

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
SEVENTEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 3799

Introduced by Representative Divina Grace C. Yu

EXPLANATORY NOTE

This bill seeks to establish the National Research and Development Authority, defining its powers and functions and appropriating funds for its operation.

Research and development is vital in fostering economic growth and encouraging technological innovation and entrepreneurship. It enhances the knowledge base of the research institutions and industries, stimulates high value-added research and development and encourages research and development collaboration. With this in mind, there is a need to harmonize the research and development undertakings of the government to minimize, if not totally avoid, duplication of research and development activities and wasting public funds and scarce resources.

The government needs to maximize the talents and knowledge of many Filipino researchers and scientists to significantly contribute to the progress of the country. By harmonizing the research and development programs of the government, it will ensure the proper use of scarce public resources to address societal problems that directly affect the people like urban congestion, poverty, food shortage, disasters, and disease. By encouraging research and development collaboration, the business or private sector would realize the usefulness of the government research and development activities to their respective industries.

Under the proposed measure, the National Research and Development Authority will be established and mandated to: 1) coordinate the research and development activities of departments, agencies, academe, business sector and non-government organizations; 2) recommend and appropriate regular and permanent institutional arrangement for coordinating and overseeing the allocation of research and development budgets to government departments, agencies and state colleges and universities; 3) recommend a system of establishing priority research and development areas where government funding should be directed; 4) institute appropriate measures to establish a monitoring and evaluation system for both public and private research and development institutions that use public funds; 5) recommend mechanisms, structures and measures to encourage greater private research and development funding as well as international funding for research and development initiatives; 6) provide an overall strategy for the use of science in research and development activities; and 7) undertake, assist or promote scientific and industrial research.

This bill also aims to create a strong link among the government research and development institutions, non-government research and science organizations and their counterparts in the business sector.

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



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1
2 **AN ACT**
3 **ESTABLISHING THE NATIONAL RESEARCH AND**
4 **DEVELOPMENT AUTHORITY, DEFINING ITS POWERS**
5 **AND FUNCTIONS AND APPROPRIATING FUNDS**
6 **THEREFOR**
7

8 *Be it enacted by the Senate and the House of Representatives of the*
9 *Philippines in Congress assembled:*
10

11 SECTION 1. ***Short Title.*** – This Act shall be known as the
12 *“National Research and Development Authority Act.”*

13 SEC. 2. ***Declaration of Policy.*** – The State recognizes that
14 science and technology are essential for national development and
15 progress. Towards this end, the State shall promulgate measures to
16 promote scientific research and development for the creation of new
17 products, services, processes and technology and provide solutions to
18 the challenges confronting the country’s economy and the society.

19 SEC. 3. ***National Research and Development***
20 ***Authority.*** – There is hereby established a National Research and
21 Development Authority, hereinafter referred to as the Authority,
22 which shall be attached to the Department of Science and
23 Technology for policy and program coordination.

1 SEC. 4. ***Purposes and Functions.*** – The Authority shall
2 exercise the following purposes and functions:

3 a) To review the institutional arrangements for
4 coordinating the research and development activities of government
5 departments and agencies, academe, business sector, and non-
6 government organizations and recommend the appropriate regular
7 and permanent institutional arrangement for coordinating and
8 overseeing the allocation of research and development budgets to
9 government departments, agencies and state colleges and
10 universities;

11 b) To recommend a system of establishing priority research
12 and development areas where government funding shall be directed;

13 c) To institute appropriate measures to establish a
14 monitoring and evaluation system for both public and private
15 research and development institutions that utilize public funds;

16 d) To recommend mechanisms, structures and measures to
17 encourage greater private research and development funding as well
18 as international funding for research and development initiatives;

19 e) To provide an overall strategy for the use of science in
20 research and development activities;

21 f) To undertake, assist or promote scientific and industrial
22 research, including:

23 1) Utilization of the natural resources;

24 2) Researches with the objective of improving the
25 technical processes and methods used in the industries, and
26 of discovering processes and methods that may promote the
27 expansion of existing or the development of new industries;

