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REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 5074



Introduced by Pangasinan Fifth District Representative
HON. RAMON V. GUICO III

EXPLANATORY NOTE

One of the hallmarks of prosperity is the accumulation of knowledge and the proficient application of the same. Lessons learned from global leaders in innovation point us toward the prioritization of science and technological activities in the pursuance of productivity growth and yet we, as a country, remain largely unappreciative of the fact. To illustrate, the 2018 report by the United Nations Educational, Scientific and Cultural Organization revealed that the Philippines has spent a meagre total of .14% of its Gross Domestic Product for research and development, which is a pittance even when compared to the research and development spending by fellow developing economies such as South Africa, Kenya, and Senegal, which for all three are around .8%; Argentina and Costa Rica at 0.6% and Mexico, 0.5%, among others.

Being a developing economy, investing in science and technology is highly necessary if we are to keep moving forward. The zeitgeist of the 21st century is characterized by rapid technological advancements and the pathetic pace of our very own science and technology industries cannot hope to compete in a global platform if this trend continues. As such, it is the determination of this representation to declare, as a matter of state policy, the increased spending for science and technological activities equivalent to 1% of the total Gross Domestic Product of the country.

The Philippines had, time and again, proven that we have individuals and industries no less than prolific in science and technology; however we must bear in mind that much of our potential remains untapped waiting for sustained and sufficient support. If government's rallying cry is development, then there is no way it should ignore the need for sustained science and technological activities.

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


Rep. Ramon V. Guico III

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

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

1 **SECTION 1. Short Title.**—This Act shall be known as the “Science and Technological
2 Activities Reinforcement (STAR) Act.”
3

4 **SEC. 2. Declaration of Policy.**—The State recognizes the need to sustain economic
5 development and ensure a high level of scientific and technological activities (STA). In pursuance of
6 this, it is hereby declared the policy of the State to allocate an amount equivalent to the prescribed
7 UNESCO norm of at least 1% of the total Gross Domestic Product (GDP) as annual budget for
8 scientific and technological activities (STA) as approved by the Science and Technological
9 Coordinating Council (STCC) created under Administrative Order No. 123, as amended by AO No.
10 125 and AO No. 202, series of 1995.
11

12 **SEC. 3. Definition of Terms.**—For purposes of this Act:
13

14 **Scientific and Technical Activities (STA)** shall be defined as all systematic activities
15 which are closely concerned with generation, advancement, dissemination, and
16 application of scientific and technical knowledge in all fields of Science and
17 Technology. STA shall include the following: Research and Experimental Development
18 (R&D); Scientific and Technological Services (STS); and Scientific and Technical
19 Education and Training (STET).
20

21 **Research and development (R&D)** is any systematic and creative work undertaken in
22 order to increase the stock of knowledge of man, culture and society, and the use of this
23 knowledge to devise new applications.
24

25 **Scientific and Technological Services (STS)** is any activity concerned with scientific
26 and experimental development and contributing to the generation, dissemination and
27 application of scientific and technical knowledge.
28

1 **Scientific and Technical Education and Training (STET)** are activities comprising
2 higher education and training leading to a university degree, post-graduate and further
3 training, organized lifelong training for scientist and engineers and specialized non-
4 university higher education.
5

6 **SEC. 4. Responsibilities of the DOST.**—The Secretary of Science and Technology in
7 consultation with the STCC shall identify priorities for research and development and science and
8 technology capability development program which would contribute to national development and
9 progress, and to prepare the corresponding budget pursuant thereto.
10

11 **SEC. 5. Computation of Allocation.**—The Gross Domestic Product to be reckoned in reaching
12 the annual budget for science and technology for a particular calendar year shall be the GDP of the
13 immediately preceding year. However, should the country's GDP decreases, the annual budget for
14 scientific and technological activities (STA) shall be pegged at the GDP level before the decline.
15

16 **SEC. 6. Phased Implementation.**—The allocation for scientific and technological activities
17 (STA) shall be gradually increased until it reaches the prescribed norm on the fifth year, which shall
18 include both government and private sector activities. For the 6th year onwards, one percent of Gross
19 Domestic Product (GDP) shall be allocated solely for research and development (R&D) activities of
20 the government and private sectors and shall aim to attain competency and mastery in the production of
21 elaborately manufactured products and processes.
22

23 **SEC. 7. R&D Appropriations.**—The appropriations pertaining the R&D in the natural,
24 agricultural, technological, and engineering sciences for various departments, bureaus, offices, agencies
25 and state universities and colleges (SUCs) within the Science and Technology Agenda for National
26 Development (STAND) shall be released upon recommendation of the DOST Secretary. For this
27 purpose, the DOST shall issue the necessary guidelines for the implementation of this provision.
28

29 **SEC. 8. Special R&D Fund.**—A special fund for research and development to be known as
30 "R&D" shall be created and constitute from the following sources:
31

- 32 a. allocation of 1 percent of GDP for S&T activities;
- 33 b. all unused R&D allocations; and
- 34 c. all income derived from R&D activities
35

36 The fund shall be used only for R&D activities of the agency/institute. The STCC shall develop
37 the appropriate mechanism for the management of the R&D fund.
38

39 **SEC. 9. Annual Compliance Report.**—The Department of Budget and Management (DBM)
40 shall make a report of the President's compliance with Section 2 of this Act to the Speaker of the
41 House of Representatives and the President of the Senate before any proposed annual general
42 appropriation bill shall be taken by both chambers for final consideration and approval.
43

44 **SEC. 10. Implementing Rules and Regulations.**—The STCC shall prepare the implementing
45 rules and regulations of this Act.
46

47 **SEC. 11. Separability Clause**—If any provision of this Act is declared unconstitutional, the
48 same shall not affect the validity and effectivity of the other provisions thereof.
49

1 **SEC. 12. *Repealing Clause.***—All laws, decrees, orders, rules and regulations and all other
2 issuances or parts thereof, which are inconsistent with this Act are hereby amended, repealed, or
3 modified accordingly.

4
5 **SEC. 13. *Effectivity.***—This Act shall take effect upon its approval.
 Approved,