

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 2706



Introduced by

HON. YEDDA MARIE K. ROMUALDEZ
and
HON. JUDE A. ACIDRE

AN ACT
STRENGTHENING THE NATIONAL RESEARCH COUNCIL OF THE PHILIPPINES
OF THE DEPARTMENT OF SCIENCE AND TECHNOLOGY FOR THE PROMOTION
OF RESEARCH WORK AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The National Research Council of the Philippines (Council) was established in 1933 by virtue of Act No. 4120, otherwise known as the An Act Creating a National Research Council of the Philippine Islands for the Promotion of Research Work along Scientific Lines. The Council promotes and supports fundamental or basic research for the continuing total improvement of the research capability of individual scientists or group of scientists; provides advice on problems and issues of national interest; promotes scientific and technological culture to all sectors of society; and fosters linkages with local and international scientific organizations for enhanced cooperation in the development and sharing of information.

However, the Philippines still lags behind in terms of scientific research, innovation, and policy development compared to other ASEAN countries. The United Nations Educational, Scientific and Cultural Organization (UNESCO) reported that the number of researchers per million people in the Philippines is way below the standard of at least 380 researchers per 1 million inhabitants in a country; while the number of

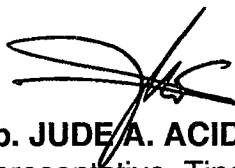
researchers per million inhabitants globally had grown by 9.9 per cent since 2014, the number in the Philippines has decreased from 189 in 2013 to 106 in 2018. Moreover, in the 2018 Global Innovation Index (GII), out of 126 economies, the Philippines ranked 73rd. And out of the 15 countries in Southeast Asia and Oceania, our country placed 13th which was described as "below average."

It is therefore imperative for the State to strengthen the National Research Council of the Philippines for the promotion of research work. This bill shall update the Council's mandate through revised organizational framework and additional funding in order to better respond to the growing needs of the country in promoting evidenced or science-based policy research thereby enhancing human resource capability in research.

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



Rep. YEDDA MARIE K. ROMUALDEZ
Representative, Tingog Sinirangan



Rep. JUDE A. ACIDRE
Representative, Tingog Sinirangan

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

Section 1. *Short Title.* This Act shall be known as the "National Research Council of the Philippines Act of 2022."

Section 2. *Declaration of Policy.* In consonance with Section 10, Article XIV of the 1987 Philippine Constitution, which provides that the State shall give priority to research and development, it is hereby declared to be the policy of the State to promote research and science or evidence-based policy in legislation and government administration.

The State shall support the harmonization of national research agenda, including but not limited to the National Integrated Basic Research Agenda (NIBRA), and the utilization of research in the crafting of development plans in national and local governments that will redound to progress and well-being of the people. It shall also endeavor to decentralize research efforts that will expand opportunities for training and providing budget available to researchers, scholars and scientists in the provinces that will accelerate inclusive development. Empowering the researchers in the

provinces will narrow the disparity on the state of research between the National Capital Region (NCR) and other regions.

The State shall provide support for the creation of clearing house in basic and frontier research, registry of researchers, and scientists who are doing basic and frontier research. This also includes the added role of the National Research Council of the Philippines (NRCP) to conduct impact assessment of research, of development of a center for research and development (R & D), and of a research for development (R for D) training in all the regions of the country.

Section 3. *Objectives.* The National Research Council of the Philippines, and shall hereafter also be referred to as the Council, shall have the following purposes and objectives:

1. To stimulate and support research in the mathematical, physical, and biological sciences, engineering, agriculture, medicine, social sciences, humanities, and the arts, with the objective of increasing knowledge, starting studies of problems of the national defense and security, and contributing in other ways to the public welfare;
2. To survey the larger possibilities of sciences, formulate comprehensive projects of research, including but not limited to the National Integrated Basic Research Agenda (NIBRA), and develop effective means of utilizing the scientific and technical resources of the country for dealing with these projects;
3. To promote cooperation in research in all the regions of the country and abroad in order to secure concentration of effort, instill ethical standards, minimize duplication, and stimulate progress; but in all cooperative undertakings, to give encouragement to individual initiative as fundamentally important to the advancement of science;
4. To gather and collate scientific and technical information locally and internationally, in cooperation with government agencies and other organizations, and to render such information available to duly accredited persons;
5. To promote the continuing total development of the Filipino scientists and researchers as professionals and as members of the larger society;

