



REPUBLIC OF THE PHILIPPINES
NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

Implementing Guidelines on the 2024 Innovation Grants

NEDA-DBM Joint Memorandum Circular No. 01, s. 2024



Outline

A. Background

- 1) Philippine Innovation Act
- 2) Section 21. Innovation Fund of RA No. 11293
- 3) 2022 and 2023 Innovation Grants Cycles
- 4) Special Provision No. 5 - NEDA FY 2024 General Appropriations Act

B. Salient Features of the NEDA-DBM JMC No. 2024-01: Implementing Guidelines on the 2024 Innovation Grants

C. Electronic Innovation Grants Information System

BACKGROUND



UNLOCKING FILPINNOVATION

Passage of **Republic Act No. 11293** or the **Philippine Innovation Act** on 17 April 2019

Adopts innovation as a vital component of the country's development policies to drive inclusive development.

Promotes growth and national competitiveness of MSMEs.

NATIONAL INNOVATION COUNCIL (NIC)

The **NIC** is a 25-member council that will steer the whole-of-government coordination and collaboration, and remove the fragmentation in innovation governance.



Chairperson

President of the Philippines



Vice-Chairperson

Secretary of the NEDA



16 Ex-officio Members

DOST, DTI, DA, DENR, DOH, DOTR, DOE, DND, DICT, CHED, DBM, DILG, DepEd, DFA, DOLE, IPOPHL



7 Executive Members

from the ranks of businesses (large enterprises), entrepreneurs (MSMEs), academe, and scientific community

NIC ORGANIZATIONAL STRUCTURE

National Innovation Council

Chaired by the President; Vice-Chaired by the NEDA Secretary; 16 Member Agencies; and 7 Executive Members

NIC Secretariat

*under NEDA as the **Innovation Staff***

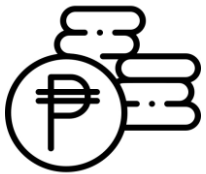
NIC Executive Technical Board

Chaired by the NEDA Undersecretary of PPG; Vice-Chaired by the DOST and DTI Undersecretaries; 15 Member Agencies

MAJOR FUNCTIONS OF THE NIC



1. To **develop the country's innovation strategies** through the National Innovation Agenda and Strategy Document (NIASD) to ensure strategic direction and programs by government agencies



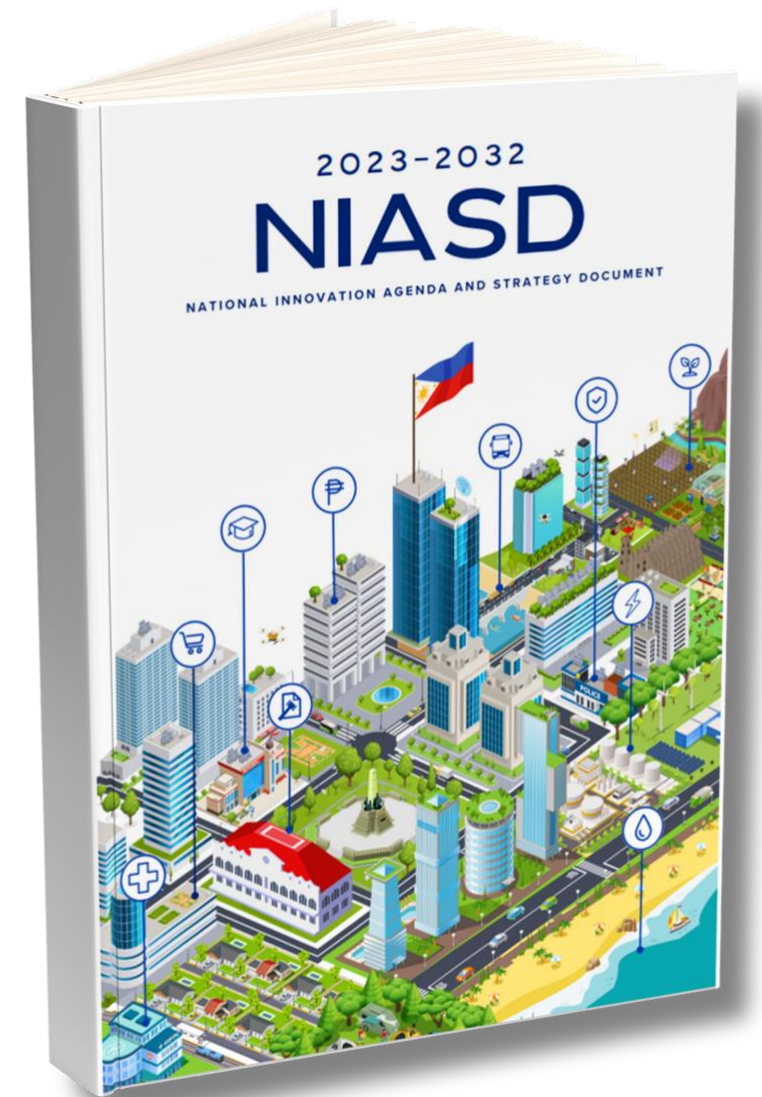
2. To **establish and administer the innovation fund**



