

ANNEX I.6

CASE STUDY/RIIC REGION 11

(Storyline: What are the elements that bring key players in STI from government, industry and academe together (or apart) towards strengthening innovation ecosystem and collaboration/partnership via the RIICs)

RESPONDENT INFO

Date: July 7, 2021

Name: Maria Lourdes D. Lim, CESO II

Sex: F

Agency: National Economic and Development Authority (NEDA) Regional Office XI

Designation: Regional Director

Role in RIIC: Partner

Project Setting: Urban

Specify location unit of analysis- (city, province, whole region?) Davao Region

A. Planning the RIIC

1. Why did you establish an RIIC in the region?

One of Davao Region's development directions is to advance science, technology, and innovation (STI), as contained in Chapter 14 of the Davao Regional Development Plan (DRDP), 2017-2022. The RIIC was established in the Region since this collaboration initiative among the government, industry, and academe (GIA) has been considered as an important strategy to stimulate innovation and accelerate technology adoption, particularly among MSMEs.

A more advanced STI will improve productivity, and contribute to expanded economic opportunities for the agriculture, industry, and services sectors, which are also development priorities as reflected in Chapters 8 and 9 of the Plan. Empowering the MSMEs in these sectors will lead to a more vibrant, inclusive, and resilient Davao Region. These were the primary considerations when the NEDA XI, as Secretariat to the Regional Development Council (RDC) XI, advocated for the establishment of an RIIC in Davao Region through the RDC XI's Economic Development Committee (EDC) back in 2019.

2. For partners, why did you join the RIIC in the region?

It has since been NEDA XI's mission to support any initiative that would contribute to inclusive and sustainable development in the region. Given that the Fourth Industrial Revolution (Industry 4.0) is within our reach, innovations, and disruptive systems and technologies will define our future.

I believe that RIIC will be crucial in accelerating Davao Region's adoption of the Industry 4.0. If sustained, this initiative will provide a positive and lasting impact on the growth of MSMEs and the Region in general. Following recent policy developments, NEDA's lead role in the implementation of the RA 11293 or the Philippine Innovation Act puts the NEDA Regional Office

XI in a better position to influence the Region's innovation direction. We established and maintain an active partnership in the implementation of the RIIC because we anticipate that this is one of the game-changers for regional development.

3. Why was your location chosen for the RIIC implementation?

Davao Region was identified as one of the four pilot RIIC areas alongside Bicol, Cebu, and Cagayan de Oro. I believe the selection had something to do with growth potential, as Davao Region's economy consistently ranked the highest in Mindanao and among the top performers in the country in terms of the GRDP, with growth rates at 10.9% in 2017, 8.6% in 2018, and 7.1% in 2019.

The prospects on global competitiveness might have also been considered in the selection of pilot RIIC areas. Davao Region is a top producer of agriculture-based export commodities and a major player in the international trade. From 2017-2019, the Region has had an increasing export performance, peaking at about US\$2.1 billion in 2019 (1st-3rd quarter data), coming from its top export commodities such as banana, coconut, pineapple, rubber, gold, and other fruits and nuts, among others.

4. Is the proximity to the Cities Development Initiative (CDI) a factor in the selection of your location? Yes _ No

Highly urbanized/component cities in the Davao Region are not included nor in close proximity to the USAID's eight CDI partner cities,¹ namely Batangas, Cagayan de Oro, General Santos, Iloilo, Legazpi, Puerto Princesa, Tagbilaran, and Zamboanga.

4.1. If yes, how did the CDI influence RIIC formation? N/A

5. Are there other similar projects as the RIICs in your location? Yes No _

There is a Food Processing Innovation Center (FPIC) in Davao which was established in 2014. The FPIC is a partnership among the government (DOST XI, DTI XI, LGU-Davao City), industry [Food Processors Association of Davao, Inc. (FPAD)], and academe and is currently based in the Philippine Women's College. It serves as an innovation hub in the Region, providing technical expertise, technologies, and facilities that specializes in the product development of both fresh and processed foods.