6. To serve as a consultative body to government policy-makers in matters relating to sciences for development, defense, and security; and to provide a forum for discussion and formulation of scientific plans and policies;
7. To provide research-based recommendations to legislations and in the crafting of laws or plans that are of national and local importance geared towards solving problems of the country. Government institutions, agencies, and instrumentalities shall endeavor to incorporate or embed evidence-based research or studies in the development and passage of laws within their jurisdiction. Corollary to this, the Council shall study and monitor the development of research or evidence-based policies in the government;
8. To establish a custodial/repository site for basic and frontier research; and become the registry and certifying agency for basic and frontier researchers;
9. To contribute in providing support mechanism and capacitate the research capabilities of higher educational institutions (HEIs) and state universities and colleges (SUCs), government agencies, and local government units (LGUs); and,
10. To investigate, examine, experiment, survey and report any subject of importance as called upon by any branch or department of the government, regional development councils (RDCs), and by various LGUs.

Section 4. *Scope.* The law shall have a local and national application involving research for development in all the regions of the country.

Section 5. *Definition of Terms.* For the purposes of this Act, the terms below shall be defined as follows:

- a. *Accreditation* refers to the process in which an authoritative body formally recognizes the competence of researchers to conduct research and other related activities based on the prescribed criteria, guidelines, and standards defined by the Council.
- b. *Clearing House* refers to an agency or organization that collects and distributes information.
- c. *Research* refers to a systematic study directed towards greater knowledge or

understanding of the fundamental aspects of phenomena and of observable facts without specific application towards processes or products in mind. Also called *pure research* or *fundamental research*, it is scientific research aimed to improve scientific theories for improved understanding or prediction of natural or other phenomena. *Basic research* can also be defined as creative work undertaken to increase the stock knowledge, including knowledge of man, culture, and society.

- d. *Repository* refers to a place in which public records are maintained and preserved under the custody and control of a government office.
- e. *Registry* refers to a record of document for registration entered in the appropriate registry book.
- f. *Evidence-based* means it is supported by a large amount of scientific research.
- g. *Capacity-building* refers to a planned development of (or increase in) knowledge, output rate, management, skills, and other capabilities of an organization through acquisition, incentives, technology, and/or training.
- h. *Human development* refers to the process of enlarging people's choices, freedoms and opportunities and improving their well-being. A measurement of achievements by humans through advancement of knowledge, biological changes, habit formation or other criteria that displays changes of standard of living over time.
- i. *Interdisciplinary* refers to combining or involving two or more academic discipline or field of study.
- j. *Frontier Research* refers to an undeveloped field of study; a topic inviting research and development; usually addresses highly controversial issues in the scientific community in the area being explored, deals with hard to answer queries employing normal methodological approaches, employs methodologies and concepts atypical for concerned field, takes unexpected findings challenging dominant paradigm used, focuses on issues where resolution is critical for confirmation or rebuttal of the prevailing paradigm, and involves research with extreme degree of uncertainty or failure.
- k. *National Research* refers to inclusive quality research and innovation programs that involve the various disciplines in the sciences and humanities; concerned

with national or facets of national concern and entailing multidisciplinary and interdisciplinary research and training. It aims to achieve research impact, academic impact, as well as societal and economic impact.

k.1. *Academic impact* refers to the contribution that quality research makes to developments and advances, across and within disciplines, such as advances in knowledge, method, theory, and application.

k.2. *Societal and economic impact* refers to the contribution that research makes to society and the economy, beneficial to individuals, their way of life, and to national development.

