

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. 433

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

This bill seeks to significantly increase allocation for scientific and technological activities (STAs), particularly research and development (R&D), to at least one percent (1%) of the Gross Domestic Product (GDP), the prescribed UNESCO norm for developing countries. STA covers several areas, to include among others: Research and Development (R&D), S&T Services (STS) and S&T Education and Training (STET).

This bill proposes the allocation for STA to gradually increase until it reaches the prescribed norm on the 5th year which will include both government and private sector activities. The first five years shall focus on enhancement of agricultural productivity to ensure sufficiency of basic food and services and initiate system towards the production of more elaborately transformed products. For the 6th year and onward, one percent 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. Currently, the country is spending on average, 0.12% of GDP which is way below the average for developing countries equal to 1% of GDP, as determined by UNESCO.

In the proposed measure, the DOST Secretary shall identify priorities for Research and Development and S&T capability development programs and prepare the corresponding budget thereto.

Furthermore, appropriations pertaining to R&D in the natural, agricultural, technological and engineering sciences of various departments, bureaus, offices agencies, State Universities and Colleges (SUCs) shall be aligned with S&T priorities as identified by the DOST.

A special fund for research and development to be known as "R&D Fund" shall also be created and 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.

Urgent passage of this bill is earnestly sought.


JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

Introduced by Honorable JUAN EDGARDO “SONNY” M. ANGARA

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

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

SECTION 1. Title. This Act shall be known as the “**Science and Technology Funding Act of 2010.**”

SEC. 2. Policy Statement. In order to sustain economic development and ensure a high level of scientific and technological activities (STAs), the State shall endeavor to allocate an amount equivalent to the prescribed UNESCO norm of at least 1% of the total Gross Domestic Product (GDP) as annual budget for research and development, as approved by the Science and Technological Coordinating Council (STCC) created under Administrative Order No. 123, as amended by AO NO. 125 and AO No. 2002, series of 1995.

SEC. 3. Computation of Allocation. The gross domestic product to be reckoned in reaching the annual budget for research and development for a particular calendar year shall be the GDP of the immediately preceding year. However, should the country's GDP decrease, the annual budget for research and development shall be pegged at the GDP level before the decline.

SEC. 4. Phased Implementation. The allocation for research and development activities 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 years shall focus on enhancement of agricultural productivity to ensure sufficiency of basic food and services and initiate systems towards the production of more elaborately transformed products. For the 6th year onwards, one percent of Gross Domestic Product (GDP) 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 of elaborately

SEC. 5. Definition of Terms. For purposes of this Act, Scientific and Technical Activities (STAs) 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 (R&D); Scientific and Technological Services (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 application.
- 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 (DOST).* The Secretary of the DOST in consultation with the STCC shall 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 sciences for various departments, bureaus, offices, agencies and state universities and college (SUCs) within the National Science Technology Plan (NSTP) shall be released upon recommendation of the Secretary of 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" shall be created and constitute from the following sources:

- a) allocation of 1 percent of GDP for R&D 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 STC 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 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,