

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

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SENATE

S. No. 301

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

One of the greatest paradoxes of our age is that physical assets have ceased to be the main sources of wealth. In its place, human creativity has become the source of economic growth, impelling leaps and bounds in technology and economic productivity.

Human brainpower will be the strongest motive force behind Philippine economic development in the third millenium. In order to harness the country's intellectual resources, we need to put in place measures that will put an end to the brain drain and the migration of our brightest talents, and the non-development of potentials due to poverty.

This bill seeks to harness and optimize our country's intellectual resources through the establishment of the "Pensionado Program." This program shall pool together all foreign and local public and private sponsorship intended for further education, enrichment and training of exceptionally able and highly motivated Filipinos employed in both the government and private sectors. The program will align sponsorships among priority areas identified to be critical to Philippine economic development, and provide incentives for the beneficiaries to put the skills and education acquired under training to the service of the Filipino nation.

All parents know that education is the most important investment for the future, and the most valuable legacy to bequeath to one's children. We should therefore provide for measures to manage our country's investments in higher education, and to ensure that they be put to productive use for the welfare of the entire nation.

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

S. Osmeña III

SERGIO OSMEÑA III
Senator

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AN ACT
CREATING AN ADVANCED STUDIES DEVELOPMENT PROGRAM FOR
EXCEPTIONAL EMPLOYEES FROM THE GOVERNMENT AND THE
PRIVATE SECTOR AND FOR OTHER PURPOSES

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

1 SECTION 1. **Short Title.** – This bill shall be known as “The Pensionado
2 Act of 2004.”

3 SECTION 2. **Declaration of Policies.** - Human resources development is
4 essential for economic development and progress. In pursuit of economic
5 development and progress, the State shall give priority to the creation of a critical
6 mass of elite professionals who shall take the lead in harnessing science,
7 technology and related disciplines towards accelerating the productivity of the
8 country's human resources.

9 Consonant with this thrust, it is hereby declared a policy of the State to
10 devise a program for exceptionally able and highly motivated employees, preferably
11 age 30 – 45, from the government, the private sector and/or the self-employed to
12 undertake advanced studies in a branch of science, technology, or related fields
13 of learning on which depends the development and progress of the country. As
14 such, it shall provide for fellowships to enable them to pursue advanced studies ro
15 research in their field of expertise.

16 The State shall develop a critical mass of first-rate specialists in various
17 disciplines and areas of specialization vital to national development to form a

1 collective national "think tank" who shall place continuously their knowledge and
2 skills at the service of the nation, be it in industry, the academe or the highest
3 policy-making levels of the government, with the government taking the lead in
4 harnessing their knowledge and skills for the greatest good of the country.

5 SECTION 3. **Definition of Terms.** - For purposes of this Act, the following
6 terms are hereunder defined accordingly:

7 a) Post-graduate - a formal degree course program or program of
8 training/research requiring at least a Master's Degree for entry; a student
9 pursuing such program;

10 b) Advanced studies – a post-graduate problem-oriented program of studies
11 and/or research, not necessarily leading to a degree, undertaken for further
12 specialization or advanced knowledge in a specific field of study, or to
13 acquire specialized knowledge and/or skills in a particular area of science or
14 technology;

15 c) Pensionado - A Filipino citizen selected and supported by the Philippine
16 government under this Program to undertake advanced studies in selected
17 institutions of higher learning or recognized research centers, in fields
18 relevant to the officially declared priority areas for development.

19 SECTION 4. **Establishment of a Program** .- There shall be established
20 under the Commission on Higher Education, hereafter referred to as CHED, in
21 coordination with the non-government organizations (NGOs) the private sector and
22 other government agencies, namely the National Economic and Development
23 Authority (NEDA), the Department of Trade and Industry (DTI), the Department of
24 Science and Technology (DOST), and the Department of Education (DepEd)
25 fellowship program to be called as the "*Pensionado Program*" for Filipinos
26 employed in the government and the private sectors and those who are self-
27 employed.

28 The Program shall pool together all fellowships, scholarships, training grants
29 sponsored or extended by foreign governments, agencies and other bodies, as

1 well as by local agencies and organizations, whether public or private, intended for
2 advanced studies in international centers of advanced learning, or scholarship and
3 research.