Section 6. *Powers of the Council.* The Council shall have the following powers:

1. Shall make its own organization, be incorporated, constituted, and declared a corporate body;
2. Shall adopt, alter, and use a corporate seal;
3. Shall provide implementing rules and regulations to determine its membership, fill vacancies created by death, resignation, or otherwise; shall hold an annual meeting at such place and time as may be determined by the Board, to provide for the election of the Governing Board members, division into classes, and other matters needful or usual in such institutions;
4. Shall collect, receive, and maintain fund/s from government appropriations or from donations, grants, gifts, bequests, loans from domestic and foreign sources, and to apply the income and principal thereof to the promotion of its aims and purposes;
5. Shall own, manage, and hold such real and personal property as shall be necessary for the Council's purposes;
6. Corollary to its purposes and objectives, shall extend financial assistance to, and enter into contracts of every kind and for any lawful purpose, with any person, firm, association, or corporation, domestic or foreign, or others in which it has a lawful interest;
7. Shall have the authority to invest its funds in such undertaking as it may deem beneficial or necessary to carry out its objectives;

8. Shall conduct joint international studies with other research councils or research institutions;
9. Shall extend research support along multi-disciplinal, inter-disciplinal and trans-disciplinal scientific lines in the conduct of forecast studies along security, defense, development, resiliency, and disaster preparedness of the country; and,
10. Shall investigate, examine, experiment, and report upon any subject of science or art, whenever called upon by any department of the government.

Section 7. *The Governing Board.* The affairs of NRCP shall be administered by a Governing Board, as public officials, which shall consist of two (2) members-at-large, the Chairpersons of the Scientific Divisions, and the Secretary of the Department of Science and Technology (DOST) or his/her designate.

The officers of the Council shall consist of a President, Vice-President, Corporate Secretary, and Treasurer. The President of the Council or in case of his absence or inability to act, the Vice-President, shall be the Chief Executive Officer of the Council and shall preside over the meetings of the Council and of the Governing Board.

A majority of the members of the Governing Board shall constitute a quorum for the transaction of the business of the same.

Section 8. *Functions and Responsibilities of the Governing Board.* The Governing Board shall have the following functions:

1. Formulate and adopt policies and measures for the management and operation of the Council including the admission of its members;
2. Elect the President of the Council who shall come from among the elected members of the Board;
3. Approve the staffing pattern of the Council;
4. Promulgate rules and regulations for the discharge of its powers and functions and the internal operations of the Council; *Provided*, That the President of the Board shall exercise the power to appoint, promote discipline, or remove the personnel of the Council;

5. Manage the financial affairs of the Council and approve the annual budget of receipt and expenditures of the Council according to its requirements;
6. Monitor and review periodically the programs and projects of the Council; and,
7. Modify the number of divisions and the grouping of subjects to meet the changing needs of science in the country.

Section 9. *President of the Council.* The President of the Council shall be elected by the Governing Board annually and shall serve for one year and may be re-elected for a maximum of three years. He shall be the executive officer of the Council and shall receive honoraria as may be determined by the Governing Board. He/she shall have the following powers and duties:

1. Prepare, for the approval of the Governing Board, the staffing pattern of the Council, which shall include the determination of the qualifications, and fixing the number and compensation of such officials and personnel as may be necessary for the proper discharge of the function of the Council;
2. Control and supervise the personnel, staff, operations, and internal administration of the Council, in accordance with existing laws and rules and regulations promulgated by the Governing Board;
3. Recommend to the Governing Board such policies and measures necessary for the effective exercise and discharge of the powers and responsibilities of the Council; and,
4. Submit an annual report to the Governing Board on the operations, the status of the programs funded by the Council, and the financial condition of the Council, including a recommendation for its budget for the ensuing year.

Section 10. *Executive Director.* There shall be an Executive Director who shall be appointed by the Governing Board and shall have the rank of a Bureau Director, with a *plantilla* position. The Executive Director shall exercise administrative supervision over the personnel, staff of the Council, and shall be the primary implementer of the policies and guidelines set by the Governing Board.

Section 11. *Research Fellows.* The Council is hereby authorized to engage

its member-researchers to conduct specialized studies and research of the Council. Those engaged by the Council shall be issued appointments as Researcher Fellows and shall be paid an honoraria as determined by the Governing Board.

Section 12. *Endowment Fund.* An NRCP endowment fund shall be established, which shall be self-sustaining and consist of contributions, donations, grants, or loans from domestic and/or foreign sources, government subsidies, and other income accrued from the operations of the Council. For the initial organizational and operational requirements of the Council, there is hereby appropriated out of any funds in the National Treasury not otherwise appropriated the sum of FIVE HUNDRED MILLION PESOS (₱500,000,000.00). Hereafter, funding for the operational activities of the Council shall be generated by the Council from earnings of this Fund.

