



Senate
Office of the Secretary

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

22 JUL 14 P3:34

SENATE
S. B. No. **626**

RECEIVED BY: _____

[Signature]

Introduced by SENATOR SONNY ANGARA

AN ACT
TO ESTABLISH GUIDELINES AND INCENTIVES FOR THE DEVELOPMENT OF
SCIENCE AND TECHNOLOGY PARKS (STPs) IN THE PHILIPPINES, AND FOR
OTHER PURPOSES

EXPLANATORY NOTE

The Constitution, Article XIV, Section 10, states that:

Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life.

The Philippine innovation performance has been continuously rising as evidenced by the country's continuous climb in the Global Innovation Index (GII), from rank 100 in 2014 to rank 51 in the GII 2021 Report. 2019 was the most notable year as the Philippines country's GII position jumped 19 notches from 73rd to 54th, due to big improvements seen in its scores for business sophistication, institutions, knowledge, and technology and creative outputs. Meanwhile, in the recent GII report, the country's ranking for innovation outputs or the resulting programs and technologies from such investments increased to rank 40 in 2021, a big leap from the mere 68th rank in 2018. With the enactment of Republic Act No. 11293, or the Philippine Innovation Act, and Republic Act No. 11337, or the Innovative Startup Act, the country's GII position is expected to progress further in the coming years.

Leveraging on the momentous improvement of the Philippines GII ranking, it is now imperative to sustain efforts to continuously boost our economy's innovation performance. In support of this, this measure proposes the establishment of Science and Technology parks (STPs) nationwide to largely promote the culture of competitiveness and innovation through the active promotion of investments from tech-based enterprises and knowledge-based institutions.

Further, this bill seeks to ensure the development of an ICT ecosystem that will lead towards achieving the Sustainable Development Goal 9 or the Industry, Innovation and Infrastructure through the following:

- (a) Grant of subsidy and incentives for the development of STPs;
- (b) Promote, develop, and support capacity building activities;
- (c) Provide technical assistance, policy advice and support for the establishment of centers for science park development;
- (d) Develop, promote, encourage, and ensure mechanisms and platforms for the integration of a developmental approach into science, technology and innovation, organizing capacity building, providing policy advice, facilitating the exchange of experience and best practices, and conducting research and problem solving.

In view of the foregoing, approval of this bill is earnestly sought.



SONNY ANGARA
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SENATE
S. B. No. 626

RECEIVED BY: 

Introduced by Senator SONNY ANGARA

AN ACT
TO ESTABLISH GUIDELINES AND INCENTIVES FOR THE DEVELOPMENT OF
SCIENCE AND TECHNOLOGY PARKS (STPs) IN THE PHILIPPINES, AND FOR
OTHER PURPOSES

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

1 **SECTION 1.** *Short Title.* – This Act shall be known as the “*Science and*
2 *Technology Parks Act.*”

3 **SEC. 2.** *Declaration of State Policy.* – The State recognizes science and
4 technology as essential for national development and progress and shall give priority
5 to research and development, invention, innovation and their utilization, and to
6 science and technology education, training, and services. It shall support indigenous,
7 appropriate, and self-reliant scientific and technological capabilities, and their
8 application to the country’s productive systems and national life. Towards this end,
9 the State shall develop a national strategy for, and incentivize the building of a
10 knowledge-based economy anchored on a national workforce that is well-equipped
11 with 21st century skills, through the establishment of Science and Technology Parks
12 throughout the country.

13 **SEC. 3.** *Definition of Terms.* – The following terms as used in this Act shall
14 mean:

15 (a) *Digital Transformation* means the strategic adoption or use of digital
16 technologies to transform services or businesses, through the
17 replacement of non-digital or manual processes with digital processes,

1 tools and solutions to improve productivity, deliver better user
2 experiences, manage business risk, and control costs;

3 (b) *E-readiness (electronic readiness)* is a measure of the degree to which a
4 country or any given geographical area is prepared to partake in electronic
5 and ICT-driven activities and, thus, benefit from ICT in education;

6 (c) *Innovation* refers to the creation of new ideas using new or existing
7 technologies that results in the development of new or improved products,
8 processes, or services, which are then spread or transferred across the
9 market;

