

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

House Bill No. **7830**



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

In 2017, the Philippines climbed a rank higher from 74th place out of 127 countries in the Global Innovation Index. These numbers, however, does not in any way indicate that we are faring just fine with our current technological capabilities, especially when our primary directive is to significantly increase our citizens' income and decisively reduce poverty.

Looking beyond the glamor of world rankings, the Philippines' R&D expenditure is demonstrative of the Government's less than stellar commitment to science and technology with only less than a fifth of 1 percent of the GDP, much lesser than the UNESCO recommendation of 1% of the GDP. The Philippines' spending level also pales in comparison with its ASEAN counterparts such as Singapore (2.4%), Malaysia (1.3%), Thailand (0.5%) and Vietnam (0.2%).

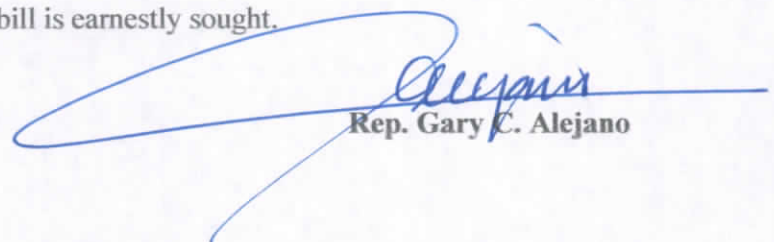
The Philippine Institute for Development Studies share this view and has attributed the country's "low performance" in the index to the low public expenditures on research and development, the insufficient number of research scientists and engineers, inadequate infrastructure, restrictive research regulations, and the weak ties of firms involved in innovation activities to the government and academe.

This proposed measure therefore, seeks to assuage this immediate need by allocating at least 1% of the Gross Domestic Product for scientific and technological activities, which shall cover several areas, including but not limited to: research and development, S&T services, and S&T Education and Training. Both governmental and private STA shall be invested in.

In order to mitigate any possible difficulties in such shift in allocation for STA, the increase shall be incremental until it reaches the prescribed norm on the 5th year. The first five years shall focus on the advancement of agricultural productivity in order for the country to achieve sufficiency of basic food and services and in order to initiate a system towards the production of more complex manufactured products. In its 6th year of implementation, 1% of the GDP shall be allocated solely for R&D activities of the government and private sector with a goal of attaining mastery and competency in the manufacture of complex manufactured products.

A special fund for research and development is also hereby created and constituted from the following sources: 1) allocation of 1% of GDP for S&T activities, 2) all unused R&D allocations, 3) all income derived from R&D

In view of the foregoing, passage of this bill is earnestly sought.


Rep. Gary C. Alejano

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

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

7
8 **Scientific and Technical Education and Training (STET)** are activities
9 comprising higher education and training leading to a university degree, post-graduate and
10 further training, organized lifelong training for scientist and engineers and specialized non-
11 university higher education.

12
13 **SEC. 4. Responsibilities of the DOST.**—The Secretary of Science and Technology in
14 consultation with the STCC shall identify priorities for research and development and science and
15 technology capability development program which would contribute to national development and
16 progress, and to prepare the corresponding budget pursuant thereto.

17
18 **SEC. 5. Computation of Allocation.**—The Gross Domestic Product to be reckoned in
19 reaching the annual budget for science and technology for a particular calendar year shall be the
20 GDP of the immediately preceding year. However, should the country's GDP decreases, the annual
21 budget for scientific and technological activities (STA) shall be pegged at the GDP level before the
22 decline.

23
24 **SEC. 6. Phased Implementation.**—The allocation for scientific and technological activities
25 (STA) shall be gradually increased until it reaches the prescribed norm on the fifth year, which shall
26 include both government and private sector activities. The first year shall focus on enhancement of
27 agricultural productivity to ensure sufficiency of basic food and services and initiate system
28 towards the production of more elaborately transformed products. For the 6th year onwards, one
29 percent of Gross Domestic Product (GDP) shall be allocated solely for research and development
30 (R&D) activities of the government and private sectors and shall aim to attain competency and
31 mastery in the production of elaborately manufactured products and processes.

32
33 **SEC. 7. R&D Appropriations.**—The appropriations pertaining the R&D in the natural,
34 agricultural, technological, and engineering sciences for various departments, bureaus, offices,
35 agencies and state universities and colleges (SUCs) within the Science and Technology Agenda for

1 National Development (STAND) shall be released upon recommendation of the DOST Secretary.
2 For this purpose, the DOST shall issue the necessary guidelines for the implementation of this
3 provision.
4

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

- 7
8 a. allocation of 1 percent of GDP for S&T activities;
9 b. all unused R&D allocations; and
10 c. all income derived from R&D activities
11

12 The fund shall be used only for R&D activities of the agency/institute. The STC shall
13 develop the appropriate mechanism for the management of the R&D fund.
14

15 **SEC. 9. *Annual Compliance Report.***—The Secretary of the Department Budget and
16 Management (DBM) shall make a report of the President’s compliance with Section 2 of this Act to
17 the Speaker of the House of Representatives and the President of the Senate before any proposed
18 annual general appropriation bill shall be taken by both chambers for final consideration and
19 approval.
20

21 **SEC. 10. *Implementing Rules and Regulations.***—The STCC shall prepare the
22 implementing rules and regulations of this Act.
23

24 **SEC. 11. *Separability Clause.***—If any provision of this Act is declared unconstitutional, the
25 same shall not affect the validity and effectivity of the other provisions thereof.
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27 **SEC. 12. *Repealing Clause.***—All laws, decrees, orders, rules and regulations and all other
28 issuances or parts thereof, which are inconsistent with this Act are hereby amended, repealed, or
29 modified accordingly.
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31 **SEC. 13. *Effectivity.***—This Act shall take effect upon its approval.

Approved,

