



SENATE

S. No. 1355

PREPARED AND SUBMITTED JOINTLY BY THE COMMITTEES
ON ECONOMIC AFFAIRS; AND TRADE AND COMMERCE
AND ENTREPRENEURSHIP WITH SENATORS LEGARDA,
GATCHALIAN, ZUBIRI, VILLAR AND GORDON AS AUTHORS
THEREOF

AN ACT ADOPTING INNOVATION AS VITAL COMPONENT
OF THE COUNTRY'S DEVELOPMENT POLICIES TO
DRIVE INCLUSIVE DEVELOPMENT, PROMOTE THE
GROWTH AND NATIONAL COMPETITIVENESS OF
MICRO, SMALL AND MEDIUM ENTERPRISES,
APPROPRIATING FUNDS THEREFOR, 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.* – The Act shall be known as
2 “The Philippine Innovation Act”.

3 SEC. 2. *Declaration of Policies.* – In conformity with
4 the provision of the Constitution that recognizes science
5 and technology as “essential for national development and
6 progress” and gives priority to “research and development,

1 invention, innovation and their utilization," the State
2 hereby adopts the following policies:

3 a) The State shall place innovation at the center of its
4 development policies, guided by a clear and long-term set
5 of goals that will take into consideration the key
6 advantages of the country and the opportunities in the
7 regional and global economic arena. As such, it shall
8 harness innovation efforts to help the poor and the
9 marginalized and to enable Micro, Small and Medium
10 Enterprises (MSMEs) to be a part of the domestic and
11 global supply chain;

12 b) The State shall promote a culture of strategic
13 planning and innovation and ensure that knowledge is
14 created, acquired, disseminated, and used more
15 effectively by individuals, enterprises, organizations,
16 and communities to promote sustainable economic and
17 social development;

18 c) Investments in education, science, technology and
19 innovation will be guided by a strategic direction towards

1 strengthening the country's knowledge-based economic
2 development that benefits all;

3 d) The State recognizes the importance of an effective
4 and efficient innovation ecosystem that addresses and
5 delivers action in various policy areas, including MSME
6 development, education, trade, investment, finance, and
7 agriculture, sustainable energy, climate change, among
8 others. This requires the various departments and
9 agencies of government to implement a "whole of
10 government" approach that will ensure policy coherence,
11 alignment of priorities, and effective coordination in
12 program delivery. This ecosystem should facilitate and
13 support innovation efforts;

14 e) The State recognizes the indispensable role of
15 governance in maximizing the benefits from the country's
16 innovation policy. As such, it shall put efficient institutions
17 in place, with the necessary authority to remove
18 regulatory, informal, and other obstacles to the innovative
19 undertaking;

1 f) The business sector, academe, scientific community
2 and research institutions play a crucial role in driving
3 economic growth through innovation. As such, the
4 government will work and cooperate with these sectors and
5 encourage the innovative efforts of businesses, MSMEs,
6 academe, and the scientific community; and

7 g) The State recognizes the value of sources of
8 innovation that are unique to the country such as
9 traditional knowledge, traditional cultural expressions,
10 and genetic resources and shall strive to promote their
11 potentials for innovation while protecting them from
12 misappropriation.

13 SEC. 3. *Definition of Terms.* – The following terms
14 shall have their respective meanings:

15 a) *Cluster Policies* refer to policies which aim to
16 support geographic concentrations of interconnected firms
17 and related actors such as specialized service providers,
18 academic or educational institutions, MSMEs, businesses,
19 among others;

1 b) *Genetic Resources* refer to genetic material, which
2 are any material of plant, animal, microbial or other origin
3 containing functional units of heredity, of actual or
4 potential value;

5 c) *Inclusive Innovation* refers to the creation of new
6 ideas that results to the development of new products,
7 processes and services that help improve the welfare of
8 lower-income and marginalized groups;

9 d) *Innovation* refers to the creation of new ideas that
10 results in the development of new or improved policies,
11 products, processes, or services which are then spread or
12 transferred across the market;

13 e) *Innovation Alliance* refers to a coalition of research
14 and development-based technology companies, academic or
15 educational institutions, and/or research institutions,
16 MSMEs and other relevant organizations, that have come
17 together to support innovative efforts and enterprises;

18 f) *Innovation Centers* refer to centers of competence
19 and innovation activities, either housed in academic,