3. To **coordinate, monitor, review and assess the country's strategic policies and programs** for improving innovation governance

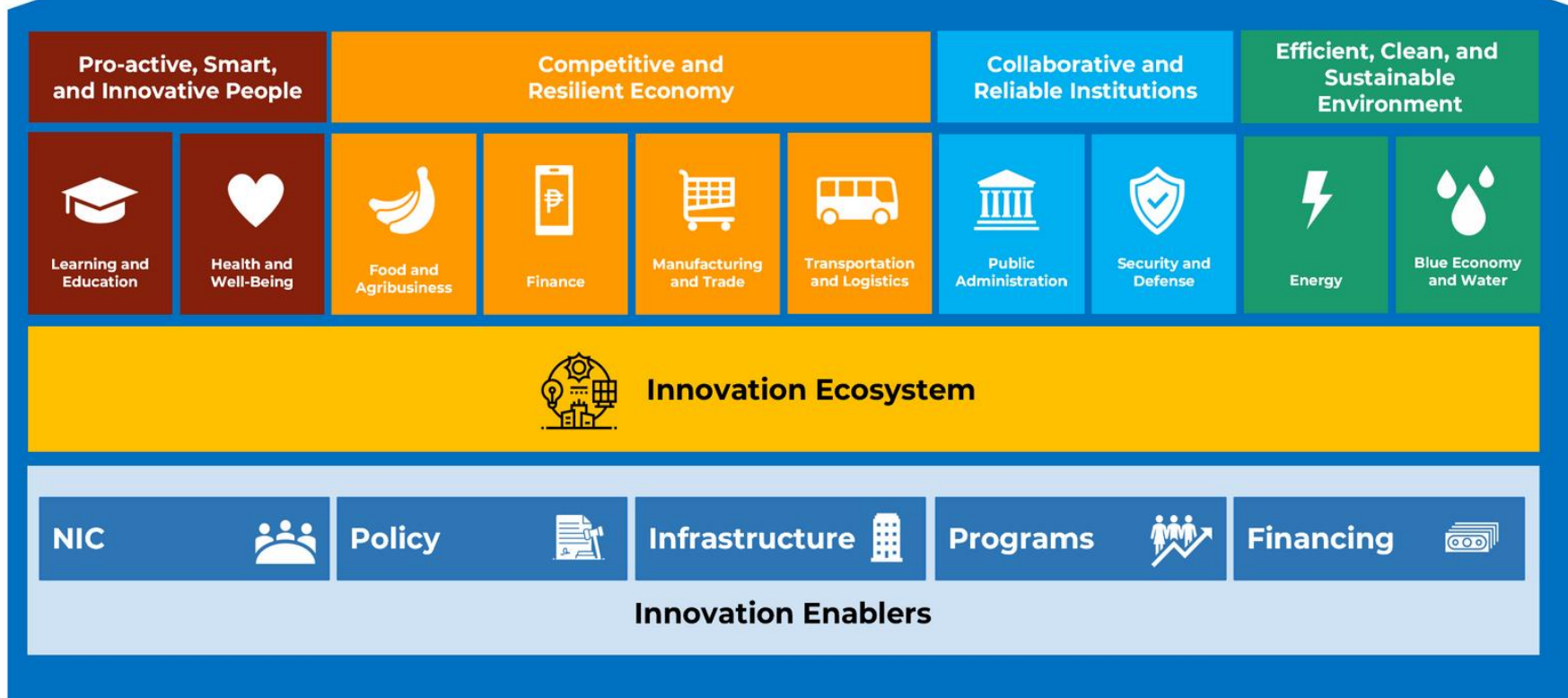


NATIONAL INNOVATION AGENDA AND STRATEGY DOCUMENT (NIASD 2023-2032)





