

## Department of Science and Technology

### Science for Change (S4C): Accelerated R&D Program for Capacity Building of Research and Development Institutions and Industrial Competitiveness

#### CALL FOR PROPOSALS 2017

#### Business Innovation through S&T (BIST) for Industry

##### I. Introduction

The private sector has an indispensable role in national growth and development. The government needs to demonstrate risk taking in undertaking Research and Development (R&D) and investing in new technologies, in partnership with the private sector.

It is in this context that the Department of Science and Technology (DOST) is embarking on strengthening the science, technology, and innovation (STI) activities of industry sectors to enhance the competitiveness of Filipino companies through the acquisition of strategic and relevant technologies.

The Business Innovation through S&T (BIST) for Industry Program of DOST aims to facilitate the acquisition of strategic and relevant technologies by Filipino companies for immediate incorporation in their R&D activities. This program will contribute to the technology development value chain as it provides the means for the industry to undertake R&D and acquire advanced technology for global competitiveness.

The BIST will provide financial assistance to private companies to undertake R&D and enhance their technological capacity. The financial assistance can be used for acquisition of high-tech equipment and machinery, technology licensing, and acquisition of patent rights. The total assistance provided shall be returned to DOST after the acquisition of equipment/technology has been completed.

The DOST is now ready to accept research and development (R&D) proposals for 2017 from private industry companies for the **BIST Program**. The R&D proposals should meet the program objectives which are:

- To promote industry-based R&D, and technology upgrading through the introduction and utilization of modern and efficient technology in the manufacturing and physical development of existing and new products or processes; and
- To enhance the competitiveness of industries to enable them to compete globally.

The proposed technology acquisition must be aligned with the AmBisyon 2040, the Harmonized National R&D Agenda 2017-2022, and the Investment Priority Plan 2017-2022.

## **II. Priority Areas for Funding**

In scaling up and opening R&D opportunities to a broader segment of the population, the BIST Program will prioritize the following industry sectors.

- Agri-processing
- Agriculture, Fishery and Forestry
- IC Design
- Semi-conductor and Electronics
- Creative Industries/Knowledge-based Services
- Renewable Energy
- Industrial Waste Treatment
- Information and Communication Technology (includes Artificial Intelligence)
- Food and Nutrition
- Infrastructure and Logistics
- Environment and Climate Change
- Manufacturing under Industry 4.0 (automation robotics control)

## **III. Expected Output**

The proposal/s should be able to create value by providing Solution to Needs, and by maximizing its Benefits through Differentiating with competing products or technologies.

The term “OUTPUT” means an activity, effort, and/or associated work product related to project goals and objectives that will be produced or provided over a period of time or by a specified date. Outputs may be quantitative or qualitative but must be measurable during an assistance agreement-funding period. Expected outputs from the projects to be funded may include any of the following:

- Publications (in recognized scientific journals)
- Patents (tangible measure of innovation)
- Products/ Process (commercial value of outputs)
- People Services (increase in the scientific workforce)
- Places (facilities that enable increased 4Ps output)
- Policies (adopted science-based guidelines)

The term “OUTCOME” means the result, effect or consequence that will occur from carrying out a project or activity that is related to programmatic goal or objective. Outcomes may be environmental, behavioral, health-related, or programmatic in nature, but must be quantitative. These may not necessarily be achievable within an assistance agreement-funding period.

Specifically, the expected outcome is that the industry sectors become more globally competitive by undertaking R&D and enhanced their technology level and production processes.

## **IV. Procedure for Proposal’s Submission, Evaluation and Approval**

- a) Interested private companies shall submit a letter of intent to avail of assistance under the BIST Program to the Office of the Undersecretary for R&D (OUSEC R&D).

