor, learning institutions and government. The Industry Board shall be an independent organization and is envisioned to assume a more active role in the governance of TVET.

II. OBJECTIVES

The primary objective of this Implementing Guidelines is the establishment of a national and local IB which aims to make the country's TVET system more responsive to the demands of the industry. Specifically, the Implementing Guidelines aim to:

1. Institutionalize the participation of industries, labor groups, learning institutions and government in the governance of TVET;
2. Increase the relevance and ensure the responsiveness of TVET programs to industry needs and contribute to the growth of industries; and
3. Further enhance the employability of the TVET graduates.

III. GENERAL POLICIES

1. The establishment of Industry Boards shall be done by sector or sub sector at the local (regional/provincial) level.

2. The establishment of sectoral or sub sectoral industry boards shall be anchored on the priority industries identified in the National Technical Education and Skills Development Plan (NTESDP)/Regional/Provincial Development Plans specifically, for the following sectors in the Pilot Implementation:

   a. Agri-Fishery
   b. Construction
   c. Information and Communication Technology
   d. Health and
   e. Logistics

   Agri-fishery shall be promoted and supported in all TESDA programs in all regions.

3. Other industry groups identified to have sectoral local and international investment opportunities may also be considered to become an industry board.

4. The industry board shall consist of representatives from the private employers, and may come from the workers or from private trade/labor union, private learning institutions, and from the government.

5. The Recognition of Industry Bodies Program ceases. The existing RIBs will continue to function until such time that their MOAs expire or they opt to be converted to industry boards.

IV. DEFINITION OF TERMS

Employers – any person, natural or juridical, including the principal employer, contractor or subcontractor, if any, who directly or indirectly benefits from the services of the employee. (source: DOLE DO No. 198, s. 2018)

Industry Association – is an organization of independent business units in the same branch of industry, which conducts activities cooperatively aimed at improving the welfare of the group. They are formed by businesses which are engaged in the same or similar trade. They are organized on a nonprofit basis and formed for the protection and promotion of

business interests of its members. (content for Management Studies, Accountlearning.com)

Industry Board – an independent body established in priority industries to provide direct participation of employers and workers in the design and implementation of skills development schemes, trade skills standardization and certification and such other functions in the fulfillment of the Authority's objectives. (Section 26, TESDA Law).

Industry Council – an assembly of persons/group from private and/or public sectors elected or appointed for consultation, deliberation, advice or to make decisions for a particular industry.

Industry Group – refers to any industry associations/boards/industry councils founded and funded by businesses that operate in a specific industry and including those recognized by TESDA in the national, regional, and provincial levels according to set guidelines.

Learning Institution – a place where people of different ages gain an education and is connected with study and thinking. This includes the Technical and Vocational Institutions (TVIs), TESDA Administered Schools (TAS), State Universities and Colleges (SUCs)/ Local Universities and Colleges (LUCs) or Higher Education Institutions (HEIs).

Recognized Industry Body - Industry Bodies that passed evaluation criteria and recognized by TESDA under the Recognition of Industry Bodies (RIBs) Program.

Sector - refers to a particularly large section of the economy categorized based on the specific functions in the production phase and by the kind of work which can be classified as product, service or ownership e.g. industry/ agriculture/ service sector. (TC No. 70, s. 2019)

Subsector - is a part of a larger sector describing the engagement in the production of goods, service, or ownership and all of the businesses active in the said sector e.g. Industry Sector-Electricity Gas and Water Supply (EGWS), Construction, Mining and Quarrying, and Manufacturing. (TC No. 70, s. 2019)

Workers Organization/ Association/ Union - refers to any organization, union or association of employees either in the private sector or agencies of government which exist in whole or in part for the purpose of collective negotiations or mutual aid, interest, cooperation, protection or other lawful purposes. (source: blr.dole.gov.ph)

V. ARRANGEMENT

A. Membership of Industry Board

1. The industry group may opt to invite representatives to be part or members of the Industry Board from the following:

   Government – Representatives from National Government Agencies.

   Employer – representatives from Industry groups/Recognized Industry Bodies belonging in a particular sector/subsector with member companies which undertake contract with employees.