1 educational, or non-academic facility that supports
2 collaborative research, development and extension (RD&E)
3 initiatives and innovation-related activities between and
4 among academic or educational institutions, RD&E
5 centers, and business;

6 g) *Innovation Governance* refers to the institutional
7 set up of the various elements of the national innovation
8 ecosystem, including the institutional structures and the
9 processes governing policy making and implementation,
10 including program delivery and monitoring, as well as the
11 process of coordination and collaboration across public
12 institutions and with relevant stakeholders;

13 h) *Innovation Networks* refer to the interconnected
14 system of companies and organizations in the knowledge
15 infrastructure, strongly focused on innovation;

16 i) *Innovative Goods and Services* refer to new or
17 significantly improved products, services, processes,
18 technical specifications or components, methods, and tools
19 that enhance government's ability to deliver services;

1 j) *Marketing Innovation* refers to significant changes
2 in product design or packaging, placement, promotion or
3 pricing;

4 k) *Multi-stage Process* refers to the various stages of
5 product or solution development, from feasibility study,
6 designing, prototyping, testing, and commercialization of
7 products or services;

8 l) *Organizational Innovation* refers to business
9 practices, workplace organization or external relations;

10 m) *Policy Innovation* refers to the introduction of new
11 or significantly different solutions to policy problems;

12 n) *Pre-commercial Procurement* refers to the
13 procurement of RD&E services for services, solutions, or
14 products that do not yet exist, which may involve
15 contracting by development phase from the conduct of
16 feasibility study, designing, prototyping, testing, and
17 commercialization of products or services;

1 o) *Process Innovation* refers to the implementation of
2 a new or significantly improved production or delivery
3 method;

4 p) *Product Innovation* refers to the introduction of a
5 good or service that is new or significantly improved with
6 respect to its features, applications, characteristics or
7 intended uses;

8 q) *Project-based Competition* refers to a process
9 whereby contractors bid for contracts for a specific project
10 with the proponent being given the flexibility to submit
11 particulars detailing the unique scope and features of its
12 proposal. The contracting agency shall award the contract
13 to the proponent deemed to have submitted the best
14 innovation solution or product;

15 r) *Social Innovation* refers to the process of
16 identifying and delivering new services that improve the
17 quality of life of individuals and communities, including
18 through employment, consumption and/or participation;

1 s) *Technology Diffusion Procurement* refers to public
2 procurement that is undertaken on behalf of end-users
3 with the view to accelerating the diffusion of innovative
4 solutions or technologies that offer the greatest advantage
5 to users;

6 t) *Technology Platforms* refer to self-organized
7 programs or arrangements that allow a wide range of
8 stakeholders to collaborate in identifying common needs
9 and to assemble a portfolio of funding sourced from
10 government or industrial sources or a mix thereof to
11 address those needs;

12 u) *Technology Programs* refer to programs that link
13 industrial, academic or educational RD&E efforts towards
14 building national capacities in developing industrially
15 important technologies;

16 v) *Traditional Cultural Expressions* refer to forms in
17 which traditional culture is expressed; passed down from
18 generation to generation, they form part of the identity and
19 heritage of a traditional or indigenous community; and

1 w) *Traditional Knowledge* refers to a living body of
2 knowledge, innovations, systems, and practices of
3 indigenous peoples and local communities developed,
4 sustained and passed on from generation to generation
5 within a community, and often forming part of the
6 community's cultural heritage or spiritual identity.

7 SEC. 4. *Objectives.* – The overarching objective of this
8 Act is to generate and scale up action in all levels and
9 areas of education, training, research and development
10 towards promoting innovation and internationalization
11 activities of MSMEs as driver of sustainable and inclusive
12 growth.