- b) The letter of intent shall be accompanied with a capsule proposal using DOST Form No. 1A and 1B downloadable from <http://gia.dost.gov.ph/site/index.php/aux-downloads/category/2-dwn-forms>.
- c) The OUSEC R&D through the Sectoral Councils, shall conduct a Technology Needs Assessment (TNA), if and when necessary, to identify the company's current issues/concerns that need to be addressed, requirement for improvements and potential scientific and technological interventions needed.
- d) The proposals shall undergo the DOST-GIA evaluation process through the DOST Councils – PCAARRD, PCHRD, PCIEERD and NRCP, for endorsement and approval of the DOST-Executive Committee.

a) Eligibility of Proponent

- The grants under BIST will be available to private industry companies or their consortium/organizations, incorporated in the Philippines. A private industry company shall refer to any juridical entity such as but not limited to people's organization, consortiums, industry/trade/business associations, and other similar private entity.
- The company must be at least 60% Filipino-owned.
- The prospective companies should have proven technical, financial and marketing background and must be operational for at least 3 years.

b) Eligible expenses

- The acquisition of technology could be in the form of acquiring know-how/rights/blueprints of a registered Intellectual Property via one of the following methods:
  - Licensing of technology; and
  - Outright purchase of technology

c) Through BIST, the DOST shall provide financial assistance to the private sector industries through the following funding structure:

- For licensing of technology: 70% of the eligible expenses. The remaining 30% of funding must be sourced by the applicant.
- For purchase of equipment: 70% of the eligible expenses. The remaining 30% of funding must be sourced by the applicant.

d) General Criteria

- All proposals for technology acquisition submitted should be in line with the priority industries identified by the Department of Trade and Industry (DTI);
- The technology to be acquired must be a registered Intellectual Property (Patent/Copyright/Industrial Design) with proven and significant sales volume;
- The proposed technology must be tangible in nature or can be incorporated into tangible product;

- The technology provider must not hold controlling stake in any company of the private industry sectors in the Philippines. However, small equity holding may be acceptable.
- The appropriate Council shall regularly monitor the company. Failure to deliver the expected outputs after Year 1 will be grounds for project termination. DOST has the right to revoke and retrieve the amount disbursed to the company through legal channel.

e) Refund Mechanism/Restructuring

- The proposed technology acquisition shall be a multi-year project with a duration of four to five years. Refund of project funds shall commence not later than twelve (12) months after the completion of technology acquisition and clearly stated in the MOA for the project.
- Refund shall be for a period of three (3) to five (5) years depending on the nature of the technology acquired and financial capacity of the cooperator subject to the approval of the DOST-EXECOM.

f) Application Requirements

- Capsule proposal following the DOST format (DOST Form 1A and 1B)
- Letter of intent to avail of the BIST assistance; stating commitment to refund the cost of technology acquisition and cover the insurance cost of the acquired technology/equipment
- Fully accomplished DOST TNA Form 1, "Application for Technology Needs Assessment"
- Copy of business permits and licenses issued by the LGUs and other government offices
- Certificate of registration with the Department of Trade and Industry (DTI) or Securities and Exchange Commission (SEC), whichever is applicable
- Financial statements for at least two (2) years
- Business plan including itemized costing, manufacturing and operational plan, and financial projection
- CV of Management and Technical Team
- Technology Transfer Agreement (Licensing/Outright purchase)
  - Amount of licensing
  - Market territory
  - Royalty
  - Duration
  - Exclusivity
  - Payment schedule
  - Project milestone

**V. Office of the Undersecretary for R&D Contact:**

For further inquiries, the applicant may contact:

Office of the Undersecretary for R&D  
Room 212, DOST Main Building, Bicutan, Taguig City

usecrd@dost.gov.ph & s4c.ousecrd@gmail.com  
837-2930/ 837-2943

All questions or comments must be communicated in writing via postal mail, facsimile, or electronic mail to the above address/phone/email.

#### **Timetable/Schedule**

<b>Stages</b>	<b>Indicative Period</b>
Call for Proposals	02 May 2017
Deadline for Submission of Capsule Proposals	15 June 2017
Evaluation Period for Capsule Proposals	16 June to 15 July 2017
Deadline for Submission of Full-blown Proposals (only for those with approved Capsule Proposals)	31 July 2017
Evaluation Period for Full-blown Proposals	01 August to 31 October 2017
Information given to Proponents on the Status of Proposals	02 November to 15 December 2017

#### **NOTE:**

Early submission of proposals is encouraged. Notice of acceptance and grant of project may be given in advance for proposals that are submitted early. Late and incomplete submission will not be accepted.