4 SECTION 5. ***Establishment of a National Secretariat; Functions and***
5 ***Composition.*** - There shall be established a National Secretariat, hereafter
6 referred to as the Secretariat, with the following functions:

- 7 1. To identify and assist in negotiations with sponsors (foreign and local, public
8 and private) of fellowships, scholarships and grants;
- 9 2. To provide assistance to the Selection Panel in accomplishing its work;
- 10 3. To provide the Pensionados continuing assistance from the time of selection
11 through the time of their return to the country, including assistance for the
12 productive utilization of their newly gained expertise;
- 13 4. To serve as the administrative arm of the government for the Program;
- 14 5. In general, to promulgate and implement the policies and guidelines
15 governing the Program.

16 The National Secretariat shall be headed by an Executive Officer, with the
17 rank of Assistant Secretary, to be appointed by the President of the Republic of
18 the Philippines upon the recommendation of the CHED.

19 Members of the Secretariat shall consist of representatives from the National
20 Economic and Development Authority (NEDA), Department of Trade and Industry
21 (DTI), Department of Science and Technology (DOST) and the Commission on
22 Higher Education (CHED). These representatives shall be seconded to the
23 Secretariat for a period of one year, subject to renewal every year. Service
24 rendered thereat shall be considered as service in their prospective agencies and
25 shall also be considered as part of their performance for promotions purposes.

26 SECTION 6. ***Number of Pensionados and Length of Grant.*** - There shall
27 be selected twenty-four (24) fellows annually - three (3) fellows for each priority
28 discipline/industry/field of the eight vital disciplines or areas of specialization
29 identified by CHED in consultation with the NEDA as frontiers or new areas

1 essential for pushing the economic and social development thrusts of the country.
2 The scholarship shall be for one year only.

3 SECTION 7. **Selection Process.** - There shall be a Selection Panel under
4 the Secretariat consisting of three (3) university presidents and two (2) eminent
5 members from the academe to be appointed by the CHED. They shall serve, on
6 a staggered basis for purposes of continuity and consistency, each for a term of
7 three (3) years.

8 The Selection Panel shall make the final selection of the Pensionados from
9 among the nominees from the academe, industry and research centers. The
10 integrity and objectives of the Program are paramount considerations for the Panel
11 in making the selection.

12 SECTION 8. **Qualifications.** - In order to qualify for the Fellowship
13 Program, the applicant must be:

- 14 (a) A Filipino citizen;
- 15 (b) Gainfully employed;
- 16 (c) A college degree graduate, with honors;
- 17 (d) With demonstrated leadership and proven exceptional performance in
18 his/her present work;
- 19 (e) Enthusiastic in undergoing further training
- 20 (f) Willing to sign a contract requiring him/her to return to his job or in another
21 capacity after one year of training

22 SECTION 9. **Place of Study.** - The Pensionados shall be sent to a foreign
23 country well-known for its advanced stage in a particular discipline or area of
24 specialization. Training and education may be in an academic institution, research
25 and development center (R&D) or a major industrial establishment with an R&D
26 program. It may or may not lead to an advanced degree.

27 SECTION 10. **Assistance to Grantees.** - The Pensionado is entitled to
28 the following benefits:

- 29 (a) One year leave with pay, including allowances and other benefits;

1 (b) One economy round trip air fare to and from the host country plus other
2 travel expenses required for foreign travel;

3 (c) *Clothing allowance* to be determined by the Secretariat;

4 (d) Monthly stipend which on study abroad, of such amount to be determined
5 by the Secretariat;

6 (e) Books, Instructional Materials/Research allowance of such amount to be
7 determined by the Secretariat.

8 (f) Health, travel and insurance fees of such amount to be determined by the
9 Secretariat.

10 SECTION 11. ***Program Funding.*** - The cost of each fellowship grant shall
11 be shared by the Pensionado's employer and the National Government. The
12 employer pays the salary, allowances and other benefits due the Fellow as
13 employed during one year period of advanced studies overseas while the National
14 Government, thru the Program, shall be responsible for items Letter b, c, d, e and
15 f as enumerated in Section 10 hereof.

