RA 11337: Innovative Startup Act

This law creates the Philippine Startup Development Program, which will provide benefits and incentives for startups and startup enablers. These include grants and subsidies, venture capital, and expedited processing of applications, among others. It defines a startup as "any person or registered entity in the Philippines which aims to develop an innovative product, process, or business model". The Department of Science and Technology (DOST), Department of Information and Communications Technology (DICT) and the Department of Trade and Industry (DTI) were identified as the lead agencies in implementing this law.

RA 11337 was approved on April 26, 2019 while its Implementing Rules and Regulations (IRR) were approved on November 22, 2019.

DOST Secretary Fortunato T. Dela Peña and DTI Assistant Secretary Mary Jean T. Pacheco provided the Senate with the following updates on the implementation of this law.

Philippine Startup Development Program

Even before the enactment of RA 11337, DTI, DOST, and DICT have been implementing various programs for startup development. These include, among others, support for incubation and other mentorship services, participation in local and international events and competitions, and networking with potential collaborators. These programs that are being implemented will form part of the Philippine Startup Development Program: DOST's Technology Business Incubator (TBI) Program, DTI's Startup Ecosystem Development Program, as well as incentives for startups under the Board of Investment's Investment Priorities Plan, and DICT's SeedPH Program.

Launched in 2018, UPSCALE is a DOST-supported technology business incubator based in the University of the Philippines, Diliman (UPSCALE Photo)

Since March 2020, the lead agencies have been working to finalize the guidelines for availing of the programs, benefits, and incentives for eligible startups. Efforts were disrupted due to the onset of the pandemic, but online meetings between representatives of lead agencies and their private sector counterparts continue to take place.

As of October 2020, DTI has prepared a draft of the guidelines for (a) General Registration to the Program, (b) Availment of Benefits and Incentives, (c) Participation in Local/International Events/Competitions, (d) Startup Venture Fund in coordination with the National Development Company; and (e) business registration for startups (Startup Business One Stop Shop) in coordination with the Anti-Red Tape Authority. Meanwhile, DOST has prepared the draft guidelines for Grants-in-Aid, while DICT has begun to set up the Philippine Startup Website. Moreover, the lead agencies continue to tap online opportunities for local startups, including an information session for the Online Seedstars World Competition 2020/21, StartUp Asia Berlin Virtual MeetUp, various webinars conducted by QBO Innovation Hub (a public-private partnership platform for startups supported by DTI and DOST), and DTI-7's StartupIsland.PH program.

Budget source to implement this law

Asec. Pacheco reported that the PhP 85 million allotted in the 2020 General Appropriations Act for the implementation of this law was reverted to the Treasury to support the National Government's pandemic response. Thus, it is working to implement provisions of the law that do not require substantial funding, such as registration to the Philippine Startup Development Program, issuance of endorsement letters, and processing of startup visas. Benefits and incentives that require funding and travel (such as full/partial subsidies and participation in events/competitions) will be provided as funding becomes available and travel advisories allow.

Covid 19 solutions

Sec. Dela Peña said that when DOST through the Philippine Council for Industry, Energy and Emerging Technology Research and Development (PCIEERD) opened a call for Covid 19 solutions, startups housed in DOST's technology business incubators were among those that responded. Some of the more notable contributions are outlined in the table below.

Startup	Description
Futuristic Aviation and Maritime Enterprise Inc.	The Specimen Collection Booth is designed to provide an effective barrier between the healthcare worker and patient during swab collection. Positive pressure is maintained inside the booth using a pressure sensor to prevent outside contamination from entering the booth. It uses a company-designed temperature scanner, where the temperature of patients may be obtained and recorded in the cloud. It is also equipped with a Bluetooth speaker for clear communication between the healthcare worker and the patient. DOST provided a PhP 20 million grant for the development, transportation, delivery, and installation of 132 units, which were deployed to selected government hospitals around the country.
Geographic Innovations for Development Solutions, Inc.	Project RAMDAM (Resource Allocation Management, Distribution, and Monitoring) seeks to aid the government and the private sector in allocating food resources for quarantined communities
Genii Hut Technologies	WeTrace is a community tracing app for patient mapping, case reporting and location tracking. Officially endorsed by the Provincial Government of Cebu, the app is available on Google Play.
USHER Technologies Inc.	The Universal Structural Health Evaluation and Recording (USHER) system is a next generation structural health monitoring system composed of an accelerograph or sensor and a web portal. The technology can be installed in buildings to allow building managers to monitor the structure's integrity and ensure hassle-free compliance with government regulators.

Startup	Description
	Go-Clean is a mobile disinfection chamber that sanitizes the body of a person entering the enclosure. Proper protocols are designed to help ensure protection of sensitive areas such as the eyes, nose, and mouth from possible irritation brought about by the disinfectant mist.
DWARM Technologies Inc.	Developed an artificial intelligence-powered thermal scanner system that is able to scan and identify the temperature of people, thus minimizing exposure of frontline workers.
AI4GOV & Senti AI	PH Kontra Covid, an initiative of the Department of Health (DOH), is a web-based digital triage platform and chatbot collective deployed in Viber and Facebook messenger. It uses an algorithm approved and endorsed by DOH based on official case definitions and classifications. Meanwhile, KIRA (Katuwang na Impormasyon para sa Responsableng Aksyon) is a bot deployed at the official DOH page that provides updated information based on the agency's latest guidelines and issuances. The DOH has also partnered with Senti AI for the development of a "central brain" for the agency's communication channels. It will leverage AI technologies such as natural language processing, intent detection, and entity detection to accurately capture the context behind an inquiry and provide the most relevant and up to date answer derived from DOH's knowledge base.
Mataverse	Project LUPAD (Liloan UAV Patrol Augmentation Division) was developed in partnership with the Municipality of Liloan, Cebu. It involves the use of aerial 360-degree cameras for the enforcement of Covid rules and regulations. It also involves the development of a mobile app for the Cebu Provincial Government that allows 360-degree virtual tours of key tourist destinations.
CHRG Inc.	The company's charging systems and electric vehicles provided localized transport services in areas where public transportation was suspended. ETrikes were also used in the distribution of food packs and other essential items to affected communities.
Nanotronics	Developed a 3D printed reusable antiviral face mask using nanocomposite materials.
CBG Enterprise	Developed modular mass testing facilities consisting of phone booth-style enclosures with negative air pressure that allow medical staff to safely examine patients. Each facility holds 10 testing booths and can process up to 3000 patients a day.
ArkiTeK	QVID is a contact tracing system using mobile applications and QR codes. The DOH is preparing for its initial roll-out.

Philippine Startup Week

The first Philippine Startup Week (PHSW) was held on November 18 to 22, 2019. Jointly organized by DTI, DOST, DICT, and QBO Innovation Hub and supported by various startup community enablers, it featured a 3-day main summit with over 49 nationwide community events in 10 cities across the country. The second PHSW will be held virtually and online in November 2020.

Global Startup Ecosystem Report

Asec. Pacheco noted that the Philippine startup ecosystem has been featured twice (in 2019 and 2020) in the annual Global Startup Ecosystem Report (GSER) by Startup Genome. In its inaugural ranking of the world's top 100 emerging ecosystems in 2020, Manila is ranked 36th globally[1] and is among the startup ecosystems in their activation phase. The GSER is the world's most comprehensive and widely read research on startups with 250 ecosystems studied. It is published by Startup Genome in cooperation with the Global Entrepreneurship Network (GEN). DTI is a member of the GSER Global Network.

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[1] https://startupgenome.com/reports/gser2020 (accessed October 21, 2020)