

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

SENATE
OFFICE OF THE SECRETARY

01 JUL 30 11 05

SENATE
S.B. No. 951

RECEIVED



Introduced by Senator Jinggoy Ejercito Estrada

EXPLANATORY NOTE

The Philippines is falling behind its neighboring countries in the area of science and technology research and development. Unless appropriate and immediate action is done to reverse the trend, the country may find more difficulty in securing a place in this increasingly competitive world, especially in the advent of the new world order of globalization.

It is ironic that despite the country's continuous economic hardships, the Philippine government still has not done much for the development of science and technology which could be the tool to turn the situation around.

For years, the country's annual Research and Development (R&D) budget receives a measly average of 0.21% share from the total Gross Development Product (GDP) or an amount between P3 to 4 million, which is only equivalent to the R&D budget of a single firm in the United States. In Asia, Japan allotted the most of R&D with 2.92%, this explains why they are among the top technologically advanced countries in the world. Korea comes second with 2.33%, Singapore comes next with 1.12%, followed by Malaysia and Indonesia with 0.37% and 0.26% respectively.

This bill calls for the allocation of at least 1% of the country's Gross National Product to the annual budget of S&T activities which is the norm prescribed by UNESCO. In order for us to assure the upliftment of our already crippled economy, the passage of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

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

SENATE
OFFICE OF THE CLERK
101 JUL 30 11 05

SENATE
S.B. No. 951

RECEIVED BY _____

Introduced by Senator Jinggoy Ejercito Estrada

**AN ACT
INCREASING THE YEARLY ALLOCATION FOR SCIENTIFIC AND
TECHNOLOGICAL ACTIVITIES (STA)**

SECTION 1. **Title.** – This Act be known as the “Science and Technology Funding Act of 2004.

SEC. 2. **Policy Statement.** – In order to sustain economic development and ensure a high level of scientific and technological activities (STA), the State shall endeavor to allocate an amount equivalent to the prescribed UNESCO norm of the least 1% of the total Gross National Product (GNP) as annual budget for scientific and technological activities (STCC) created under Administrative Order No. 123, as amended by AO No. 202, series of 1995.

SEC. 3. **Computation of Allocation.** – The gross national product to be reckoned in reaching the annual budget for science and technology for a particular calendar year shall be the GNP of the immediately preceding year.

SEC. 4. **Phase Implementation.** – The allocation for scientific and technological activities (STA) shall be gradually increased until it reaches the prescribed norm on the 5th year which shall include both government and private sector activities. The first five years shall focus on the enhancement of agricultural productivity to ensure sufficiency of basic food and services and initiated system towards the production of more elaborately transformed products. For the 6th year and onwards, one percent of Gross National Product (GNP) shall be allocated solely for research and development (R&D); activities of the government and private sectors and shall aim to attain competency and mastery in the production and processes.

SEC. 5. **Definition of Term.** – For purposes of this Act, Scientific and Technical Activities (STA) shall be defined as all systematic activities which are closely concerned with generation, advancement, dissemination, and application of scientific and technical

knowledge in all fields of Science and Technology. STA include the following: Research and Experimental Development (STS); and Scientific and Technical Education and Training (STET).

- a) *Research and Development (R&D)* is any systematic and creative work undertaken in order to increase the stock of knowledge of man, culture and society, and the use of this knowledge to devise new applications.
- b) *Scientific and Technological Services (STS)* is any activity concerned with scientific and experimental development and contributing to the generation, dissemination and application of scientific and technical knowledge.
- c) *Scientific and Technical Education and Training (STET)* are activities comprising higher education and training leading to a university degree, post-graduate and further training organized lifelong training for scientist and engineers and specialized non-university higher education.

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

SEC. 7. *R&D Appropriations.* – The Appropriations pertaining to R&D in the natural, agricultural, technological and engineering science for various departments, bureaus, offices, agencies and SUCs within the Science and Technology Agenda for National Development (STAND) shall released upon recommendation of the Secretary of the DOST. For this purpose, the DOST shall issue the necessary guidelines for the implementation of this provision.

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

- a) allocation of 1 percent of GNP for S&T activities;
- b) all unused R&D allocations; and
- c) all income derived from R&D activities.

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

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

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

SEC. 11. **Effectivity.** – this act shall take effect upon its approval.

Approved,