Matatag, Maginhawa, at Panatag na Buhay Para sa Lahat



NATIONAL INNOVATION AGENDA FRAMEWORK

Republic Act No. 11293 (Philippine Innovation Act)

Section 21. Innovation Fund

An Innovation Fund to **strengthen entrepreneurship and enterprises engaged in developing innovative solutions benefiting the poorest of the poor** is hereby established. **This Fund, from which grants will be issued**, shall be administered by the NIC which shall screen and approve qualified proposals.

Subject to availability of funds, **a revolving fund in the initial amount of one billion pesos (₱1,000,000,000.00), is hereby allocated for the initial year's implementation of this Act**, and such funds necessary for its continuous and effective implementation shall thereafter be included in the annual General Appropriations Act (GAA).

Further, the NIC, in coordination with the agencies concerned, shall explore the possibility of accessing a growing range of bilateral and multilateral funds in order to be able to assist in the funding of Research, Development, and Extension (RD&E) and other innovation efforts. Public-private partnerships shall also be encouraged in the development and implementation of innovation initiatives in the sphere of RD&E, education, and product development and testing, among others.

INNOVATION GRANTS (2022 & 2023)

Fiscal Year	Legal Basis	Availability of Funds	Amount Appropriated
2021	FY 2021 GAA - NEDA GAA Special Provision (SP) No. 1 states that this amount shall be exclusively used for the issuance of grants. Such provision shall be subject to guidelines to be issued by NEDA and the DBM.	Until 31 December 2022	PHP 200,000,000.00
2023	FY 2023 GAA - NEDA GAA SP No. 5 states that this amount shall be used for the issuance of grants for innovation PAPs. Such provision shall be subject to guidelines to be issued by NEDA and DBM.	Until 31 December 2024	PHP 100,000,000.00

IMPLEMENTING GUIDELINES

It provides the rules and regulations for the utilization of the funds appropriated for grants for innovation programs, activities, and projects, pursuant to RA No. 11293.

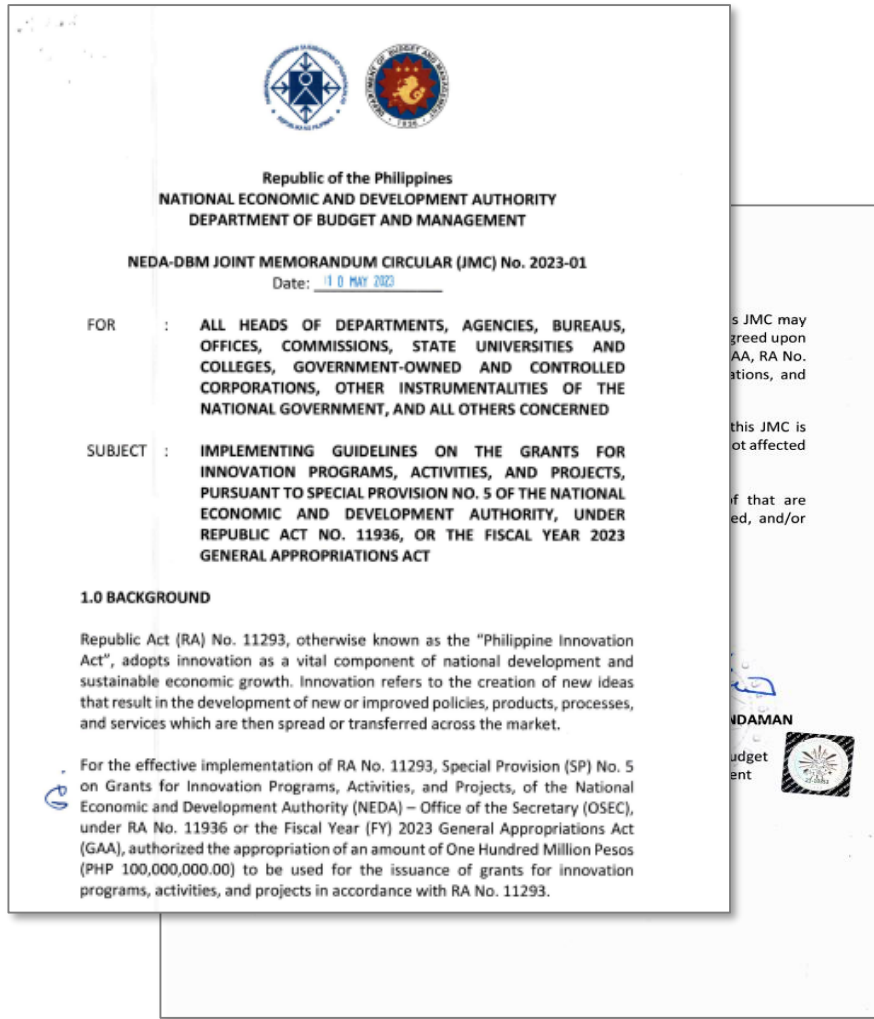
The NIC-ETB is the final approval body for both years of the Innovation Grants program.

