NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session)))	*22 AUG -8 P3:10
	SENATE	RECEIVED BY
S	. No. <u>1109</u>	

Introduced by Senator Jinggoy Ejercito Estrada

AN ACT

ADVANCING SCIENCE, TECHNOLOGY AND INNOVATION THROUGH A HARMONIZED NATIONAL RESEARCH AND DEVELOPMENT AGENDA AND MANDATORY ADOPTION OF PUBLICLY FUNDED AND GENERATED TECHNOLOGIES IN ALL GOVERNMENT ENTITIES, THEREBY ESTABLISHING THE SCIENCE FOR CHANGE PROGRAM (S4CP)

EXPLANATORY NOTE

Article II Section 17 of the Constitution provides, "The State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development."

Article XIV Section 10 also states, "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."

With the onset of the New Normal, there is renewed attention to the sciences. We relied on the established methods and expertise of scientists on how to navigate the unknown territory created by the novel virus and how to immediately recover from its ill effects. People adapted new ways of doing things with the help of

emerging technologies and innovation. There was a sudden realization of how science, technology, and innovation (STI) sectors were overlooked, if not neglected, over the years.

In the updated Philippine Development Plan, a new chapter – Chapter 14: Vigorously Advancing STI – was introduced, as it recognized "the need to strengthen the country's weak STI ecosystem." The same also proposed the passage of Science for Change (S4C) Act with the aim of increasing investments in STI-based start-ups, enterprises, and spin-offs, and "advancing the proliferation of demand-driven innovation activities that will respond to the demand of the users of technologies."

This bill seeks to harness STI as an engine for economic recovery post-pandemic and a driving force for inclusive and sustainable national development. It intends to institute a Harmonized National Research and Development Agenda (HNRDA) and expand the existing programs of the Department of Science and Technology (DOST) that are targeted to respond to the pressing concerns of the country, like food security, disaster risk reduction, enhanced health care service delivery.

This legislation is also proposing an accelerated research and development program under four major strategies:

- 1. Niche Centers in the Regions for R&D (NICER) shall be implemented to address the discrepancy in access to R&D funding among the regions.
- 2. R&D Leadership Program (RDLead) shall be implemented to help develop and strengthen the research capabilities of the academe, research and development institutions (RDIs), and other government line agencies.
- 3. Collaborative R&D to Leverage the Economy (CRADLE) Through the program, the academe and/or RDI, in partnership with a Filipino company, shall undertake research and development to improve the

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¹ Updated Philippine Development Plan 2017-2022. https://pdp.neda.gov.ph/wp-content/uploads/2021/02/Pre-publication-copy-Updated-PDP-2017-2022.pdf

- company's products, processes, and services to become more competitive in their respective industries.
- 4. Business Innovation through S&T (BIST) shall be implemented to provide financial assistance to Filipino private companies for the acquisition of strategic and relevant technologies so they can undertake their R&D.

This measure was already approved on Third and Final Reading by the House of Representatives during the Eighteenth Congress.

The immediate passage of this legislation is earnestly sought.

JINGGOY EJERCITO ESTRADA

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

Section 1. Short Title. – This Act shall be known as the "Science for Change Program (S4CP) Act of 2022."

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Sec. 2. Declaration of Policy. – The State shall give priority to science, technology and innovation to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development. It recognizes that science and technology are essential for national development and progress. Thus, the State shall give priority to research and development, invention, innovation, and their utilization. It shall likewise give priority 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.

Sec. 3. Objectives. – The objectives of this Act are as follows:

To achieve a higher standard and more productive outputs of science, technology, and innovation (STI) to contribute to the sustainable and inclusive development of the economy and society and to the improvement of the welfare of the nation and its citizens through prescribing the basic policy requirements for the promotion of STI and comprehensively and systematically promoting policies for the advancement of STI; and,

- b) Through research and development, to come up with new products, processes and technologies, solve pressing national problems, increase productivity, enhance efficiency, improve capability in new and emerging technologies, promote the general welfare of the people and attain a globally competitive knowledge economy.
- Sec. 4. *Definition of Terms.* As used in this Act, the following terms shall mean:
 - a) Harmonized National Research and Development Agenda (HNRDA) an outcome-based agenda where all research and development (R&D) programs and projects to be funded by the government are envisioned to contribute to the attainment of the majority of government's key result areas, particularly responding to poverty reduction and empowerment of the poor and vulnerable; rapid, inclusive, and sustained economic growth; and integrity of the environment and climate change adaptation and mitigation;
 - b) *High-tech Equipment* any equipment using the most advanced and developed machines and methods.
 - c) National Innovation Council (NIC) a policy advisory body, established by virtue of the Philippine Innovation Act, mandated to formulate, develop, implement and monitor the country's innovation goals, priorities, and long-term national strategy.
 - d) Publicly-funded Technology any technology the development or generation of which was funded, in part or in full, using government money or resources;
 - e) Research and Development any systematic and creative work undertaken in the physical, natural, mathematical, and applied sciences by using methods in order to increase the stock of knowledge in these fields to devise new applications;