28 3) Researches with the view of utilizing the waste
29 products of industries;

- 1 4) Investigation and determination of standards and
2 methods of measurements, including length, volume, weight,
3 mass, capacity, time, heat, light, electricity, magnetism and
4 other forms of energy, and the investigation and
5 determination of physical constants and the fundamental
6 properties of matter;
- 7 5) Standardization and certification of the scientific
8 and technical apparatus and instruments for the government
9 service and for use in industries;
- 10 6) Determination of the standards of quality of the
11 materials used in construction of public works and of the
12 supplies used in the various branches of the government
13 service;
- 14 7) Investigation and standardization, at the request
15 of any of the industries operating in the country, of the
16 materials used or usable in, or the products of, the industries
17 making the request; and
- 18 8) Researches which aim to improve conditions in
19 agriculture.
- 20 g) To set the direction or exercise supervision over the
21 researches that may be undertaken, under conditions to be
22 determined in each case by the Authority, by the departments,
23 agencies, academe, organizations or persons conducting research
24 and development activities with government funding;
- 25 h) To publish and sell or otherwise distribute, subject to
26 the approval of the Board of Trustees, such scientific and technical
27 information as the Authority deems necessary;
- 28 i) To carry on work and manufacturing of an experimental
29 and developmental nature with respect to the matters referred to in

1 paragraphs (f) and (g) so as to render the processes, methods or
2 products relating to those matters more available and effective in
3 useful arts and manufacturing and for scientific purposes and in
4 other matters; and

5 j) To license, sell or otherwise grant or make available to
6 others, and receive royalties, fees and payments for, Philippine or
7 other patent rights or any other rights, vested in or owned or
8 controlled by the Authority, to or in respect of any discovery,
9 invention or improvement in any art, process, apparatus, machine,
10 manufacture or composition of matter.

11 SEC. 5. **Board of Trustees.** – The administration of the
12 Authority and the exercise of its powers are vested exclusively in its
13 Board of Trustees which is composed of the following:

- 14 a) Secretary of Science and Technology, as chairperson;
- 15 b) Secretary of Agriculture; as vice-chairperson;
- 16 c) Secretary of Budget and Management;
- 17 d) Secretary of Energy;
- 18 e) Secretary of Environment and Natural Resources;
- 19 f) Secretary of Health;
- 20 g) Secretary of National Defense;
- 21 h) Secretary of Socio-Economic Planning;
- 22 i) Secretary of Trade and Industry;
- 23 j) Chairperson of the Commission on Higher Education;
- 24 k) Executive Director of the Information and
25 Communications Technology Office;
- 26 l) President of the National Academy of Science and
27 Technology;
- 28 m) President of the National Research Council of the
29 Philippines;

- 1 n) Four (4) representatives from the private sector; and
- 2 o) Two (2) representatives from organizations of scientists
- 3 and engineers engaged in research and development, as members.

4 The representatives from the private sector and from
5 organizations of scientists and engineers engaged in research and
6 development shall be appointed by the President of the Philippines
7 upon recommendation by the Secretary of Science and Technology.
8 They shall serve for a term of five (5) years without reappointment.

9 In case of vacancy by reason of death, resignation, removal for
10 cause or incapacity of the representatives from the private sector and
11 from organizations of scientists and engineers, the successor shall
12 hold office only for the unexpired portion of the term.

13 SEC. 6. ***Powers and Functions of the Board of***
14 ***Trustees.*** – The Board of Trustees shall exercise the following
15 powers and functions:

- 16 a) To adopt, alter and use an official seal;
- 17 b) To promulgate rules and regulations not contrary to law
- 18 as may be necessary to carry out the purposes and functions of the
- 19 Authority;
- 20 c) To collect, receive and maintain a fund or funds from
- 21 government appropriations and from donations, grants, gifts,
- 22 bequests, loans from domestic and foreign sources, and to apply the
- 23 income and principal thereof to the promotion of its aims and
- 24 purposes;
- 25 d) To own, manage and hold such real and personal
- 26 property as shall be necessary for purposes of the Authority;
- 27 e) To receive and appropriate all sums as may be provided
- 28 for the support of the Authority in the manner it may determine to
- 29 carry out the purposes and functions of the Authority;

1 f) To receive in trust legacies, gifts and donations of real
2 and personal properties of all kinds and administer or dispose of the
3 same when necessary for the benefit of the Authority, subject to
4 limitations, directions and instructions of the donor, if any.

