

SENATE  
S. B. No. 2052

'18 OCT -3 P6:21

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Introduced by Senator Aquilino “Koko” Pimentel III

AN ACT CREATING A RESEARCH AND DEVELOPMENT  
COUNCIL OF THE PHILIPPINES, APPROPRIATING FUNDS  
THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

*Article XIV, Section 10 of the Constitution* provides that science and technology are essential for national development and progress, and accordingly mandates the State to give priority to research and development, intention, innovation, and their utilization. Despite this constitutional fiat, the Philippines spends less than 0.14% of its gross domestic product (GDP) on research and development (R&D).<sup>1</sup> This is the lowest R&D expenditure in Southeast Asia; in contrast, Singapore spends about 2% of its GDP on R&D.<sup>2</sup> The global average for R&D expenditures is 2.04% of GDP and for developing countries, the United Nations Educational, Scientific and Cultural Organization (UNESCO) suggests an R&D expenditure of at least 1% of GDP.<sup>3</sup>

<sup>1</sup> Department of Science and Technology (DOST), “Compendium of Science & Technology Statistics,” DOST PLANNING AND EVALUATION SERVICE, S&T RESOURCE ASSESSMENT AND EVALUATION DIVISION (2015), page 14, available at: <http://www.dost.gov.ph/phocadownload/Downloads/Statistics/Compendium%20ST%20Statistics%20as%20of%20December%202015.pdf>.

<sup>2</sup> Supra at Note 2.

<sup>3</sup> Jose Ramon G. Albert, Donald B. Yasay, and Raymond Gaspar, Examining Processes in Research and Development at the Department of Science and Technology (2015).

According to the Organisation for Economic Co-operation and Development (OECD), “[b]oth economic theory and empirical analysis underline the key role [R&D] in economic growth. . . R&D produces technology. . . to spur economic growth, address societal concerns such as health and environment, and ultimately improve living standards.”<sup>4</sup> It is therefore essential that the Philippines increase its spending on R&D.

This bill requires the government to directly fund research and development proposals through the creation of a Research and Development Council (R&D Council), headed by the Secretary of the Department of Science and Technology (DOST), that will select proposals for government funding. In a sense, this bill is an expansion of the DOST’s current Grants-in-Aid Program, with the assurance of greater and steadier funding for any research proposals accepted by the R&D Council.

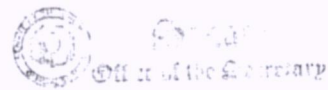
In the view of the foregoing, immediate approval of this bill is earnestly requested.

  
**AQUILINO “KOKO” PIMENTEL III**

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<sup>4</sup> OECD, “Tax Incentives for Research and Development: Trends and Issues.” OECD SCIENCE AND TECHNOLOGY INDUSTRY (2002), available at :<http://www.oecd.org./science/inno/2498389.pdf>.





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

**SECTION 1. *Short Title.*** – This Act shall be known as the “R&D  
Act of 2018.”

**SEC. 2. *Statement of Policy.*** – It is the policy of the State, in  
accordance with the Constitution, to promote research and development  
in the Philippines, with the aims of boosting economic growth and  
improving the quality of life in our country. Towards this end, the State  
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. *Research and Development Council.*** – There is hereby  
created a Research and Development Council (R&D Council) chaired by  
the Secretary of the Department of Science and Technology (DOST),  
who shall have the primary responsibility of determining which  
proposals should receive funding from the government. The other  
members of the R&D Council are the Secretaries of the Departments of  
Communications and Technology (DICT), Education (DepEd), Health

1 (DOH), National Defense (DND), Agriculture (DA), Energy (DOE), and  
2 Trade and Industry (DTI).

3  
4 The R&D Council shall regularly publish the grants that it has  
5 approved and the results of any completed research, unless such  
6 information is deemed confidential. Such publications shall be furnished  
7 to the Joint Congressional Oversight Committee created pursuant to this  
8 Act. Confidential information, while not published, must be made  
9 available to the members of the Joint Congressional Oversight  
10 Committee.

11  
12 **SEC. 4. *Grant of Funding.*** – The government shall directly fund  
13 research and development proposals submitted to it by Filipino citizens  
14 or Filipino entities, at the discretion of the R&D Council. At the start of  
15 every year, the R&D Council shall publish requirements and criteria for  
16 proposals, specifying therefor priority areas depending on the urgent  
17 needs and programs of the Philippine government. The R&D Council  
18 shall accept proposals from all persons, whether publicly or privately-  
19 employed, and from all entities, whether government or non-  
20 government.

21  
22 Funding shall either be a full grant or in the form of a subsidy.  
23 Funding for a proposal shall be for a period of one year but may be  
24 extended at the discretion of the R&D Council. The R&D Council may  
25 impose conditions on the grants, including but not limited to:

26  
27 (1) Government ownership of any patentable invention that may  
28 result from the research;

29  
30 (2) Government share in any financial gains that may result from  
31 the research; and

32  
33 (3) Confidentiality, particularly when the research is undertaken  
34 with access to sensitive government research and data.



1       **SEC. 5. *Monitoring and Reporting.*** – The R&D Council shall  
2 require all funding recipients to submit periodic accomplishment reports  
3 and shall, in turn, submit an annual status report to the Committees on  
4 Science and Technology of both Houses of Congress.

5  
6       **SEC. 6. *Data Banking.*** – The R&D Council shall create and  
7 maintain a central databank of persons who have availed of the R&D  
8 funding pursuant to this Act to serve as directory and guide in promoting  
9 Filipino scientific research and development.

10  
11       **SEC. 7. *Joint Congressional Oversight Committee.*** – There is  
12 hereby created a Joint Congressional Oversight Committee to monitor  
13 the implementation of this Act. The Committee shall be composed of 8  
14 five (5) Senators and five (5) Representatives to be appointed by the  
15 Senate President and the Speaker of the House of Representatives,  
16 respectively. The Oversight Committee shall be co-chaired by a Senator  
17 and a Representative designated by the Senate President and the Speaker  
18 of the House of Representatives, respectively. The Joint Congressional  
19 Oversight Committee shall convene at least once a year.

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21       **SEC. 8. *Implementing Rules and Regulations.***– Within sixty (60)  
22 days from the effectivity of this Act, the DOST, in coordination with the  
23 DICT, DepEd, DOH, DND, DA, DOE, and the DTI, shall promulgate  
24 the rules and regulations necessary to effectively implement the  
25 provisions of this Act.

26  
27       **SEC. 9. *Appropriations.*** – The amount of Fifty Million Pesos  
28 (PhP50,000,000.00) is hereby appropriated for the initial implementation  
29 of this Act and shall be charged against the Contingent Fund in the  
30 General Appropriations Act of the current year. Thereafter, such sums as  
31 may be necessary for the full implementation of this Act shall be  
32 included in the annual General Appropriations Act under the budget of  
33 the DOST. The appropriations for this Act shall be increased  
34 periodically and shall be valid for two (2) years.

1       **SEC. 10. *Separability Clause.*** – If any provision of this Act or  
2 part thereof is declared unconstitutional or invalid, the remainder or any  
3 provisions not affected thereby shall remain in force and effect.  
4

5       **SEC. 11. *Repealing Clause.*** – Any laws, presidential decrees or  
6 issuances, executive orders, letters of instruction, or rules or regulations  
7 inconsistent with the provisions of this Act are hereby repealed or  
8 modified accordingly.  
9

10       **SEC. 12. *Effectivity Clause.*** – This Act shall take effect fifteen  
11 (15) days after its complete publication in the Official Gazette or two (2)  
12 8 newspapers of general circulation.  
13

*Approved,*