16 With the transfer of all pertinent foreign and local sponsored grants for
17 coordination under the Program, the Government, thru the Program may negotiate
18 bilateral arrangements with host governments, host universities, host research
19 institutions and host corporations to share at least 50% of the total cost of items
20 Letter b, c, d, e and f under Section 10 hereof.

21 The National Government may also negotiate bilateral agreements with host
22 governments, host universities, research institutions and corporations to enable
23 our scholars to stay abroad and continue their studies or training at a minimal cost
24 to the National Government. A sharing program can be established where the
25 host government, host universities, research institutions and corporations can pick
26 up a part of the expenses of the scholars while he is abroad.

27 SECTION 12. ***Service Obligation.*** - Immediately upon completion of the
28 studies or training, a Fellow shall be required to return to his job or in another
29 capacity approved by the Secretariat and serve on a full-time basis for a minimum

1 period equivalent to twice the period covered by the fellowship grant. In addition,
2 the scholar shall be required to hold seminars or training sessions for employees
3 from the government and the private sectors on topics related to the course or
4 training he has completed.

5 Any recipient of the program who has not completed his course shall
6 reimburse the Fellowship the grant received or render service to the sponsoring
7 agency or company for a period equivalent to the period covered by the fellowship
8 grant.

9 Any Pensionado who violates the service obligation imposed under this
10 Section shall reimburse the sponsoring agency or company and the National
11 Government of the fund assistance received under this Act in full or in part as the
12 case may be.

13 SECTION 13. ***Mechanism for Utilization of Returned Fellows.*** - There
14 shall be established and developed a National Network of Specialized Institutes
15 for Advanced Studies in universities selected by CHED in consultation with the
16 DOST and other appropriate agencies to be determined by the Secretariat to
17 provide returned scholars an office, laboratory, library and conference facilities
18 for their continuing scholarly work, research development and training activities.
19 The Institute shall also serve as a place for an Exchange Program and
20 Collaborative Research among local and international scientists and scholars in
21 priority areas of research and development.

22 The National Government may, thru the CHED and/or the National
23 Secretariat, negotiate bilateral agreements with foreign government, universities,
24 research institutions and corporations, public and private to effect exchange of
25 scholars and scientists for collaborative advanced studies, as well as to equip the
26 Institute for purposes of benefit to the cause of scholarly or scientific advancement
27 and national development

1 A sharing program may be established whereby the host
2 government/university/institution/corporation can pick up part of the expenses of
3 the Fellow in pursuit of his/her Fellowship.

4 SECTION 14. **Appropriations.** - The amount necessary to carry out the
5 initial implementation if this Act shall be drawn from the savings of the National
6 Government. Thereafter, the funds necessary for the continuous implementation
7 of the Program shall be included in the General Appropriations Act.

8 The Program shall receive two-tenths percent (0.2%) from the share of the
9 DOST and one percent (1%) from the share of the Philippine Youth Commission in
10 the Bases Conversion Development Authority (BCDA) proceeds.

11 SECTION 15. **Transfer of Other Fellowship, Scholarship and Training**
12 **Grants.** - All foreign and locally sponsored fellowship, scholarship and training
13 grants will be transferred to the Program for coordination. With respect to
14 government employees who may be affected by the transfer, the pertinent rules
15 and regulations of the Civil Service Commission (CSC) shall apply.

16 SECTION 16. **Rules and Regulations.** - Within ninety (90) days from the
17 approval of this Act, the Secretariat shall promulgate the necessary rules and
18 regulations for the effective implementation of the provisions thereof.

19 SECTION 17. **Repealing Clause.** - All laws, decrees, orders, rules and
20 regulations or portions thereof, inconsistent with this Act are hereby repealed or
21 modified accordingly.

22 SECTION 18. **Separability Clause.** - In the event any of the provisions of
23 this Act is declared unconstitutional, the validity of the other provisions shall not be
24 affected by such declaration.

25 SECTION 19. **Effectivity Clause.** - This Act shall take effect fifteen (15)
26 days after its publication in the Official Gazette or in at least two (2) national
27 newspapers of general circulation.

Approved,