13 The specific objectives of this Act are as follows:

14 a) Promote a culture of strategic planning and
15 innovation to encourage creative thinking and knowledge
16 creation and dissemination towards expanding and
17 maintaining economic competitiveness;

18 b) Improve innovation governance in the country and
19 compel the adoption of a long-term vision and focused

1 priorities for innovation as driver for sustainable and
2 inclusive growth;

3 c) Ensure effective coordination and eliminate
4 fragmentation of innovation policies and programs at all
5 levels;

6 d) Strengthen the position of MSMEs in the
7 innovation system;

8 e) Remove obstacles to innovation by suppressing
9 bureaucratic hurdles, and adapting the regulatory
10 framework to support the creation of and diffusion of new
11 knowledge, products, and processes;

12 f) Encourage entrepreneurial attitude in order to
13 stimulate growth ambitions in businesses, especially
14 among MSMEs;

15 g) Explore, promote and protect the potentials for
16 innovation of traditional knowledge, traditional cultural
17 expressions and genetic resources; and

18 h) Strengthen and deepen interactions and
19 partnerships among different actors from the public and

1 private sector, academe, MSMEs, research and
2 development institutions and communities towards
3 promoting inclusive growth and improving the quality of
4 life through innovation.

5 SEC. 5. *Innovation Scope.* – The government shall
6 adopt a broader view in developing its innovation goals and
7 strategies covering all potential types and sources of
8 innovation, including product innovation; process
9 innovation; organizational innovation; social innovation;
10 marketing innovation; academic or educational innovation;
11 or policy innovation; among others. While the country's
12 innovation goals shall be directed at developing new
13 technologies, it shall likewise seek to harness global
14 knowledge and technology that will aid in developing new
15 processes or services for increasing productivity in the
16 agricultural sector and of the MSMEs, and for promoting
17 over-all public welfare. As such, the National Innovation
18 Council (NIC), as created in Section 9, shall set the
19 country's innovation goals and priorities, as well as assess

1 the innovation programs of various agencies, guided by
2 this provision.

3 SEC. 6. *National Innovation Agenda and Strategy*
4 *Document.* – The National Innovation Council (NIC),
5 created under this Act, shall develop a National Innovation
6 Agenda and Strategy Document (NIASD) that establishes
7 the country's vision and long-term goals for innovation and
8 provides a road map and the strategies for improving
9 innovation governance through clear-cut delineation and
10 complementation of innovation efforts across agencies;
11 deepening and accelerating innovation efforts, including
12 inclusive innovation programs that are targeting the
13 poorest of the poor; and integrating and fostering public-
14 private partnerships, including those with large
15 businesses, MSMEs, academe, and RD&E institutions.

16 In developing the NIASD, the NIC will identify
17 strategies to stimulate regional capacity for development
18 that can contribute to differentiated innovation strategy
19 across regions in the medium term. Such differentiated

1 strategies shall take into consideration the competitive
2 advantages and strengths of each province, region and
3 community.

4 The NIASD will also include the innovation priority
5 areas for which resources and budget will be provided. The
6 agenda and strategies shall have a minimum of
7 ten (10)-year horizon, subject to periodic review by the
8 NIC.

9 All agencies shall strictly comply with the NIASD and
10 will pursue this as a collective, national effort. The
11 agencies concerned will incorporate pertinent programs in
12 their respective work programs and action plans, guided by
13 the NIASD.

14 The NIASD will be developed in consultation with
15 government agencies, Regional Development Councils
16 (RDCs), Local Government Units (LGUs), and other
17 stakeholders and shall be completed within six (6) months
18 from the adoption of this Act.

1 SEC. 7. *Considerations in Setting Priority Areas for*
2 *Innovation.* – It is vital that the challenges in the following
3 areas be considered in developing the country’s priorities
4 for innovation:

- 5 a) Food security and sustainable agriculture;
- 6 b) The blue economy;
- 7 c) Education and the academe;
- 8 d) Health;
- 9 e) Secure, clean and reliable energy;
- 10 f) Climate change and disaster resilience;
- 11 g) Resource efficiencies;
- 12 h) National and community-based comparative
13 advantages in the context of Global Value Chains;
- 14 i) Comparative strengths and advantages of sectors
15 and communities;
- 16 j) Potentials for innovation of traditional knowledge,
17 traditional cultural expressions and genetic resources;
- 18 k) Infrastructure needs; and

1 l) Governance among others.

2 The NIC, in consultation with various sectors, will
3 identify the priority areas as provided for in Section 5 of
4 this Act.

5 SEC. 8. *Inclusive Innovation.* – The NIC shall develop
6 strategies to promote creation of new ideas that will be
7 developed into new, quality products, processes, and
8 services that are aimed at improving the welfare of low-
9 income and marginalized groups, as well as create
10 livelihood opportunities for these sectors.