5 Such donations are exempt from the donor's tax and are
6 considered as allowable deductions from the gross income in the
7 computation of the income tax of the donor, in accordance with the
8 provisions of the National Internal Revenue Code, as amended:

9 *Provided*, That such donations shall not be disposed of, transferred
10 or sold;

11 g) To authorize the construction or repair of buildings,
12 equipment and other facilities, and the purchase and acquisition of
13 real and personal properties, including necessary supplies, materials
14 and equipment;

15 h) To appoint, upon the recommendation of the Executive
16 Director of the Authority, the officials and employees of the
17 Authority in accordance with a staffing pattern duly approved by the
18 Board of Trustees;

19 i) To fix and adjust the salaries of officials and employees
20 subject to the provisions of the Revised Compensation and Position
21 Classification System, as amended, and other pertinent budget and
22 compensation laws governing hours of service, and such other duties
23 and conditions as it may deem proper, to grant them at its discretion,
24 leaves of absence under regulations as it may promulgate, any
25 provision of existing law to the contrary notwithstanding and to
26 remove them for cause in accordance with the requirements of due
27 process;

28 j) To approve the institutional programs, projects and rules
29 of discipline drawn by the Executive Director of the Authority;

1 k) To delegate any of its powers and duties to the Executive
2 Director or other officials of the Authority as it may deem
3 appropriate so as to expedite the administration of the affairs of the
4 Authority;

5 l) To develop consortia and other forms of linkages with
6 LGUs, institutions and agencies, both public and private, local and
7 foreign, in furtherance of the purposes and objectives of the
8 Authority;

9 m) To develop arrangements for institutional capability
10 building with appropriate institutions and agencies, public or
11 private, local or foreign, and to appoint experts or specialists as
12 consultants, or visiting or exchange researchers, as the case may be;
13 and

14 n) To establish policy guidelines and procedures for
15 participative decision-making and transparency within the
16 Authority.

17 SEC. 7. **Board Meetings; Quorum.** – The Board of
18 Trustees shall regularly convene at least once every quarter. The
19 Chairperson of the Board of Trustees may call a special meeting
20 whenever necessary: *Provided*, That members are notified in writing
21 at least three (3) days prior to the special meeting.

22 A majority of all members holding office constitutes a quorum
23 for board meetings. The members shall serve without compensation,
24 but they shall be reimbursed for necessary expenses incurred in their
25 attendance of meetings of the Board of Trustees or in connection
26 with their official business authorized by resolution of the Board of
27 Trustees, subject to existing laws and regulations.

28 SEC. 8. **Executive Director of the Authority; Term of**
29 **Office.** – The Board of Trustees shall appoint an Executive Director

1 who shall render full time service as the chief executive officer of the
2 Authority. The Executive Director shall have a term of four (4) years
3 and is eligible for reappointment for another term.

4 In case of vacancy by reason of death, compulsory retirement,
5 resignation, removal for cause or incapacity of the Executive Director
6 to perform the functions of the office, the Board shall designate an
7 officer-in-charge within six (6) months from the date of vacancy,
8 pending the appointment of a new Executive Director. In case of
9 vacancy in the office of the Executive Director, the successor shall
10 hold office only for the unexpired portion of the term.

11 The salary of the Executive Director of the Authority is in
12 accordance with the Revised Compensation and Position
13 Classification System, as amended, and other pertinent budget and
14 compensation laws. The salary of the Executive Director is equivalent
15 to that being received by a Department Undersecretary.

