Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION
Region 02

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RELEASED
Date: 10/01/21
Signature:

REGIONAL MEMORANDUM
No. 292, Series of 2021

FOR : **ALL PRESIDENTS/ OFFICERS-IN-CHARGE/HEADS OF PUBLIC AND PRIVATE HIGHER EDUCATION INSTITUTIONS (HEIs)**

SUBJECT : **GUIDELINES FOR THE IMPLEMENTATION OF THE INDUSTRY-CRADLE PROGRAM (I-CRADLE) OF THE ACCELERATED RESEARCH AND DEVELOPMENT PROGRAM FOR CAPACITY BUILDING OF RESEARCH AND DEVELOPMENT INSTITUTIONS AND INDUSTRIAL COMPETITIVENESS OF THE SCIENCE FOR CHANGE S4C PROGRAM**

DATE : **October 1, 2021**

Attached is a copy of the memorandum issued by **DR. J. PROSPERO E. DE VERA III,** Chairman, Commission on Higher Education, furnishing all Higher Education Institutions a copy of the Department of Science and Technology (DOST) Administrative Order No. 010, series of 2021 also known as the Guidelines for the Implementation of the Industry-Cradle Program (I-CRADLE) of the Accelerated R&D Program for Capacity Building of Research and Development Institutions and Industrial Competitiveness of the Science for Change S4C Program.

For inquiries and other information on the guidelines, you may contact DOST at s4c.ouserd@dost.gov.ph.

Kindly refer to the attachment which contains relevant information for your reference .

For your information.

JULIETA M. PARAS, Ed.D., CESE
Director IV

Encl: as stated

:JPC1012021# E-RDO

Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION

Commission on Higher Education
OFFICIAL RELEASE
CHED Central Office
RECORDS SECTION
C.P. Garcia Ave., U.P. Diliman, Q.C.
12154
10-1-21

MEMORANDUM FROM THE OFFICE OF THE CHAIRPERSON

TO	:	PRESIDENTS AND HEADS OF HIGHER EDUCATION INSTITUTIONS
ATTENTION	:	CHED REGIONAL OFFICE DIRECTORS AND OFFICERS-IN-CHARGE
SUBJECT	:	DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST) ADMINISTRATIVE ORDER NO. 010, SERIES OF 2021 ALSO KNOWN AS THE GUIDELINES FOR THE IMPLEMENTATION OF THE INDUSTRY-CRADLE PROGRAM (I-CRADLE) OF THE ACCELERATED R&D PROGRAM FOR CAPACITY BUILDING OF RESEARCH AND DEVELOPMENT INSTITUTIONS AND INDUSTRIAL COMPETITIVENESS OF THE SCIENCE FOR CHANGE S4C PROGRAM
DATE	:	22 SEPTEMBER 2021

The Commission is furnishing your office a copy of the **Department of Science and Technology (DOST) Administrative Order No. 010, series of 2021 also known as the "Guidelines for the Implementation of the Industry-Cradle Program (I-CRADLE) of the Accelerated R&D Program for Capacity Building of Research and Development Institutions and Industrial Competitiveness of the Science for Change S4C Program**.

For inquiries and other information on the guidelines, you may contact DOST at s4c.ousecrd@dost.gov.ph.

Wide dissemination of this Memorandum is desired.

J. PROSPERO E. DE VERA III, DPA
Chairman

Republic of the Philippines

DEPARTMENT OF SCIENCE AND TECHNOLOGY

DOST Administrative Order No. 010
Series of 2021

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Subject: GUIDELINES FOR THE IMPLEMENTATION OF THE INDUSTRY-CRADLE PROGRAM (I-CRADLE) OF THE ACCELERATED R&D PROGRAM FOR CAPACITY BUILDING OF RESEARCH AND DEVELOPMENT INSTITUTIONS AND INDUSTRIAL COMPETITIVENESS OF THE SCIENCE FOR CHANGE (S4C) PROGRAM