11 The NIC will likewise develop strategies for
12 promoting social innovation as a tool for delivering new
13 services that will improve the quality of life of individuals
14 and communities, as well as enable the participation of
15 communities in meeting their needs. Such strategies will
16 be incorporated in the NIASD.

17 SEC. 9. *The National Innovation Council (NIC).* – A
18 National Innovation Council (NIC) is hereby established to

1 develop the country's innovation goals, priorities, and long-
2 term national strategy.

3 The NIC shall be constituted by the following:

4 a) President of the Philippines – Chairperson;

5 b) Director General of the National Economic and
6 Development Authority – Vice-Chairperson;

7 c) Secretary of Science and Technology – Member;

8 d) Secretary of Trade and Industry – Member;

9 e) Secretary of Agriculture – Member;

10 f) Secretary of Environment and Natural Resources
11 – Member;

12 g) Secretary of Health – Member;

13 h) Secretary of Transportation – Member;

14 i) Secretary of Energy – Member;

15 j) Secretary of National Defense – Member;

16 k) Secretary of Information and Communications
17 Technology – Member;

- 1 l) Chairperson of the Commission on Higher
2 Education – Member;
- 3 m) Secretary of Budget and Management – Member;
- 4 n) Secretary of Education – Member;
- 5 o) Secretary of the Interior and Local Government –
6 Member ;
- 7 p) Secretary of Foreign Affairs – Member;
- 8 q) Director-General of the Intellectual Property
9 Office – Member; and
- 10 r) Seven (7) Executive Members to be appointed by
11 the President.

12 The Executive Members shall be appointed from the
13 ranks of business, academe, and the scientific community,
14 at least one (1) of whom shall be a woman.

15 There shall be at least one (1) representative from the
16 MSME sector, and at least one (1) from the business sector.
17 The representative of business and the MSME shall be
18 recommended by a legally established and reputable

1 business organization. Those to be appointed from the
2 academe and the scientific community should have at least
3 seven (7) years of experience in the field of science and
4 technology, research and development, or innovation.

5 The President may designate the Executive Secretary
6 to preside over the meetings of the NIC in his/her absence.
7 The Department Secretaries and other members may not
8 designate alternate representatives other than their
9 respective undersecretaries to the meetings of the NIC.

10 SEC.10. *Functions of the National Innovation*
11 *Council (NIC).* – The NIC shall have the following
12 functions:

13 a) Develop the country's strategic vision for
14 innovation and long-term innovation goal;

15 b) Develop the country's innovation strategies to
16 ensure coherent strategic direction and programs by
17 government agencies;

18 c) Set the country's innovation priorities;

1 d) Serve as a source of strategic intelligence for
2 national research and innovation policymaking;

3 e) Engage technological expertise in strategic and
4 innovation policymaking;

5 f) Coordinate with various sectors and agencies to
6 promote policy and program coherence;

7 g) Monitor and assess the country's strategic and
8 innovation programs;

9 h) Regularly review and update the country's
10 strategic and innovation policies;

11 i) Guided by the legal mandates of the
12 agencies/LGUs concerned, identify and task government
13 agencies and LGUs that will be tasked to implement
14 specific strategies under the NIASD;

15 j) Communicate the country's innovation policies,
16 priorities, and agenda to local and international publics;

17 k) Establish and administer the Innovation Fund;

1 l) Identify and/or approve programs that may
2 qualify for funding from the Innovation Fund;

3 m) Develop metrics and monitor the progress of
4 strategic innovation programs, including publicly-funded
5 RD&E projects;

6 n) Submit annual reports to the Philippine
7 Congress on the progress of implementation of this Act;
8 and

9 o) Undertake other functions as mandated under
10 this Act.

11 SEC. 11. *Secretariat to the Council.* – A Secretariat to
12 the NIC shall be established within National Economic and
13 Development Authority (NEDA), to be headed by an
14 Executive Director who will be appointed by the President
15 and will have the rank of Undersecretary. The Executive
16 Director shall have at least seven (7) years of experience
17 and practice in the fields of Science and Technology,
18 Research and Development, MSME, Innovation, Finance,

1 or Business Management to qualify for appointment. The
2 Executive Director will be nominated by the NIC.