   Workers – representatives from private workers group, labor or trade union.

   Learning Institutions – representatives from Association of Technical and Vocational Institutions (TVIs), TESDA Administered Schools (TAS), State Universities and Colleges (SUCs)/ Local Universities and Colleges (LUCs) or Higher Education Institutions (HEIs).

2. TESDA shall be the permanent government representative of the industry board.

3. The industry board may also recommend other members or key stakeholders from relevant organization(s) who are connected to the sector, as necessary.

B. Role of Industry Board and TESDA

INDUSTRY BOARD

The Industry Board shall undertake any of the following activities:

1. Provide the necessary labor market information to TESDA in aid of policy and program decisions;
2. Provide inputs/signals in the development of the area-based skill map,
3. Lead in the conduct of industry consultations;
4. Lead and provide experts in analyzing and forecasting skills needs for skill development;
5. Lead and recommend industry experts in the development and regular review of Competency Standards, Competency-based Curriculum, Assessments Tools, and Assessment Fees
6. Conduct capability building interventions for trainers and assessors;
7. Provide inputs to the learning contents;
8. Lead in the promotion and implementation of various TVET activities towards quality skills development, to include enterprise-based programs and skills competition;
9. Conduct enterprise-based assessment and certification; and
10. Recommend to the TESDA Board financing schemes.

The Industry Board will provide a secretariat to assist and perform technical and administrative support functions.

TESDA

TESDA shall undertake the following activities:

1. Capacitate Industry Boards to undertake the roles in the governance of TVET;
2. Develop incentives and guidelines that would encourage wider participation of the industry in the implementation of enterprise-based (EBT) programs such as but not limited to scholarships programs;
3. Provide preferential access to Industry Board on needed resources such as but not limited to scholarship grants and facilities in the skills development of industry workers subject to availability of funds and in accordance with the approved guidelines of TESDA;
4. Work with Business Membership organization represented in the Industry Board to design certifications, ensure and monitor utilization of training regulations/competency standards and policies, ensure consistency with existing laws and policies;
5. Conduct industry consultations, meetings, conferences and fora to promote and facilitate the engagement of industries in TVET;
6. Monitor the activities of the Industry Boards; and
7. Provide a secretariat to assist and perform technical and administrative support functions in the initial phase of operationalization of the industry board.

C. Recognition Procedure

An Industry Board to be established in the regions shall be recognized by TESDA. The recognition of Industry Boards shall be done by sector or subsector.

1. Establishment of Local Industry Boards (Regional/Provincial Industry Boards)

1.1. A Regional Industry Board shall be established if operations are present in more than one province in a region. A Provincial Industry Board shall be established if engagement is province-specific or limited only to one province;

1.2. Any interested local industry group may apply as Industry Board and submit a Letter of Intent with business registration documents or any documents that recognizes them from other government agencies;

1.3. The TESDA Regional Director shall recommend and endorse the local industry group to be established as local Industry Board to the Director General through the Partnerships and Linkages Office;

1.4. The TESDA Regional Office shall prepare the proposed Memorandum of Agreement between TESDA and the local industry group for submission to PLO;

1.5. PLO shall facilitate the review and finalization of the MOA and prepare the Certificate of Recognition for approval of the Director General; and

1.6. PLO shall provide the approved MOA and Certificate of Recognition to the TESDA RO.

D. Planning and Monitoring

1. A work plan (and/or financial plan, if applicable) for proposed projects and activities of the industry boards for the sector/subsector shall be prepared and submitted to TESDA RO.

2. PLO and RO shall jointly monitor the progress of the established industry boards.

E. Fund

1. RO shall allocate funds to cover expenses of every established Industry Board within the sector for the preliminary activities such as conduct of consultative meetings, conferences fora, development of promotional materials, and other relevant activities in accordance with government rules and regulations.

2. PLO shall likewise allocate Php 100,000.00 per region for the establishment and operationalization of industry boards.

This Circular shall take effect as indicated and shall remain valid and enforced unless rescinded or superseded.

SEC. ISIDRO S. LAPEÑA, PhD., CSEE
Director General