INDUSTRY-LEVEL COLLABORATIVE RESEARCH AND DEVELOPMENT TO LEVERAGE PHILIPPINE ECONOMY (I-CRADLE) PROGRAM

Since the implementation of the Science for Change (S4C) Program, the Philippines has jumped from ranking 56th in 2014 to 27th in 2020 in terms of University/industry research collaboration in the Global Innovation Index. This may be attributed to the CRADLE or Collaborative Research and Development to Leverage the Philippine Economy Program of the S4C Program which has funded 64 collaborative R&D projects for almost PhP 290 Million since 2017. The CRADLE program has allowed private companies to address their needs/problems requiring R&D solutions with higher chances of success and reduced financial risks. On the other hand, Higher Education Institutions (HEIs) and/or Research and Development Institutions (RDIs) conduct R&D which are tailored to fit the needs of their partner industry hence, facilitating faster adoption of technology.

i. The DOST aims to expand the benefits of university-industry collaboration through the Industry-level CRADLE Program (I-CRADLE). In the I-CRADLE Program, industry-wide problems or needs shall be identified and solved through R&D with the goal of increasing competitiveness of Philippine industries.

ii. Under the I-CRADLE Program, industry-wide needs and problems will be determined through appropriate methods, which may include but are not limited to consultations, surveys, and focused group discussions, with companies belonging to the same industry. The HEIs and/or RDIs which are experts in the identified field shall undertake the research and development. Funding shall be provided by the DOST, complemented by counterpart funding from the collaborating parties from the industry sector and the HEI and/or RDIs. Together, the academe as producer of knowledge and human resource, and the industry as the entity that translates technologies to real world applications, shall generate new opportunities for Filipinos in the form of new industries, enterprises, jobs and solutions to pressing community and national problems. Furthermore, the collaboration shall ensure the timeliness and relevance of R&D endeavors, with reference to practical and pressing national needs.

1 GRANT OBJECTIVES

Under the I-CRADLE Program, industry-wide needs and problems shall be identified and the HEI or RDI shall undertake research and development. To improve the R&D innovation ecosystem, the program aims to:

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1.1 Bridge the academe and the industry; and to stimulate collaboration that meets the needs of both academe and the industry;

1.2 Target each level of the technology transfer process – from the pursuit of industry-driven basic research, academe-industry joint research, and product development stage to technology promotion/transfer and adoption;

1.3 Support both the pursuit of basic and applied R&D and the transition of R&D results in the industry; and

1.4 Engage both the academe and the industry into cooperation that is mutually beneficial, whereby the academe, through its R&D capability and human resource, supplies the R&D needs of the industry and in the process helping the industry gain innovative market advantages.

1.5 Leverage interfirm partnerships through collaborative R&D to address industry-wide needs and problems.

2 SELECTION CRITERIA

2.1 ELIGIBILITY OF PROPONENTS

For complete details on the eligibility of the proponents, application requirements, general criteria for evaluation, proposal formats, technical and financial monitoring, report submission, and other provisions related to this funding, please refer to the Revised Guidelines of the DOST-Grants-In Aid Program (DOST-GIA), which may be downloaded from the Science for Change Program website (https://s4cp.dost.gov.ph/resources/).

2.2 GENERAL CRITERIA

2.2.1 All proposals shall be submitted by the HEI and/or RDI and shall be in line with the industries[1] identified by the DOST, Department of Trade and Industry (DTI), and S4CP Steering Committee, including but not limited to:

a. Agriculture, Aquatic, and Forestry[2]
b. Food processing
c. Furniture[3]
d. Handicrafts
e. Health and Wellness[4] (including Drugs and Pharmaceuticals, Diagnostics, and Biomedical Devices)
f. Consumer electronics

[1] Priority R&D areas identified must be aligned with the Harmonized National Research and Development Agenda (HNRDA) and the DTI Industry Roadmap.
[2] Must be aligned with the PCAARRD's Industry Strategic Science and Technology Plan (ISP)
[3] http://industry.gov.ph/industry/furniture/
[4] Must be aligned with the priority set under the NUHRA

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2.2.2 The HEI/RDI shall have a Partner Industry Association or Group, defined as any of the following:

a. Industry association, duly registered in any of the regulating agencies and represented by the trade association's head of agency and at least five (5) member companies;
b. a group of **at least** five (5) individual companies belonging to the same industry; or
c. a secondary or tertiary cooperative, represented by the head of agency and at least five (5) member cooperatives (as defined in the https://cda.gov.ph)

The HEI and/or RDI and the companies representing the Partner Industry Association or Group as well the industry association or cooperative when applicable shall be known as the Collaborating Parties.