3 A National Innovation Council Secretariat is hereby
4 established whose staffing structure and complement will
5 be submitted by the NIC to the Department of Budget and
6 Management (DBM) for funding. Pending creation of these
7 positions, the NIC shall constitute an interim Secretariat
8 within one (1) month from the adoption of this Act, through
9 the temporary detail of personnel from its member
10 agencies.

11 The Secretariat shall have the following functions:

12 a) Provide secretariat support to the NIC, including
13 the preparation of draft strategies, priorities, and other
14 outputs to be adopted by the NIC;

15 b) Consult with experts who can offer insights in
16 innovation policymaking and priority setting;

17 c) Coordinate with various agencies of the
18 government, the private sector, academe, scientific

1 community, and other sector towards achieving policy and
2 program coherence;

3 d) Gather strategic intelligence and information to
4 support the NIC in its policy making, as well as goal and
5 strategy setting;

6 e) Build strategic intelligence on human capital
7 development;

8 f) Assess the effectiveness of existing science and
9 technology (S&T) and Innovation grant programs and
10 scholarships and submit recommendations to the NIC on
11 these programs, guided by the NIASD;

12 g) Draft a set of "relevance criteria" which will be
13 used by the NIC to evaluate RD&E proposals for public
14 funding through the Innovation Fund;

15 h) Develop and administer metrics for monitoring
16 and evaluation of the country's innovation programs;

17 i) Develop recommendations for consideration by the
18 NIC; and

1 j) Perform other functions as may be directed by the
2 NIC.

3 SEC. 12. *Micro, Small and Medium Enterprise*
4 *(MSME) Innovation.* – The NIC will develop strategies
5 towards promoting MSME internationalization and
6 participation in the local and global value chains. A
7 comprehensive support program, from incorporation to
8 internationalization, will be developed by the NIC and
9 implemented by the agencies concerned. These programs
10 will include coaching and mentoring in the areas of design;
11 technology extension services; standard business practices
12 in contracting, accounting and project management;
13 quality control; standard-setting; business services such as
14 commercialization and management; patents; among
15 others.

16 The government, through the Department of Trade
17 and Industry (DTI), shall encourage and support the
18 establishment of business incubators, in partnership with
19 the private sector, towards fostering collaboration between

1 small and big businesses in promoting skills and
2 technology transfer, supplier development, access to
3 finance, and creating marketing opportunities for MSMEs.

4 The DTI will scope high productivity innovative
5 businesses to help them identify and exploit opportunities
6 in overseas markets.

7 The NIC shall develop metrics for purposes of
8 assessing the progress of work in these areas.

9 *SEC. 13. Regional Innovation and Cluster Policy. –*

10 The NIC will integrate in the NIASD strategies to promote
11 regional innovation that will harness the competitive
12 advantages, as well as existing and potential strengths of
13 regions and provinces. Such strategies shall promote
14 regional development through sound science, technology
15 and innovation programs. For this purpose, the RDCs will
16 help coordinate and monitor the implementation of the
17 NIASDs in their respective regions.

18 Cluster policies or strategies shall be adopted by the
19 NIC as a significant component of the country's innovation

1 policy mix. In determining the feasibility and effectiveness
2 of cluster policies in pursuit of innovation goals, other
3 policy streams, such as regional economic development
4 policy, industrial/enterprise policy, higher education policy,
5 among others, will be considered.

6 The cluster policies shall be adopted to focus on
7 regional hubs or provinces or sectors such as MSMEs, large
8 firms, spinoffs and start-ups, academic or educational
9 institutions and research centers, or combinations of these.
10 For this purpose, the NIC shall establish a Cluster
11 Development Program. Funding for this purpose will be
12 incorporated in the annual General Appropriations Act.

13 Cluster strategies and programs will be implemented
14 through the agencies concerned through a well-coordinated
15 system facilitated by the NIC.

16 SEC. 14. *Strategic Research, Development and*
17 *Extension Programs.* – The NIC, guided by the country's
18 innovation agenda and development goals, will develop
19 RD&E themes. These themes will be adopted in the RD&E

1 programs of concerned agencies which will ensure that a
2 higher level of mission orientation in publicly funded
3 research is observed. For this purpose, the NIC will
4 develop a "relevance criteria" that will be administered by
5 the agencies concerned in the selection of RD&E projects or
6 programs for funding. It shall likewise prepare an
7 inventory of academic or educational and RD&E
8 institutions, together with their resources and capacities to
9 undertake RD&E. This will provide the strategic
10 intelligence for RD&E public funding and grants.