10 (d) *Research Parks* are master-planned properties and buildings designed
11 primarily for private and public research and development facilities, high
12 technology and science-based companies, and any related support
13 services thereof;

14 (e) *Science and Technology Park* encompasses any kind of high technology
15 cluster such as technopolis, science park, science city, cyber park,
16 industrial park, innovation center, research and development (R&D) park,
17 university research park, research and technology park, science and
18 technology park, science city, science town, technology park, technology
19 incubator, technology park, technopark, technopole and technology
20 business incubator run by an organization managed by specialized
21 professionals whose main aim is to increase the wealth of its community
22 by promoting the culture of innovation and the competitiveness of its
23 associated businesses and knowledge-based institutions;

24 (f) *Technology Business Incubator* is a facility designed to help start up
25 technology-based businesses by providing them with the necessary
26 resources, services and support needed during the development stage.

27 **ARTICLE II**

28 **DEVELOPMENT OBJECTIVES AND STRATEGIES**

29 **SEC. 4.** *Development of a National Ecosystem.* – To leverage science,
30 technology and innovation (STI) which are the major pillars of developing economies
31 in the Fourth Industrial Revolution, the State shall ensure the development of a
32 national ICT ecosystem that will lead towards the achievement of Sustainable

1 Development Goal (SDG) 9 which involves building resilient infrastructure, promoting
2 inclusive and sustainable industrialization, and fostering innovation by 2030. To
3 achieve the foregoing goal, the State shall:

4 (a) Develop, promote, and grant subsidies and incentives for the development
5 of science and technology parks or science parks, which may include
6 research and development centers, technology business incubators and
7 other innovation centers;

8 (b) Develop, promote, and support capacity-building activities to upgrade the
9 knowledge, know-how, and competencies of managers, administrators
10 and other individuals in leadership positions of science and technology
11 parks across the country;

12 (c) Provide technical assistance, policy advice and support for the
13 establishment of centers for science park development around the
14 country;

15 (d) Develop, promote, and ensure mechanisms and platforms for the
16 integration of a developmental approach into science, technology and
17 innovation, organizing capacity building, providing policy advice,
18 facilitating the exchange of experience and best practices, and conducting
19 research and problem solving in science park and technology incubator
20 development.

21 **SEC. 5. *Government Support for Science and Technology Park Projects.*** – In
22 the identification of science and technology park projects that shall qualify for
23 government support, the following essential precursory conditions shall be in place or
24 that public and/or private sector initiatives towards the progressive realization of these
25 conditions are already ongoing:

26 (a) The presence of key or anchor tenants, such as national research
27 institutes which are committed to staying in the STP, must be assured;

28 (b) A management team with all the skills and know-how necessary for
29 managing the STP can be assembled;

30 (c) A strong science and technology base in the surrounding areas of the STP
31 is already available;

1 (d) The city or area where an STP is located is attractive to talented people
2 and students;

3 (e) An entrepreneurial culture is available in the city or country where an STP
4 is to be located;

5 (f) Finance, especially seed and venture capital, is available in the city or
6 country where an STP is to be located.

7 **SEC. 6. *Technologies for Business Commercialization Through the Science and***
8 ***Technology Parks.*** – The DOST in consultation with the DTI, the DICT, and NEDA shall
9 identify, list, and recommend for prioritization the technologies that are ideal and
10 desirable for business commercialization through the STPs.

11 **SEC. 7. *Design and Plans of Science and Technology Parks.*** – The DOST, DTI,
12 DICT, and DPWH shall prepare the design and plans of the proposed science and
13 technology parks in every location and shall propose project timelines for each.

14 **ARTICLE III**

15 **DEVELOPMENT OF SCIENCE AND TECHNOLOGY PARKS**

16 **SEC. 8. *Support for the Development of Science and Technology Parks.*** – The
17 Department of Science and Technology (DOST), the Department of Trade and
18 Industry (DTI), the Department of Information and Communications Technology
19 (DICT), the Department of Finance (DOF), the Department of Public Works and
20 Highways (DPWH), and the National Economic and Development Authority (NEDA)
21 shall collaborate to create specific mechanisms to identify the extent of incentives and
22 support for the development of science and technology parks, as provided by existing
23 laws, rules and regulations.