2.2.3 The Project shall be implemented by an HEI and/or RDI. The implementing HEI and/or RDI may collaborate with other researchers from other HEIs and/or RDIs; wherein the former shall serve as the implementing agency and the latter as cooperating agency.

2.2.4 All companies representing the Partner Industry Association or Group as defined in Section 2.2.2., as well as the industry association or cooperative when applicable, must have been duly registered and operating in the Philippines for at least 3 years by the time of proposal submission.

2.2.5 The HEI and/or RDI shall implement the R&D project for a period of 1-2 years.

2.2.6 The DOST shall provide a maximum grant of twenty-five million pesos (P25M) whereas the Partner Industry Association or Group shall provide at least forty percent (40%), as agreed, of the total project cost. The HEI and/or RDI shall likewise provide a counterpart funding as stated in the DOST GIA guidelines. Counterpart funding may be provided in cash, kind, or person-hour. All funds shall only be released to the HEI and/or RDI and utilized by the HEI and/or RDI to conduct the R&D upon compliance of the requirements stated in Section 2.3 and 2.4.

2.2.7 The Partner Industry Association or Group must commit in writing to adopt the results of the R&D.

2.2.8 The HEI and/or RDI and the industry must not have unsettled accountabilities with the DOST System.

2.2.9 The criteria for evaluation shall be based on the workability/technical viability of the proposed projects, social and environmental impacts, commercial viability of the technology/product or process, management capability of the proponents, and availability of competent and reliable workforce and facilities.

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2.3 PROCEDURES FOR PROPOSALS' SUBMISSION, EVALUATION AND APPROVAL

2.3.1 The applicants (the HEI and/or RDI and the partner industry) shall submit a joint letter of intent, full-blown proposal following the DOST Forms 1 and 2 (downloadable from https://s4cp.dost.gov.ph/resources/), and other documentary requirements, through the DOST Project Management Information System (DPMIS) at https://dpmis.dost.gov.ph/ during the call for CRADLE proposals. The letter of intent should be signed by the head of agency of both the HEI/RDI and the Partner Industry Association or Group. The proposal shall be a joint undertaking between the HEI and/or RDI and the Partner Industry Association or Group.

2.3.2 The proposals shall undergo the DOST-GIA evaluation process through the DOST Councils – NRCP, PCAARRD, PCHRD, and PCIEERD.

2.4 APPLICATION REQUIREMENTS

2.4.1 DOST Forms 1 and 2 (detailed R&D project proposal);

2.4.2 Joint letter of intent signed by the head of agency of the HEI and/or RDI and the Partner Industry Association or Group.

2.4.3 A three-year joint industry-wide Business Projection Plan that includes details on how the research outputs from the projects will be used, will be submitted by the proponents;

2.4.4 Certification from Partner Industry Association or Group that the R&D output shall be adopted following the Technology Adoption Certificate (TAC). In case of an industry association or cooperative, the TAC shall be signed by its head of agency and the representative companies. The TAC shall be notarized;

2.4.5 A draft Collaborative Research Agreement (CRA) or its equivalent stipulating the following:

a. Responsibilities and commitments of involved parties*;
b. Ownership of Intellectual Property (e.g. royalty sharing);
c. Method of technology transfer;
d. Rights to pursue succeeding research;
e. Rights of the Collaborating Parties (e.g. any advantage on the adoption of the technology); and
f. Provision for adoption by other companies.