11 The NIC will also monitor the implementation of
12 these RD&E projects and ensure that these comply with
13 the criteria established for the purpose and meets the
14 objectives for which these were funded. A system for "peer
15 review" may be established for this purpose.

16 As part of strategies to address the multi-dimensional
17 nature of certain research requirements, the NIC shall:

1 a) Establish centers of research excellence, to bring
2 together multi-sector/stakeholder teams to address multi-
3 disciplinary research agenda;

4 b) Establish centers of collaborative research activity
5 between academic and business; and

6 c) Mandate pertinent agencies to work with
7 academic or educational and research institutions to
8 provide research infrastructure to support key research
9 areas.

10 The NIC will recommend to Congress the annual
11 proposed level of Gross Expenditure on R&D (GERD)
12 based on the National Innovation Agenda and Strategy
13 Document. This recommendation will be submitted by the
14 beginning of each annual budget cycle.

15 SEC. 15. *Innovation Instruments.* – The government
16 shall employ a range of instruments to achieve the
17 objectives of this Act. These instruments include:

18 a) Technology programs;

19 b) Innovation centers;

- 1 c) Innovation networks;
- 2 d) Technology platforms;
- 3 e) Cluster policies; and
- 4 f) Human capacity building programs.

5 For this purpose, the NIC shall develop strategies by
6 which government agencies concerned may harness these
7 instruments to more efficiently deliver programs and
8 promote greater collaboration among stakeholders. These
9 agencies, enumerated in Section 16, shall submit their
10 respective action plans, guided by the strategies that will
11 be imposed by the NIC.

12 The establishment of innovation centers shall be
13 undertaken in coordination with the private sector,
14 academic or educational institutions, and other sectors to
15 maximize opportunities for collaboration and joint
16 initiatives.

17 SEC. 16. *Whole of Government Approach.* – In order
18 to effectively drive innovation across all areas of
19 government policy – spanning education, training, health,

1 energy, communication, industry, science and technology,
2 defense, among others – a “whole of government approach”
3 shall be adopted. This approach shall facilitate
4 engagement with business, the RD&E sector, MSMEs, and
5 the broader community towards ensuring the full and
6 effective implementation of the country’s innovation
7 agenda.

8 All government agencies concerned, including the
9 following, shall be responsible for implementing the
10 country’s innovation strategies, and as such, will observe
11 the “whole of government approach” provided herein:

- 12 a) National Economic and Development Authority
13 (NEDA);
- 14 b) Department of Science and Technology (DOST);
- 15 c) Department of Trade and Industry (DTI);
- 16 d) Department of Agriculture (DA);
- 17 e) Department of Environment and Natural Resources
18 (DENR);

- 1 f) Department of Health (DOH);
- 2 g) Department of Energy (DOE);
- 3 h) Department of Transportation (DOTr);
- 4 i) Department of National Defense (DND);
- 5 j) Department of Information and Communications
6 Technology (DICT);
- 7 k) Department of Budget and Management (DBM);
- 8 l) Department of the Interior and Local Government
9 (DILG);
- 10 m) Department of Foreign Affairs (DFA);
- 11 n) Department of Education (DepEd);
- 12 o) Commission on Higher Education (CHED); and
- 13 p) Intellectual Property Office (IPO).

14 Government agencies shall make available for public
15 access, a joint web portal, that will bear information
16 pertinent to innovation policies, strategies, programs,
17 including services, grants, and financial assistance for

1 related trainings. The agencies shall likewise ensure that
2 beneficiaries are guided on services that are available. The
3 web portal shall also include a database of all ongoing and
4 completed innovation projects implemented under the
5 NIASD.

6 It shall have interactive features that will allow the
7 public to access services or file applications for
8 scholarships or other services and programs online.
9 Inquiries shall be addressed within three (3) days from
10 receipt thereof. Processing of applications for scholarships
11 and other services shall be streamlined in accordance with
12 the guidelines to be established by the NIC. Reforms to
13 this effect shall be reported to the NIC within six (6)
14 months from the adoption of this Act.

15 The online facility shall provide an acknowledgement
16 receipt and reference number for each transaction for
17 monitoring purposes.