Moreover, although this is not a project but a related initiative, the RDC XI, as the highest policymaking body in the region, created the Regional Research, Development, and Innovation Committee (RRDIC) in 2017 to ensure that research, innovation and S&T projects and initiatives are aligned and responsive to the regional development thrusts as contained in the DRDP, 2017-2022. The RRDIC XI (chaired by the DOST XI with members coming from the GIA) serves as a venue to discuss RDI issues and concerns and formulates and supports the implementation of RDI policies in the Region.

One of the major deliverables of the RRDIC XI is the formulation of the Davao Regional Development Research Agenda (DRDRA), 2017-2022, which contains the priority research topics

¹ USAID (2018). Cities Development Initiative. Accessed at <https://www.usaid.gov/philippines/partnership-growth-pfg/cdi>

that would contribute to the achievement of the Plan objectives. NEDA XI coordinates the formulation, updating, and monitoring of the DRDRA, 2017-2022.

5.1. If yes, how did the STRIDE initiated RIIC add value to your projects?

The RIIC built on the work of the FPIC, given that DOST XI and DTI XI are at the forefront of both these initiatives. Currently, the RIIC focuses on processed fruits & nuts and functional food, but this will likely expand to other sectors soon. Having been integrated in the RIIC's innovation networks, the FPIC benefits from the expanded linkages with MSMEs and other innovative products and service providers, specifically by increasing its clientele and improving its services.

Likewise, NEDA XI foresees that the RIIC will contribute to the funding and implementation of priority research, as well as add relevant research agenda in the Davao Regional Development Research Agenda (DRDRA), 2017-2022 through its pool of RDI experts, as well as, the availability of financial and other resources.

The document may be accessed through:

<https://nro11.neda.gov.ph/wp-content/uploads/2020/04/Davao-Region-Development-Research-Agenda-DRDRA-2017-2022-Midterm-Update.pdf>

6. Towards convergence: What were the planning challenges and how were these overcome? (project management, budget, capacities etc.)

From a partner standpoint, the planning challenge was mainly on the coordination among the lead implementors and partners. Any new initiative will encounter such hurdle, especially since the RIIC is a joint initiative of the DTI, CHED, DOST and DICT, four government agencies that have different mandates and priorities. The technical assistance provided by the USAID STRIDE is crucial especially in identifying the innovation players, as well as building the innovation collaboration among the key agencies/partners.

7. What are the market opportunities (local, regional, foreign, etc.) of the RIIC in your area?

Aside from its export potential, the Region also hosts 16 operating ecozones² for manufacturing, information technology, and agro-industrial activities, bringing in local and foreign investments. In 2018, Board of Investment (BOI)-registered projects by local and foreign investors amounted to ₱17.2 billion. The 2019 figure was lower at ₱8.3 billion, and much lower in 2020 at ₱4.9 billion due to the COVID-19 pandemic.

The Davao RIIC currently focuses on processed fruits & nuts and functional food, but there are opportunities to expand given recent developments in the Region. For instance, RA 11547 was recently enacted, declaring Davao City as the chocolate capital and the Davao Region as the cacao capital of the country. This is a big opportunity for the RIIC to channel its innovation efforts on expanding the cacao production and processing and improve the Region's participation in the global cacao (and its by-products) trade.

The Region is also poised to leverage its location, as it not only participates in the ASEAN Economic Community but is also an important gateway to the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA). This sub-regional economic

² PEZA (2017). Operating Economic Zone Map. Accessed at <http://www.peza.gov.ph/index.php/economic-zones/list-of-economic-zones>

cooperation is seen to boost connectivity, facilitate the cross-border movement of goods, services, and people, facilitate tourism development, and ensure environmental conservation and protection in Mindanao. This is another opportunity for the RIIC to assist in strengthening product diversification, production upscaling, productivity improvement, and participation in global production networks, as well as enhancing the quality of the region's commodities and resources through innovation and entrepreneurship.

8. What are the R and D opportunities of the RIIC in your area? (Probing: are there SUCs, knowledge creation centers, technical schools)?

There are 7 state universities and colleges (SUCs), and around 78 higher education institutions (HEIs) in the Region. As earlier mentioned, the priority research agenda and topics that support the development thrusts of the region are contained in the DRDRA, 2017-2022. While the R&D opportunities will largely depend on the availability of R&D funding, the DRDRA serves as a guide for the SUCs, HEIs, other R&D institutions, and the RIIC on the possible research topics that will contribute to the achievement of the Regional Development Plan's goals.