1	f) 5	Science, Technology, and Innovation (STI) – Science is the systematic
2		vay of acquiring knowledge through observation and experimentation
3		whereas technology is the practical application of science. Innovation is
4		he creation of new ideas that results to the development of new or
5		nproved products, processes, or services which are then spread or
6	tr	ansferred across the market;
7	g) 7	echnology licensing – a mode of technology transfer whereby a licensor
8	(t	echnology generator or owner) authorizes a licensee to use the
9		echnology under certain agreed terms and conditions.
10	Sec. 5	. The Science for Change Program (S4CP) and Utilization Policy
11	Framework	-The formulation of the S4CP is anchored on the Harmonized National
12	R&D Agenda t	that is regularly updated based on the needs of the time.
13	a) In	order to achieve the objectives of this Act, the following S&T
14	pr	ograms of DOST shall be expanded:
15	i.	Health Self Sufficiency and Responsiveness to Public Health
16		Emergencies
17	ii.	Renewable Energy (RE) Systems & Bioenergy Technologies
18	iii.	Functional Materials for Alternative Energy Sources and Energy
19		Conversion and Storage
20	iv.	Nuclear Science for Energy, Health, Agriculture and Industry
21	V.	Biotechnology, Nanotechnology, and Genomics
22	vi.	Climate and Environment Sciences
23	vii	. Nutrition and Food Security and Safety
24	viii	i. Agriculture, Aquaculture and Fisheries Productivity
25	ix.	Natural Resource Management and Sustainable Development
26	Χ.	Transport Solutions
27	xi.	Industrial/Manufacturing/Mining Productivity
28	xii.	Disaster Risk Reduction and Climate Change Adaptation
29	xiii	. S&T Services for the Production Sector
30	xiv	. Metrology, Calibration and Standards
31	XV.	Technology Transfer and/or Commercialization
32	xvi	. Human Resource Development for STI

1 xvii. Nurturing a Culture of Science The following new programs shall also be included in the Science for 2 b) 3 Change Program: Defense and Security R&D, modernization of law enforcement and 4 5 military capabilities, air and maritime border control 6 ii. Space Science and Technology 7 iii. Information and Communications Technology (ICT) Development, Electronics, Artificial Intelligence, Data Protection and Cybersecurity 8 iv. Strengthening of R&D and S&T Services in the Regions through 9 Infrastructure and Human Resource Development 10 v. S&T for the Creative Arts and Cultural sectors, Tourism, and Services 11 12 **Industries** 13 vi. New and Emerging Technologies Sec. 6. Major Strategies of the Science for Change Program. - There shall be 14 Accelerated R&D Program for Capacity Building of Research and Development 15 Institutions and Industrial Competitiveness. 16 Niche Centers in the Regions for R&D (NICER). - The NICER Program 17 a) shall be implemented to address the discrepancy in access to R&D 18 funding among the regions. Through the program, qualified Higher 19 20 Education Institutions (HEIs) in the regions shall be provided with grants so they can undertake quality research directed at promoting regional 21 development with their existing capabilities and resources. A proposed 22 NICER should be unique, a collaborative project between HEIs, and must 23 be duly endorsed by the Regional Development Council (RDC) to ensure 24 25 its socio-economic impact in the region. R&D Leadership Program (RDLead). - The RDLead program shall be 26 b) implemented to help develop and strengthen further the research 27 capabilities of the academe, research and development institutions 28 (RDIs), and other government line agencies nationwide. To this end, 29 RDLeaders who are local S&T experts with strong leadership and 30 innovative policy proficiencies shall be engaged to train, and direct and 31 support their R&D goals. Depending on the R&D needs of the academe, 32

RDIs, and line agencies, an RDLeader shall be engaged through application, screening, and evaluation by the National Research Council of the Philippines (NRCP). NRCP shall be the implementing agency of the RDLead Program.

- Collaborative R&D to Leverage the Economy (CRADLE) for RDIs and Industry. The CRADLE Program shall be implemented to enable technological advancement and innovation of local companies and to support the growth of the Philippine Innovation ecosystem. Through the program, the academe and/or RDI, in partnership with a Filipino company, shall undertake research and development to improve the company's products, processes, and services to become more competitive in their respective industries. Beneficiary-companies under this program must provide at least 20% counterpart funding and commit to adopt the technology that will be developed. This way, research outputs from the academe are directly translated commercially to the market.
- d) Business Innovation through S&T (BIST) for Industry. The BIST Program shall be implemented to provide financial assistance to Filipino private companies for the acquisition of strategic and relevant technologies so they can undertake their R&D. The financial assistance, which may only be used to purchase high-tech equipment or to secure technology licensing and/or patent rights, shall be refunded to DOST at zero percent interest.