NEDA-DBM JOINT MEMORANDUM CIRCULAR (JMC) NO. 2022-01

signed and finalized on 31 May 2022

NEDA-DBM JOINT MEMORANDUM CIRCULAR (JMC) NO. 2023-01

signed and finalized on 10 May 2023



NEDA GAA FY 2024

Special Provision No. 5

Grants for Innovation Programs, Activities, and Projects. Of the amount appropriated herein for the Establishment of Innovation Fund, **One Hundred Million Pesos (P100,000,000) shall be constituted as Revolving Fund-Innovation Fund** to be deposited in authorized government depository banks **to be used for the issuance of grants** for innovation PAPs in accordance with Section 21 of RA No. 11293. Public-Private Partnership shall also be encouraged in the development and implementation of innovation initiatives in the sphere of research, development and extension, education, product development and testing, among others.

The implementation of this provision shall be subject to the guidelines to be issued by the NEDA and DBM, and confirmed by the NIC.

SALIENT FEATURES OF THE IMPLEMENTING GUIDELINES ON THE 2024 INNOVATION GRANTS

NEDA-DBM Joint Memorandum Circular No. 2024-01



Rules and regulations for the utilization of funds appropriated for grants supporting innovative programs, activities, and projects (PAPs), pursuant to SP No. 5, NEDA-OSEC, under the FY 2024 GAA.



Provides the types of innovation PAPs and outlines the organizational structure, responsibilities, eligibility criteria, and the administration processes of the 2024 Innovation Grants.

Eligible Entities

IMPLEMENTING GUIDELINES ON THE 2024 INNOVATION GRANTS



National Government Agencies

- *Central Office*
- *Attached Agencies or Operating Units*
- *Regional, Provincial, or Field Offices*
- *DepEd Schools*
- *DOST Philippine Science High Schools*



Local Government Units

- *Provincial Government*
- *City or Municipal Government*
- *Local Universities or Colleges*



State Universities and Colleges



- *State Universities*
- *State Colleges*







Government-Owned or -Controlled Corporations

- *Central Office*
- *Regional Offices*
- *Provincial or Field Offices*




For the **Program/Project Proposal**:

-  Alignment and contributory to the goals outlined in the National Innovation Agenda and Strategy Document (NIASD), the Philippine Development Plan (PDP), and the Regional Development Plan (RDP) for those with regional/local in scope.
-  No duplication with completed or ongoing publicly funded innovation PAPs.





For the **Implementing Entity**:

-  Must be an NGA, SUC, public school, GOCC, or LGU.
-  Must be able to issue an electronic Official Receipt (OR)/electronic OR/ electronic Acknowledgement Receipt for the receipt of funds.
-  Authorized to receive funds and/or collect revenues.
-  For SUCs, GOCCs, and LGUs: must have an authorized trust fund account to serve as the depository account for the grants.

For the **Implementing Entity**:

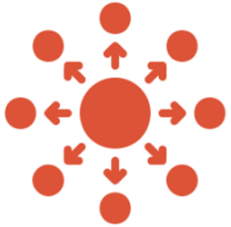
-  For NGAs and public schools: Must have an organization code based on the Unified Account Code Structure and an existing Modified Disbursement System trust account.
-  For those who received NIC funding under the 2022 and 2023 Innovation Grants: Must be cleared of all physical and financial accountabilities from previously completed projects.
-  For those with an identified private enterprise or partner: Must ensure that the private enterprise or partner's incorporators, organizers, directors, or officers are not agents of, or related by consanguinity or affinity up to the fourth civil degree, to the implementing entity officials and project team members.