9. Before the RIICs, was there any link between the academe and the industry in your location? (i. e. through the GIA program of the academe/DOST?)

Davao Region adopted the Industry Clustering (IC) Strategy way back in 2006, as a development platform in advancing its agriculture and industry sectors and to enable the region to participate in the ASEAN Economic Community and the global value chains. As among the earliest to adopt the IC strategy in the country, the Region's trailblazing efforts has prepared a solid foundation for the RIIC to thrive, with key stakeholders from the national and local government offices, private sector industry players, and the academe having been on board and currently playing active roles in improving the Region's then 8 priority industries to now 15 clusters, namely Abaca, Banana, Bangus, Cacao, Coconut, Durian, ICT, Livestock and Poultry, Mango, Mining, Renewable Energy, Rice, Seaweed, Tourism, and Wood.

As Secretariat to the RDC XI, the NEDA Regional Office XI provided technical assistance and support in the formulation of the Region's IC strategy as contained in the Davao Region Industry Cluster Roadmap (DR-ICR), 2014-2030, which includes the assessment, action plans, and targets for the priority industries. Through NEDA XI's initiative under the auspices of the Economic Development Committee (EDC) of the RDC XI, the document was updated in 2020 –incorporating the changes to the environment and other developments in the programs and interventions in the region. Moreover, the action plans and targets were also recalibrated to consider the updated DRDP, 2017-2022 and the effects of the COVID-19 pandemic.

B. Implementation

1. What have been the gains of the RIIC so far?

I believe that we (in the Region) have yet to fully reap the benefits of the Davao RIIC given that it has not yet reached its full potential; but I can speak of the RIIC's 3 pivotal accomplishments that will certainly impact its future.

First is on the mapping of the innovation landscape in the Region. The Davao RIIC or the Innovation thru Science, Technology, and Risk-resilient based Initiatives toward Knowledge Economy (iSTRIKE) Davao was able to develop a web-based, geo-mapped website containing

the list and location of services and innovation program providers, as well as access to key information which shall enable easier access to data and services for the public.

Second is on the Innovation for Business Recovery (IBR) project which shall help businesses survive, recover, and thrive amid the pandemic. The IBR provides direct consultancy services to struggling MSMEs through partnerships with the faculty members of graduate schools (e.g., UP Mindanao and Ateneo de Davao University) in creating business strategic action plans to mitigate the impact of the pandemic. Ten initial MSMEs were assisted by the Davao RIIC on this project.

Third and last is on the formulation of the iSTRIKE Davao Strategic Plan for 2021-2025, which will define the strategic direction of the RIIC for the next five years. While this is still being finalized, the strategic plan shall contain the feasible targets, strategies and plans of the RIIC in ensuring that the collaborative efforts of its innovation networks will be maintained and improved towards the further adoption and mainstreaming of RDI, as well as the integration of the regional economy into the Industry 4.0.

- 1.1. (probe) Please compare to the initial condition, i. e. without the RIIC. (Refer to Section A, Questions 5 and 9)
2. Towards Convergence: What are the implementation challenges? (i.e. funding, capacities, distrust, lack of policies, lack of matching between academe and industry, etc.)

From our viewpoint, the initial acceptability, as well as developing a culture of innovation, were the major blockades in the RIIC implementation, since the stakeholders and some partners lack awareness and/or are indifferent to RDI, and there were difficulties in the promotion and dissemination of the RIIC to the public due to lack of institutional bases.

- 2.1. How were these overcome?

To provide policy support, NEDA XI advocated for the establishment of the RIIC in the Region. This was coursed through the EDC and subsequently passed by the RDC XI through Resolution No. 13, Series of 2019, "ADOPTING THE ESTABLISHMENT OF THE RIICs TO SUPPORT THE UPSCALING OF THE DAVAO REGION'S INDUSTRY CLUSTER." The RIIC shall serve as a platform to introduce innovation in the Region and advance its priority industry clusters.