16 **SEC. 9. *Powers and Duties of the Executive Director.* –**
17 The Executive Director of the Authority shall exercise the following
18 powers and duties:

19 a) To submit for the consideration of the Board of Trustees
20 the policies and measures necessary to carry out the purposes and
21 objectives of the Authority;

22 b) To recommend, coordinate and administer the programs
23 and projects of the Authority;

24 c) To direct and supervise the operations and internal
25 administration of the Authority, and to delegate administrative
26 responsibilities in accordance with the rules and regulations of the
27 Authority;

28 d) To submit an annual report to the Board of Trustees
29 setting forth the work of the Authority during the year, its financial

1 operations and status, and a program and budget for the ensuing
2 year; and

3 e) To exercise such other powers and to discharge such
4 other functions as may be vested in him by the Board of Trustees.

5 SEC. 10. **Secretary.** – The Board of Trustees shall appoint
6 a Secretary, who shall serve as such for both the Authority and the
7 Board of Trustees, and the Secretary shall keep all records of the
8 Board.

9 SEC. 11. **Treasurer.** – The Treasurer of the Philippines
10 shall be the *ex officio* Treasurer of the Authority.

11 SEC. 12. **Development Plan; Organizational and**
12 **Administrative Structure.** – Within one hundred twenty (120)
13 days after the approval of this Act, the Authority shall accomplish the
14 following:

15 a) Submit to the President of the Philippines and to both
16 Houses of Congress a five (5) year development plan, including
17 program budget; and

18 b) Set up its organizational and administrative structure
19 including the appointment of key officials, secretariat personnel and
20 technical working groups necessary to accomplish the purposes and
21 functions of the Authority.

22 The Secretary of Science and Technology shall identify
23 available government buildings which may be utilized by the
24 Authority initially as its head office. The Authority is also allowed to
25 utilize other idle or available government real property to fulfill its
26 mandate.

27 SEC. 13. **Exemption from Republic Act No. 9184.** – The
28 provisions of Republic Act No. 9184, otherwise known as the
29 “Government Procurement Reform Act” shall not apply to the

1 procurement for all items, supplies, materials and general support
2 services, including consulting services, which may be needed by
3 departments, agencies, state universities and colleges, government-
4 owned or controlled corporations, and organizations in the pursuit of
5 any research and development undertaking, project or activity.

6 For this purpose, the Board of Trustees shall certify such
7 procurement whether in the nature of equipment, furniture,
8 stationery, materials for construction, or personal property of any
9 kind, including non-personal or contractual services, including the
10 repair and maintenance of equipment and furniture, as well as
11 trucking, hauling, and related or analogous services.

12 The term "related or analogous services" includes lease or
13 purchase of office space, media advertisements, health maintenance
14 services, and other services essential to the operation of the
15 procuring entity engaged in any research and development
16 undertaking, project or activity.

17 Purchases and other transactions entered into by the Authority
18 through the Board of Trustees are exempted from all taxes and
19 duties.

20 SEC. 14. **Appropriations.** – The amount of Fifty Million
21 Pesos (P50,000,000.00) for the initial operation of the Authority is
22 hereby appropriated out of any funds in the National Treasury not
23 otherwise appropriated. Thereafter, such sum as may be necessary
24 for the continued operation of the Authority is included in the annual
25 General Appropriations Act.

26 SEC. 15. **Separability Clause.** – If any provision or part of
27 this Act is declared unconstitutional or invalid, the remaining parts
28 or provisions not affected remain in full force and effect.

29 SEC. 16. **Repealing Clause.** – Executive Order No. 604

1 creating the Presidential Coordinating Council on Research and
2 Development is hereby repealed. All other laws, decrees, executive
3 issuances, ordinances, rules and regulations and other issuances or
4 parts thereof, which are inconsistent with this Act, are hereby
5 repealed, amended or modified accordingly.

6 SEC. 17. **Effectivity Clause.** - This Act shall take effect
7 fifteen (15) days after publication in the *Official Gazette* or in a
8 national newspaper of general circulation.

9
10 Approved,
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