For the **Program/Project Leader**:

-  Filipino citizen of legal age.
-  With permanent or regular position and not due to retire during the period of implementation.
-  Not found guilty of administrative or criminal case, including those under appeal.
-  Not an agent of or related by consanguinity/ affinity to the fourth civil degree to NEDA personnel authorized to process/ approve the proposal, MOA and the release of funds.

Types of Innovation PAPs

Pre-commercialization, Commercialization, or Diffusion Projects



- Developing and refining innovative products, technologies, or service to make them market ready
- Support to the commercial production and transfer of such innovations across markets, and their dissemination and adoption within target markets or communities
- **For proposals under commercialization - with private enterprise or partner**

Innovation Facilities and Services



- Physical spaces, resources, and support programs designed to foster innovation, particularly by providing support services for entrepreneurial activities to enable the successful transfer of innovation across markets

Innovation Culture Promotion and Capacity-Building



- Fostering a culture of innovation and strengthening the innovation ecosystem, which includes educational programs, capacity-building activities, trade exhibits, expositions and missions, and other networking activities for collaborative partnerships

Innovation Policy and Administration

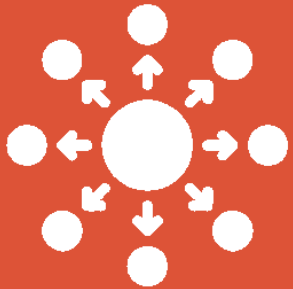


- Introduction and application of innovation policy solutions, regulatory measures, digital transformation initiatives, and other public administration innovations
- These PAPs aim to enhance efficiency, productivity, and quality of public services

See [Annex A](#)

[Outline](#)

Pre-commercialization, Commercialization, or Diffusion of Innovations



1) Pre-commercialization

- a. High fidelity prototyping of product, technology, or service
- b. Application and/or registration of intellectual property
- c. Conduct of market research and assessments

2) Commercialization

- a. Production and manufacturing
- b. Marketing and sales
- c. Supply chain establishment
- d. Compliance to legal and regulatory requirements

3) Diffusion/Adoption

- a. Conduct of evaluations within testbed environments
- b. Participation to regulatory sandbox program
- c. Small-scale pilot deployment of product or service
- d. Conduct of technology transfer activities

Innovation Facilities and Services



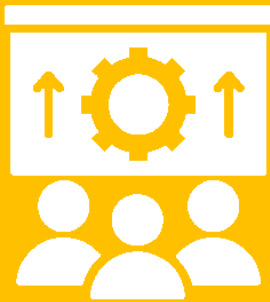
1) Physical Facilities and Resources

- a. Lease of commercial, co-working, or physical/virtual office space
- b. Refurbishment and enhancement of office, co-working, or commercial space
- c. Overhead cost

2) Support Services and Programs

- a. Shared business services
- b. Incubation support

Innovation Culture Promotion and Capacity-Building



1) Educational Programs and Capacity-Building

- a. Workshops or trainings
- b. Incubator or accelerator programs
- c. Conduct of hackathons, innovation challenges, or ideation sessions

2) Trade Exhibits, Expositions, and Missions

- a. Participation in innovation-related conferences or conventions
- b. Participation in trade exhibits and expositions
- c. Participation in trade missions or business matching meetings

Innovation Policy and Administration



1) Conduct of regulatory sandbox program

- a. Feasibility assessment and development of an implementation plan for establishing a regulatory sandbox program
- b. Policy recommendation, guidelines, and/or issuances for establishing a regulatory sandbox
- c. Regulatory sandbox handbook or operations manual for capacity building of regulators
- d. Documentation of performance and compliance with regulatory requirements of the participants
- e. Monitoring and evaluation of the implementation of the regulatory sandbox