24 **SEC. 9. *Regional Science and Technology Parks.*** – The DOST in consultation
25 with DTI, DICT, and NEDA shall design, prepare, develop, and recommend various
26 components of a science and technology park in every region, subject to the following:

27 (a) Effectiveness of the incubation and innovation programs to be offered by
28 an STP, ideal for the generation of innovative business ideas, growth of
29 entrepreneurial spirit, and responsiveness to global market demand;
30

1 (b) List of potential key anchor tenants of the STP which shall eventually
2 constitute the backbone of the STP and help ensure that the STP can
3 deliver its most important designated functions;

4 (c) Possibility of clusters and spin-offs of universities into science and
5 technology parks; and,

6 (d) Presence of collaborative efforts among government agencies, the
7 academe, and the private sector, which includes but is not limited to
8 existing Regional Inclusive Innovation Centers (RIICs);

9 **SEC. 10. *Proof of Social Benefits.*** – If public funds were utilized in any manner
10 to support the development of an STP, said STP shall sufficiently report, prove, and
11 demonstrate that its continuous operations provide social benefits such as advanced
12 research and development (R&D) or boost economic development in the region,
13 province, city or municipality where it is located.

14 The economic or social contribution of an STP should be measured and
15 monitored by a framework to be developed by DOST in consultation with the National
16 Economic Development Authority (NEDA).

17 **ARTICLE IV**

18 **INCENTIVES**

19 **SEC. 11. *Incentives.*** – A qualified science and technology park (STP) developer
20 and/or locator, whose activities may form part of the Strategic Investments Priority
21 Plan, shall be entitled to such fiscal and non-fiscal incentives, including but not limited
22 to income tax holiday, special corporate income tax, enhanced deductions and such
23 incentives as may be provided under the National Internal Revenue Code, as
24 amended.

25 Local government units are encouraged to provide for their own set of
26 incentives according to their taxation power.

27 **ARTICLE V**

28 **DEVELOPMENTAL PROGRAMS**

29 **SEC. 12. *Promotion of Science and Technology Parks.*** – The DOST, DTI, DICT,
30 and NEDA shall regularly develop, guide, assist or spearhead programs, projects and
31 activities to promote science and technology parks.

1 **ARTICLE VI**

2 **SUPPORT ECOSYSTEM**

3 **SEC. 13. *Linkages to Existing Projects and Initiatives Anchored on Innovation.***

4 – The DOST, DTI, DICT, and NEDA shall ensure appropriate linkages between existing
5 projects and initiatives related to innovation and whichever science and technology
6 park is closest to the location or area of the aforementioned projects or initiatives.

7 **ARTICLE VII**

8 **GENERAL PROVISIONS**

9 **SEC. 14. *Implementing Rules and Regulations.*** – The DOST, DICT, DTI, DOF,
10 DPWH, and NEDA in coordination with relevant government agencies and industry
11 stakeholders concerned, shall issue the necessary rules and regulations for the
12 effective implementation of this Act within a period of ninety (90) days after its
13 effectivity. The non-promulgation of the implementing rules and regulations shall not
14 prevent the implementation of this Act upon its effectivity.

15 **SEC. 15. *Appropriations.*** – The amount necessary to effectively carry out the
16 provisions of this Act shall be charged against the current appropriations of the
17 concerned government agencies. Thereafter, such sums as may be necessary for the
18 continued implementation of this Act shall be included in the annual General
19 Appropriations Act.

20 **SEC. 16. *Repealing Clause.*** – All laws, executive orders, presidential decrees,
21 rules and regulations or parts thereof which are in conflict or inconsistent with the
22 provisions of this Act are hereby repealed, amended or modified accordingly.

23 **SEC. 17. *Separability Clause.*** – If any part or provision of this Act shall be
24 declared as unconstitutional or invalid, the other parts or provisions hereof which are
25 not affected thereby shall continue to be in full force and effect.

26 **SEC. 18. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
27 publication in the Official Gazette or in a newspaper of general circulation.

Approved,