**A provision in the CRA must be included in case of withdrawal of any of the companies representing the Partner Industry as defined in Section 2.2.2; it shall include the following:*

a. The initial counterpart funding invested (in cash or in kind) shall not be refunded. Likewise, the project and its implementers may continue to use any information already provided by the withdrawing member company.

b. The company forfeits its advantage, if any is stipulated in the CRA, in adopting the technology. It may still adopt the technology based on provision defined in Section 2.4.5.b.

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c. The company shall sign a Non-Disclosure Agreement (NDA) with other member companies. The NDA shall state that the withdrawing member company shall not use any confidential information obtained from the collaboration.

d. A description on how the counterpart funding shall be augmented.

e. If the remaining member companies agree to replace the withdrawing company, the new company shall be subject to this guideline.

2.4.6 Copy of business permits and licenses of the partner company/ies for the past three (3) years from relevant LGUs and other government offices; and,

2.4.7 Certificate of Registration of Business Name from the Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC), or Cooperative Development Authority (CDA).

2.5 PROJECT IMPLEMENTATION AND MONITORING

2.5.1 The Project Management Office for the Science for Change Program (PMO-S4C) shall ensure the effective and efficient implementation of the I-CRADLE Program. It shall perform coordinating and Secretariat functions required in the accomplishment of the program objectives, as well as the promotion. The DOST ROs shall assist in monitoring the implementation of the approved I-CRADLE projects in the regions.

2.5.2 A Needs Assessment shall be conducted to identify industry-wide needs and problems. Methods may include but are not limited to consultations, surveys, and focused group discussions, with the industry to be facilitated by the Office of the Undersecretary for Research and Development (OUSECRD), Office of the Undersecretary for Regional Operations (OUSECRO), Regional Offices, and Councils. R&D areas for each industry shall be the outcome of the activities.

2.5.3 The OUSECRD, OUSECRO, Regional Offices, and the Councils shall strengthen the Academe-Industry collaboration by:

- providing technical assistance in determining the industry-wide needs and problems;
- linking the industries to appropriate HEI/RDI to address the identified R&D; and
- conducting activities such as consultations/write shops to generate CRADLE proposals.

2.5.4 The Science for Change Project Management Office (S4C-PMO) shall conduct Call for Proposals prioritizing the R&D areas identified.

2.5.5 The Project shall be undertaken by the Implementing Agency and monitored by the Monitoring Agency in accordance with the approved project proposal, the Revised DOST-GIA Guidelines, and the DOST M&E Protocol.

2.5.6 The CRA must be notarized within six (6) months upon the approval of the Project. In the case of multi-year projects, the notarized CRA shall be a required document for renewal.

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2.6 NON-ADOPTION OF R&D OUTPUT AND/OR TECHNOLOGY

2.6.1 If in case the project output will not be adopted and utilized by the Partner Industry, both the Implementing Agency and the Partner Industry must each issue a notarized letter to DOST signed by the respective heads of agency providing justification for non-adoption of the project output. The Monitoring Agency shall evaluate the concern and provide recommendation to the DOST EXECOM subject to the approval of the latter.

2.6.2 All provisions on the non-adoption of the project output shall follow the Collaborative Research Agreement (CRA) executed by the concerned parties.

2.7 GENERAL PROVISIONS

2.7.1 It is understood that these guidelines are consistent with the Implementing Guidelines for GIA Programs and Projects of DOST. In case of conflict, the GIA Guidelines shall prevail.

2.7.2 Failure to comply with the applicable laws, rules and regulations, particularly those governing GIA programs and projects shall be a ground for the termination of the project.

2.7.3 The guidelines shall be subject to the existing accounting and auditing rules and regulations.

2.7.4 Ownership and Utilization of IPs and Intellectual Property Rights (IPRs) resulting from the program or projects shall be governed by the RA 10055 or the "Philippine Technology Transfer Act of 2009" and its Implementing Rules and Regulations.

2.8 EFFECTIVITY

This Administrative Order shall take effect fifteen (15) days after publication in the Official Gazette and upon filing at the UP Law Center.

Approved by:

FORTUNATO T. DE LA PEÑA
Secretary

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