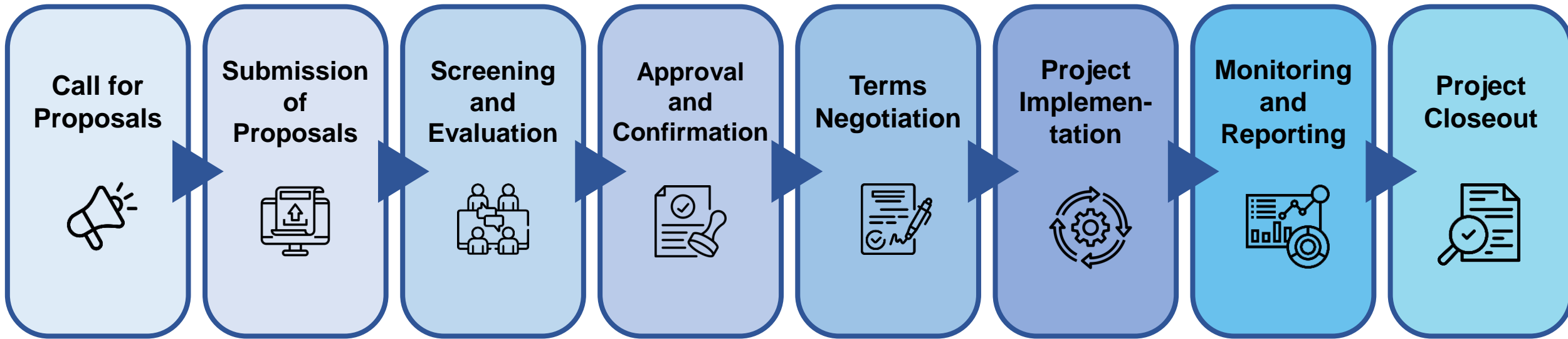
2) Digital Service Platforms and Transformation Initiatives

- a. Active and accessible web platform, portal or mobile applications
- b. Procurement of and/or subscription to software licenses, access to online platforms, domain hosting, user interface and user experience design services, security certification, etc.
- c. Capacity building on the creation, operation, and securing of digital service platforms, with a focus on cybersecurity
- d. Utilization, application or deployment of Internet of Things systems
- e. Reports of service optimization activities and policy recommendations
- f. Creation of artificial intelligence (AI) enabled service delivery systems
- g. Utilization of cloud-enabled infrastructure
- h. Guidelines and/or manuals on the institutionalization of digital transformation initiatives

- **Double funding* is prohibited.** Proponents shall ensure that any components of their proposed program, activity, or project have not received funding from the FY 2024 GAA or any other sources involving public funds.
- Any proposal that includes any form of investment, such as, but not limited to money market placements, time deposits, real property and motor vehicle purchases, or any other financial investments, will not be permitted and may be grounds for disapproval.

***Double funding** - a situation where the same activity for the same set of beneficiaries receives funding more than once using public funds.

General Administration Process



Call for Proposals



- NEDA shall issue the **Call for Proposals** to be disseminated across multiple channels, including the official websites of NIC member agencies, and other relevant communication platforms.

Submission of Proposals

- Proponents must register to submit their proposals at **EIGIS**.
- An official endorsement letter from the head of the NGA, LGU, SUC, public school, or GOCC must also be submitted, together with the proposal.



Endorsement/Authorization Letter

IMPLEMENTING GUIDELINES ON THE
2024 INNOVATION GRANTS

Proponent	Level	Signatory
NGA	Central Office	Secretary or Undersecretary
	Attached Agency or Operating Unit	Head of Agency
	Regional, Provincial, or Field Offices	Regional Director
LGU including LUC	Provincial Government	Governor
	City or Municipal Government	Mayor
	Local University or College	President or Chancellor
SUC	State University or College	President or Chancellor
Public School	Department of Education schools	Schools Division Superintendent
	Department of Science and Technology Philippine Science High School	Executive Director
GOCC	Central Office	Head of Agency
	Regional, Provincial, or Field Offices	Regional Director or its equivalent

[Outline](#)



National Economic and Development Authority



29

Screening and Evaluation

Preliminary Evaluation

- All proposals submitted through EIGIS will undergo an **initial completeness and eligibility check** conducted by the NEDA InnovS.
- The NEDA InnovS, together with NEDA-SS and NROs, as the TEP, will also review the **appropriateness of the indicated scope, location of implementation, and priority area** of the submitted proposals. Reclassification will be conducted as deemed necessary.