18 Government agencies concerned shall submit periodic
19 progress reports to the NIC on the status of innovation

1 strategies and projects. Reportorial requirements
2 prescribed under this Act shall take into consideration
3 reports required under other laws related to innovation,
4 with the view to harmonizing and achieving efficiencies in
5 the preparation of these reports. Reporting guidelines will
6 be prepared by the NIC for this purpose.

7 The enumeration of agencies provided herein is
8 without prejudice to other agencies that the NIC may
9 mandate.

10 SEC. 17. *Diaspora for Innovation and Development.* –
11 A Diaspora for Innovation and Development Program is
12 hereby established to enable the country to mobilize and
13 tap the high level expertise of the Filipino Diaspora in
14 pursuit of innovation and development efforts.

15 The NIC, in coordination with the Department of
16 Labor and Employment, the Bureau of Immigration, the
17 Bureau of Customs, the Department of Foreign Affairs,
18 among other agencies, will establish the necessary
19 mechanisms to facilitate the participation of qualified

1 members of the Filipino Diaspora in the country's
2 innovation drive.

3 The NIC will develop an inventory of skills and talent
4 requirements and the institutions or programs needing
5 them as basis for inviting Filipinos in the Diaspora to
6 participate in the program.

7 The NIC will develop the guidelines for this purpose,
8 in coordination with the DOST and other agencies that
9 have existing programs and funding for purposes of
10 mobilizing overseas Filipino talents for innovation and
11 S&T efforts.

12 SEC. 18. *Intellectual Property System and Management.* –
13 Republic Act No. 8293, as amended, or the Intellectual Property
14 Code of the Philippines, will be enforced to protect and secure the
15 exclusive rights of scientists, inventors and innovators to their
16 intellectual property and creations. The pertinent agencies of the
17 government shall promote the diffusion of knowledge and
18 information for the promotion of national development.

1 The Intellectual Property Office shall promote the
2 registration of patents, trademarks, copyrights, industrial
3 designs and geographical indications among scientists,
4 inventors and innovators to ensure protection of innovation
5 against misappropriation. Towards this end, it shall
6 streamline administrative procedures of registering
7 patents, trademarks, copyrights, industrial designs and
8 geographical indications to liberalize the registration on
9 the transfer of technology, and to enhance the enforcement
10 of intellectual property rights in the Philippines. Reforms
11 to this effect shall be reported to the NIC within six (6)
12 months from the adoption of this Act.

13 It shall undertake programs to assist MSMEs in the
14 registration of patents, trademarks, copyrights, industrial
15 designs and geographical indications.

16 SEC. 19. *Advocacy and Community Education.* – The
17 NIC, in cooperation with the various agencies concerned,
18 will undertake an information and community education
19 program to rally everyone around the country's innovation

1 agenda and priorities, and to generate public support to
2 these initiatives. Such program shall aim to inform the
3 public on available programs, services, grants, and
4 financial assistance for related trainings, among others, to
5 widen the base of participation in the conduct of the
6 country's innovation agenda.

7 The government will undertake its advocacy and
8 community education program, in partnership with the
9 business sector and business associations, MSMEs,
10 incubation centers and networks, Negosyo Centers, and
11 academic or educational institutions.

12 The NIC will develop a communication plan for this
13 purpose.

14 SEC. 20. *Innovation Fund.* – An Innovation Fund to
15 strengthen entrepreneurship and enterprises engaged in
16 developing innovative solutions benefiting the poorest of
17 the poor is hereby established. This Fund, from which
18 grants will be issued, shall be administered by the NIC

1 Secretariat which shall screen and approve qualified
2 proposals.

3 Subject to availability of funds, an initial amount of
4 One billion pesos (P1,000,000,000), to be sourced by the
5 DBM from government savings, is hereby allocated for the
6 initial year's implementation of this Act, and such funds
7 necessary for its continuous and effective implementation
8 shall thereafter be included in the annual General
9 Appropriations Act.

10 Further, the NIC, in coordination with the agencies
11 concerned, shall explore the possibility of accessing a
12 growing range of bilateral and multilateral funds in order
13 to be able to assist in the funding of RD&E and other
14 innovation efforts. Public-private partnerships shall also
15 be encouraged in the development and implementation of
16 innovation initiatives in the sphere of RD&E, education,
17 product development and testing, among others.