In granting the endowment fund, the national government shall provide a 3-year allocation beginning from the year of the approval of this Act.

The NRC is hereby authorized and empowered to receive bequests and donations, hold the same in trust, to be applied by the Council in aid of scientific investigations, examinations, and experiments.

Section 13. *Government Contribution to Research Funding.* There shall be a research and development budget, not less than ten per cent (10%), included in the annual budget of the DOST as contribution in financing the research activities of the Council of national application. Other government agencies are hereby authorized to include in their respective annual budget such necessary amounts as their contribution through the funding of certain research activities of the Council. These contributions shall be managed under a separate account. The Council shall submit to the DOST Secretary a program of work with budget estimates for each calendar year, not later than the last day of February of the preceding year.

In order to pursue the defense and security research agenda of the country, the Department of National Defense (DND) and other agencies with a mandate to promote public well-being are authorized and empowered to allocate funds to the NRCP in the conduct of such research along scientific lines.

To ensure the availability of research funds in the LGUs, particularly the

provinces, cities, and municipalities, a one per cent (1%) allotment for research from its annual budget shall be provided for such purpose in the utilization along the NIBRA and Regional Development Council (RDC) Agenda, as such the LGU shall seek clearance and review from the NRCP to guarantee equitable provisions for research in the countryside vis-à-vis Luzon, Visayas and Mindanao.

Section 14. *Regional Offices.* In order to decentralize research and empower the capacity of the regions to perform policy research, satellite offices attached to the DOST shall be established in all regional areas. The Regional Offices shall oversee the NRCP regional chapters which will be established in order to address region-specific concerns and to promote a science culture in the regions.

Section 15. *Exemption from Taxes.* Any provision of law to the contrary notwithstanding, any donation, contribution, bequest, subsidy, or financial aid which may be made to the Council shall be exempt from taxes of any kind and shall constitute allowable deductions in full from the income of the donors or grantors for income tax purposes. The Council, its assets, acquisitions, income, and its operations and transactions shall be exempt from any and all taxes, fees, charges, imports, licenses, and assessments, direct or indirect, imposed by the Republic of the Philippines or any of its political subdivision. In carrying out its functions, and its purposes and powers provided in this Act, the Council shall be exempt from the payment of all internal revenue taxes, fees, assessment, and other charges of the government.

Section 16. *Tax Incentives.* Expenses for research shall henceforth be deemed as deductions from gross income within the contemplation of the National Internal Revenue Code (NIRC). Such expenses for research shall include, among others, research grants to faculty members of universities conducting independent research or commissioned by the private sector for business purposes.

All entities doing business in the Philippines in the field of research or those that use new technology or research-based business activities shall be exempt from the payment of income tax for a period of two (2) years from the time of the commencement of their research or technology-based business.

Section 17. *Reporting Responsibility.* The NRCP shall submit an annual report to both Houses of Congress and to the Office of the President providing an accurate account of its work and activities during the corresponding fiscal year.

Section 18. *Building Site.* The parcel of land presently occupied by the NRCP, more particularly described and delineated under Proclamation No. 376 series of 1968, for building site and science community site purposes, containing an area of fourteen thousand four hundred sixteen square meters (14,416 sqm), is hereby permanently transferred to NRCP.

Section 19. *Implementing Rules and Regulations.* The NRCP, with other concerned government departments, agencies, and representatives mentioned in Section 8 hereof shall within ninety (90) days from the effectivity of this Act issue the necessary implementing rules and regulations of this Act.

Section 20. *Repealing Clause.* Act No. 4120, otherwise known as "An Act Creating a National Research Council of the Philippine Island for the Promotion of Research Work Along Scientific Lines," is hereby repealed. All laws, executive orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby amended or repealed accordingly.

Section 21. *Separability Clause.* If any part or provision of this Act shall be declared invalid or unconstitutional, the other provisions hereof not affected shall continue to be in full force and effect.

Section 22. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,