Technical Evaluation

- Proposals that pass the preliminary evaluation will proceed to the **technical evaluation to be conducted by the TEP**.
- Only proposals that pass the **hurdle rate of 75%** in the technical evaluation will proceed to the next level which involves organizational and risk-based assessment.

Location and Scope of Proposal	Composition of the Technical Evaluation Panel (TEP)
Local	<ol style="list-style-type: none"> One technical staff from the NRO/s, where the proposal is to be implemented (*from Bangsamoro Planning and Development Authority for proposals to be implemented in BARMM); One technical staff from NEDA Sector Staff in charge of the primary priority area of the proposal; and One technical staff from NEDA-InnovS.
Regional <i>*including Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)</i>	
Inter-Regional	<ol style="list-style-type: none"> One technical staff from NEDA Sector Staff in charge of the primary priority area of the proposal; and Two technical staff from NEDA-InnovS.
National	
National Capital Region	

Criteria	Weight	Description
Strategic Alignment	10%	The proposal demonstrates alignment with the strategic priorities outlined in the Philippine Innovation Act and the NIASD. Furthermore, it is aligned with the goals and objectives outlined in the PDP, RDPs (if applicable).
Innovativeness	30%	<p>The proposal includes a clear description of the new product, service, approach, or technology being proposed. It also explains how the proposed innovation differs from existing solutions in the same field or market and demonstrates its potential impact.</p> <p>The proposal also identifies and addresses specific problems or challenges within the designated areas of implementation or utilization, whether at the national, regional, or local level. This ensures that the innovation effectively meets the needs and expectations of its users, beneficiaries, and other relevant stakeholders.</p>

Criteria	Weight	Description
Responsiveness and Scalability	20%	<p>The proposal demonstrates a market-driven approach to problem-solving, presenting a clear and compelling value proposition that aligns with the needs of the target market or population. It showcases a deep understanding of the intended constituency, with the proposed innovation exhibiting high potential for adoption and commercial success.</p> <p>For pre-commercialization, commercialization, adoption/diffusion programs, activities, or projects, the proposal should include a clear plan for scaling up, encompassing investment plans, partnerships, and resource mobilization.</p>
Socioeconomic and Environmental Impact	15%	<p>The proposal is transformative and can produce positive socioeconomic and environmental outcomes for the specified target beneficiaries. It aims to contribute to inclusive growth, sustainability, and the well-being of the community.</p>

Criteria	Weight	Description
Feasibility and Sustainability	20%	The proposal demonstrates feasibility with a clear and realistic plan for implementation within the proposed timeline and budget. It also outlines a sustainability plan to ensure continuity of activities beyond the initial funding support.
Gender Sensitivity and Responsiveness	5%	The proposal integrates gender considerations into every aspect to ensure equitable distribution of project benefits and opportunities among individuals of all genders.
TOTAL		100%

Screening and Evaluation

Organizational and Risk-based Assessment

- Proposals that pass the technical evaluation will proceed with the organizational and risk-based assessment, where the **proponent's capacity to implement its proposed PAP will be assessed** by NEDA-InnovS.
- Together with the technical evaluation ratings and the findings of the organizational and risk-based assessment, the **NIC-ED shall revalidate the consolidated results and consequently endorse the shortlisted proposals to the NIC-ETB for approval.**





Approval and Confirmation

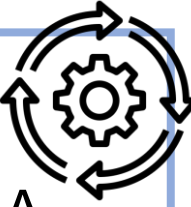
- The NIC-ETB shall convene to **deliberate the approval or disapproval** of the shortlisted proposals. Proponents may be invited to discuss their proposals during the deliberation.
- Proposals shall be deemed approved if they receive **at least two-thirds affirmative votes** from the NIC-ETB members or their authorized representatives present during the deliberation meeting.
- The NIC-ETB reserves the right to approve or disapprove any proposal, or separable portions thereof, and to waive any irregularity, technicality, or omissions as needed.
- Subject to availability of funds, **proposals with the highest number of votes shall be prioritized for funding**, and in the case of ties, the NIC-ETB Chairperson shall decide accordingly.

Terms Negotiation

The implementing entity shall submit the following:

- **Updated project forms** following the terms negotiation with the NEDA InnovS
- **Bank certification** issued by chief accountant or its equivalent
- Updated **contact details** of key officials and program/project team members
- If necessary, **proofs of land titles and other related documents** critical to project implementation (i.e., for those involving refurbishment, renovation of structures, etc.)
- Other required affidavits, and physical and financial documentary requirements.