18 SEC. 21. *Removing Barriers to Innovation.* – The NIC
19 and its member government agencies shall eliminate

1 regulatory barriers and cut red tape to boost innovation
2 efforts. Towards this end, the NIC shall facilitate
3 consultations with stakeholders to identify and remove
4 barriers to accelerating innovation efforts, including, but
5 not limited to, procurement rules and regulations, and to
6 align efforts and enhance collaboration.

7 Government agencies and all LGUs shall hereby
8 improve efficiencies in addressing public transactions that
9 impact on innovation, including reducing the number of
10 days and costs of starting or expanding a business.

11 Government agencies and LGUs will undertake
12 reforms in their systems and processes to ensure that
13 applications for starting a business and renewal of
14 business licenses are processed within three (3) working
15 days from the time the application is received. The
16 processing of other government permits and clearances, as
17 well as application for patents, shall likewise be
18 streamlined towards ensuring a business environment that
19 fosters innovation.

1 For this purpose, the NIC shall develop and prescribe
2 guidelines towards streamlining and improving the
3 country's performance in key indicators that will facilitate
4 and promote innovation. The NIC will identify these
5 indicators for purposes of issuing the guidelines and
6 monitoring its strict implementation.

7 SEC. 22. *Innovation Alliances.* – The NIC shall
8 establish the necessary conditions and framework that will
9 promote the establishment of innovation alliances. Such
10 framework should encourage companies to engage in
11 collaborative research consortia among private sector
12 entities and with academic or educational institutions.
13 This framework shall also facilitate regional networking
14 and alliances to promote knowledge and technology
15 sharing as well as collaboration in innovation projects.

16 SEC. 23. *Government Procurement.* – Public
17 procurement shall be conducted in accordance with
18 Republic Act No. 9184 or the Government Procurement
19 Reform Act and its Implementing Rules and Regulations.

1 To help stimulate innovation in the country, the NIC,
2 in coordination with the Government Procurement Policy
3 Board, shall develop public procurement guidelines, as
4 authorized under Republic Act No. 9184, covering the
5 following:

6 a) Innovative Goods and Services – Requirements for
7 innovative goods and services shall be identified, together
8 with their clear output specifications, as well as functional
9 or performance criteria. The guidelines shall also allow
10 project-based competition to encourage participants to
11 develop innovative solutions;

12 b) Pre-Commercial Procurement – Government
13 agencies are mandated to determine their long term needs
14 towards encouraging the development of innovative
15 solutions in areas for which solutions are not currently
16 available. Procurement contracts of this nature will involve
17 a multi-stage process; and

18 c) Technology Diffusion Procurement – The
19 government may aggregate demand and initiate a

1 technology procurement process to promote technology
2 diffusion and market transformation.

3 The guidelines to be issued by the NIC for this
4 purpose shall ensure efficiency, transparency, timeliness
5 and relevance in the procurement process.

6 SEC. 24. *Rules and Regulations.* – The NIC shall
7 promulgate the implementing rules and regulations (IRR)
8 and other issuances as may be necessary to ensure the
9 effective implementation of this Act within sixty (60) days
10 from its adoption.

11 SEC. 25. *Penalty Provisions.* – Failure to carry out
12 any of the provisions of this Act will be ground for the
13 filing of criminal or administrative cases, as may be
14 warranted, under the Administrative Code of 1987;
15 Republic Act No. 6770 (The Ombudsman Act of 1989);
16 Republic Act No. 6713 (Code of Conduct and Ethical
17 Standards for Public Officials and Employees); Republic
18 Act No. 3019 (Anti-Graft and Corrupt Practices Act);
19 Republic Act No. 7160 (Local Government Code of 1991);

1 and Act No. 3815, as amended (Revised Penal Code), and
2 all other applicable general and special laws.

3 SEC. 26. *Separability Clause.* – Should any
4 provision herein be subsequently declared invalid or
5 unconstitutional, the same shall not affect the validity or
6 the legality of the other provisions not so declared.

7 SEC. 27. *Repealing Clause.* – All laws, presidential
8 decrees, executive orders, rules and regulations, other
9 issuances, and parts thereof, which are inconsistent with
10 the provisions of this Act, are hereby repealed and
11 modified accordingly.

12 SEC. 28. *Effectivity.* – This Act shall take effect
13 fifteen (15) days after publication in at least (2)
14 newspapers of general circulation.

Approved,