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Introduced by HONORABLE JUAN MIGUEL F. ZUBIRI

**EXPLANATORY NOTE**

The value of scientific and technological activities (STA) to improve our quality of life cannot be underestimated. The spark of genius, creativity, innovation and scientific inquiry when encouraged and applied will greatly alleviate problems facing societies especially developing ones like the Philippines. The direct beneficial effect has been clearly established such that the UNESCO prescribes that Governments invest at least one percent (1 %) of the Gross Domestic Product to scientific and technological activities (STA).

STA includes, among others: Research and Development (R&D), S&T Services (STS) and S&T Education and Training (STET).

This bill proposes to gradually increase the allocation for STA until it reaches the UNESCO-prescribed norm on the 5<sup>th</sup> year.

Focus activities are as follows:

For the first five (5) years, enhancement of agricultural productivity to ensure basic food sufficiency and initiate a system towards the production of more elaborately transformed products. 3

For the 6<sup>th</sup> year and onward, one percent (1%) of the GDP shall be allocated solely for R&D activities of the government and private sectors and shall aim to attain competency and mastery in the production of elaborately manufactured products and processes.

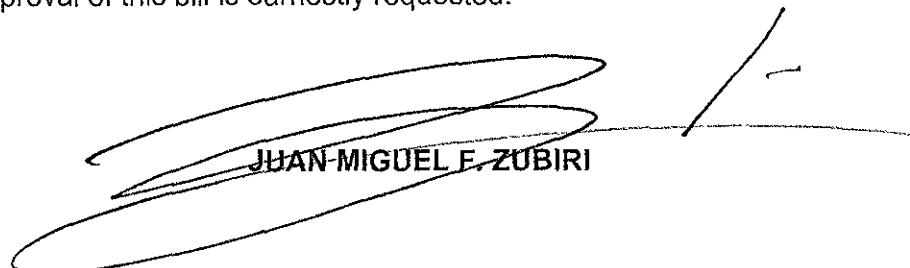
The bill seeks to arrest the declining allocation to R&D expenditures which is just a tenth of the 1% prescribed by the UNESCO.

The proposed measure mandates the DOST Secretary to identify priorities for Research and Development and S & T capability development programs and prepare the corresponding budget thereto. Similarly, the appropriations by various departments, bureaus, offices, agencies and State Universities and Colleges shall be aligned with the priorities set by the DOST in the natural, agricultural, technological and engineering sciences.

The Special Fund for Research & Development to be created shall be constituted from the following sources:

- Allocation of 1% of GDP for R&D activities
- All unused R&D allocations;
- All income derived from R&D

In view hereof, approval of this bill is earnestly requested.

  
JUAN MIGUEL F. ZUBIRI



1 (R&D); Scientific and Technological Services (STS); and Scientific and Technical Education and  
2 Training (STET).

3 a) Research and development (R&D) is any systematic and creative work undertaken in  
4 order to increase the stock of knowledge of man, culture and society, and the use of  
5 this knowledge to devise new application.

6 b) Scientific and Technological Services (STS) is any activity concerned with scientific  
7 and experimental development and contributing to the generation, dissemination and  
8 application of scientific and technical knowledge.

9 c) Scientific and Technical Education and Training (STET) are activities comprising  
10 higher education and training leading to a university degree, post-graduate and  
11 further training organized lifelong training for scientist and engineers and specialized  
12 non-university higher education.

13 SEC. 6. *The Department of Science and Technology (DOST).* – The Secretary of the  
14 Department of Science and Technology in consultation with the STCC shall identify priorities for  
15 research and development and S&T capability development program which would contribute to  
16 national development and progress, and to prepare the corresponding budget in pursuant  
17 thereto.

18 SEC. 7. *R&D Appropriations.* – The Appropriations pertaining to R&D in the natural,  
19 agricultural, technological and engineering sciences for various departments, bureaus, offices,  
20 agencies and state universities and college (SUCs) within the National Science Technology  
21 Plan (NSTP) shall be released upon recommendation of the Secretary of DOST. For this  
22 purpose, the DOST shall issue the necessary guidelines for the implementation of this provision.

23 SEC. 8. *Special Fund for R&D.* – A special fund for research and development to be known  
24 as “R&D” shall be created and constitute from the following sources:

25 a) allocation of 1 percent of GDP for R&D activities

26 b) all unused R&D allocations; and

27 c) all income derived from R&D activities.

28 The fund shall be used only for R&D activities of the agency/institute. The STC shall develop  
29 the appropriate mechanism for the management of the R&D fund.

30 SEC, 9. *Implementing Rules and Regulations (IRR).* – The STCC shall prepare the  
31 implementing rules and regulations of this Act.

32 SEC. 10. *Annual Compliance Report.* – The Secretary of the Department of Budget and  
33 Management (DBM) shall make a report of the President’s compliance with section 2 of this act  
34 to Speaker of the House of Representatives and the President of the Senate before any  
35 proposed annual general appropriation bill shall be taken by both chambers for final  
36 consideration and approval.

37 SEC. 11. *Effectivity.* – This Act shall take effect upon its approval.

38 Approved.