Project Implementation

- **Fund release** - in full or in tranches
- **Start of implementation** - upon release of funds from NEDA
- **Modification of program/project details** - 2 requests for modifications are allowed
- **Extension of program/project implementation** - must not exceed 6 months; 1 request for extension must be submitted at least 3 months before the project completion date
- **Purchase, ownership, and accountability of equipment and other properties**

Monitoring and Reporting

- **Technical monitoring** - periodic physical accomplishment reports
- **Financial monitoring** - periodic financial accomplishment reports, including financial accountability and liquidation reports
- Field validation/monitoring visits



Project Closeout



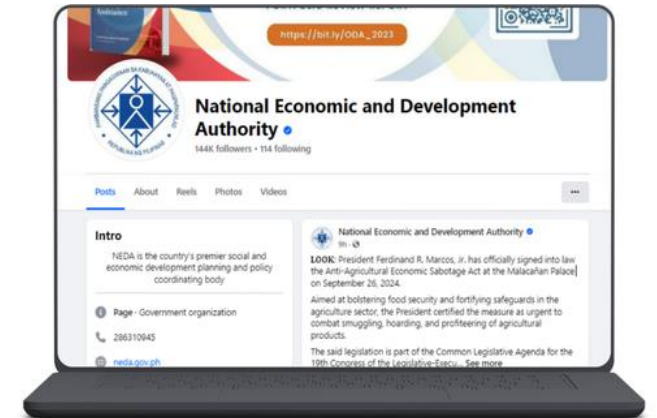
- **Terminal report** - should be submitted to NEDA - InnovS by the implementing entity no later than 6 months.
- **Unexpended balance, savings, interest, and income** - balances and savings shall be reported and returned to the government depository bank account for the Revolving Fund - Innovation Fund
- **Audit and savings**

For more information and updates, you may visit our official website and Facebook pages:



NEDA Website: <https://neda.gov.ph>

NEDA Facebook Page:
<https://www.facebook.com/NEDAhq>



Filipinnovation Facebook Page:
<https://www.facebook.com/NICfilipinnovation>

ELECTRONIC INNOVATION GRANTS INFORMATION SYSTEM (EIGIS)

Step 1: Creation of EIGIS User Account

1. Download and complete the prescribed [Authorization Form](#) template with all necessary details. Only the designated Project Leader is authorized to create an EIGIS user account.
2. Obtain approval from the Head of Agency.
3. After securing the signed Authorization Form, register at EIGIS through this link <https://eigis-innovation.neda.gov.ph/register> using the same email and details provided in the form.
4. If there are discrepancies between the data indicated in the signed form and the data encoded in the EIGIS Registration Page, approval will be deferred until the data is corrected.

Step 2: Drafting and Submission of Proposals

1. Go to **Create Proposal** in EIGIS. Fill out all required information in Forms 1, 2 and 3.
2. It is highly recommended to prepare and save a local file with all the data to be encoded in EIGIS. This will make encoding easier and help prevent data loss in case of technical issues. Editable local files of the forms can be accessed and downloaded through this link: [Template of Application Forms](#).
3. Ensure that all necessary and accurate information is provided on the Declaration and Undertaking pages.
4. Click **Save as Draft** if you are not ready to submit yet.
5. Ensure that you submit all filled-out forms and attach required documents on or before the deadline.
6. Click **Submit as Final** to submit your proposal. A confirmation email will be sent upon receipt. Once the proposal is submitted as final, no further changes, revisions, or sending/uploading of supporting documents will be allowed, even if the deadline has not yet passed.

Step 3: Tracking the Status of Proposal

1. Go to **Track** in EIGIS user account for updates on the status of your proposal submission.
2. All qualified proposals will undergo the evaluation process as outlined in Section IX, Item B, and [Annex B of NEDA-DBM JMC No. 2024-01](#).
3. Proponents of shortlisted proposals may be invited to discuss their proposals during the deliberation of the NIC Executive Technical Board.
4. Official results will be sent to all email addresses indicated in the submitted Form 1.

Thank you!

INNOVATION FUND MANAGEMENT DIVISION

National Innovation Council Secretariat
National Economic and Development Authority

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