Sec. 7. Formulation and Submission of the Science for Change Program (S4CP) Plan. – The DOST shall formulate the five-year Science for Change Program plan in coordination with other relevant government agencies, including State Universities and Colleges and representatives from the private sector undertaking R&D. The Secretary of DOST shall submit to the President the Science for Change Program plan for approval within ninety (90) days from the effectivity of this Act.

A successor S4CP plan shall be formulated and submitted for approval by the President at least three (3) months prior to the expiration of the existing S4CP plan.

Sec. 8. S4C Program Management Office (PMO). – The Program Management Office for the Science for Change Program (PMO-S4CP) shall be created under the DOST- Office of the Undersecretary for R&D. The PMO shall ensure the effective and efficient implementation of the Science for Change Programs. It shall perform coordinating and Secretariat functions required in the accomplishment of the program objectives, as well as promote the various programs. The initial staffing structure and complement of the PMO shall be submitted by the DOST to the DBM.

Sec. 9. *The Harmonized National R&D Agenda.* – The DOST, in consultation with government research institutions and other agencies concerned, shall formulate a Harmonized National Research and Development Agenda (HNRDA) and a program for technology adoption for the government. The proposed agenda shall be submitted for approval by the National Innovation Council. All publicly funded R&D projects, Twenty million pesos (P20,000,000.00) and above, shall be certified by the DOST as to alignment with the HNRDA.

The HRNDA shall be directly related to the priorities under the Philippine Development Plan.

The DOST shall submit to the DBM, the Speaker of the House of Representatives, and the President of the Senate of the Philippines, either in printed form or by electronic document, a copy of the approved HNRDA. The Secretary of Science and Technology and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the approved HNRDA is posted on the Agency's website.

Sec. 10. Mandatory Adoption of Publicly Funded Technologies. – Mandatory adoption of publicly funded and generated technologies whenever feasible and practicable shall strictly be implemented by all government entities and instrumentalities. All national government agencies (NGAs), government-owned-and-controlled corporations (GOCCs), state universities and colleges (SUCs), and local government units (LGUs) performing science and technology development projects shall adopt publicly-funded technologies.

Sec. 11. Science for Change Program Fund (S4CPF). – There is hereby created the Science for Change Program Fund to be used exclusively for the implementation of the projects and activities under the S4CP. The S4CPF shall be

- administered by the DOST in accordance with existing government budgeting, 1 accounting and auditing rules and regulations. The S4CPF shall be sourced from the followina:
 - a) The initial amount of Ten billion pesos (P10,000,000,000.00) to be taken from the General Appropriations Act (GAA) and other funds/savings from GAA of the preceding year, in case the GAA is approved before this law is enacted. The yearly budget for Science for Change Program shall double yearly until it reaches 2% of the Government Appropriations Act (GAA) budget. Such amount shall be released to the DOST after the effectivity of this Act;
 - b) Royalty income produced under the S4CP: and

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- C) Loans, contributions, grants, bequests, gifts, and donations, whether from local or foreign sources: Provided, That acceptance of grants, bequests, contributions and donations from foreign governments shall be subject to the approval of the President, upon the recommendation of the Secretary of the DOST and Secretary of the Department of Foreign Affairs (DFA). The Secretary of DOST, with the approval of the NEDA and, subsequently, the Department of Finance (DOF) is hereby granted the authority to enter into loan agreements with foreign financial institutions.
- Sec. 12. Appropriations. The sum of Ten billion pesos (PhP10,000,000,000.00) is hereby appropriated as initial operating fund for the projects and activities under the S4CP. Thereafter, the amount needed for the operation of the SCP shall be included in the General Appropriations Act.
- Sec. 13. Annual Report. The DOST shall annually submit a report on the implementation of the S4CP to the Office of the President and to the Committee on Science and Technology of the House of Representatives and the Senate of the Philippines.
- Sec. 14. Separability Clause. If any provision of this Act is declared invalid or unconstitutional, the remaining provision not affected thereby shall continue to be in full force and effect.

- Sec. 15. *Repealing Clause.* All laws, decrees, orders or regulations or part thereof inconsistent with this Act are hereby repealed or modified accordingly.
- Sec. 16. *Effectivity.* This Act shall take effect fifteen (15) days following the completion of its publication in the *Official Gazette* or in a national newspaper of general circulation.

Approved,