Moreover, the enactment of the Philippine Innovation Act and Innovative Startup Act in 2019, as well as the recent establishment of the Davao City Inventions and Innovations Center (DCIIC), are seen to boost the awareness and support to the RDI and the RIIC. As earlier mentioned, NEDA XI shall ensure the implementation of the Philippine Innovation Act in the region through a regional innovation body that shall act as the counterpart of the National Innovation Council (NIC) in the formulation, development, implementation, and monitoring of the region's innovation goals, priorities, and long-term strategy.

On the other hand, the DCIIC was established through a landmark ordinance and will complement the initiatives of the RIIC in providing innovators and start-ups with a venue for accessing goods, services, and capital to develop and promote their inventions and innovations. Hopefully, this initiative of the Davao City will also be replicated by other provinces/cities in the region.

3. What are the partnership challenges? Please specify.

One of the partnership challenges that I observed in relation to the RIIC is the need for a well-defined organizational structure, particularly on the delineation of roles and functions of the partners and stakeholders, as well as the budgetary, human resource, and other institutional requirements. Another would be the different policy issuances and directions of the government agencies as regards the RIIC. However, I believe that these will be addressed by the RIIC in the immediate future, with the finalization of the strategic plan.

C. Evaluating Effectiveness

1. What are the roles of partners as follows:

1.1 Government

The main role of the national government agencies (NGAs) is to provide an enabling environment and ensure the sustained operation of the RIIC. To this end, they shall establish a mechanism to harmonize and link their programs and services to the RIIC in accordance with their mandates and in line with the regional development thrusts and priorities. NEDA XI shall provide technical assistance, and policy recommendations and support through the RDC XI on matters concerning the RIIC.

Likewise, the NGAs shall provide the necessary technical support and assistance through policies, capacity development, and information, communication, and education, to properly implement, manage, and monitor the RIIC and develop a conducive business environment for the innovation based MSMEs to thrive and scale up.

The local government units, on the other hand, shall support the implementation of the RIIC by actively participating in its programs and activities. They may also initiate programs and policies to promote innovation and entrepreneurship in their respective jurisdictions.

1.2 Academe

The academe shall identify, develop, and provide the appropriate R&D, and support the adoption and commercialization of research-based technologies that will address the actual needs of the industries. They shall also endeavor to prioritize the research agenda as contained in the DRDRA, 2017-2022.

Moreover, the academe shall incorporate relevant courses/programs in the academic curriculum. The extension and production programs of HEIs shall likewise mainstream innovation and entrepreneurship.

1.3 Industry

The industry players shall support the implementation of the RIIC by actively participating in its programs and activities. They shall support the adoption and commercialization of technologies that are considered beneficial to their growth and development. They shall likewise extend their expertise and resources, and assist in technology transfers, especially to help the MSMEs. Industry players shall also provide opportunities through apprenticeships, trainings, and scholarships.

1.4 Civil society

The civil society organizations (CSOs) shall support the implementation of the RIIC by actively promoting and participating in its programs and activities.

1.5 Other partners?

Other partners such as the media will be crucial in the promotion and mainstreaming of the RIICs in the Region.

2. What were the essential initial conditions that made this project successful?

By far, the measure of the RIIC's success is the formalization of the collaboration among the GIA in the Region through the memorandum of understanding (MOU) among the Davao Chamber of Commerce and Industry (DCCCII), DTI XI, DOST XI, CHED XI, DICT Mindanao Cluster 3, NEDA XI, USAID STRIDE, and the FPAD, inked in 2020.

The initial conditions for the success of this formalized collaboration are 1) the established network of key stakeholders to implement and improve the Region's IC strategy; 2) the technical assistance provided by the USAID STRIDE; and 3) the increasing demand for innovation following the emergence of the Industry 4.0, as well as the rise of digital economies and the advent of technology and digitalization.

5. Are there other data to demonstrate the impact of the RIIC (indicators or measures of success such as increased productivity, increased network, increased sales, increased participation of MSME, others)?

Currently, we do not have the empirical data on the contribution of the Davao RIIC to the growth of the MSMEs, or to the improvement of the industries' overall productivity. However, the RIIC implementation has been identified as a key strategy in boosting the capacities of institutions for innovation, and the development and scaling up of the MSMEs and start-ups per the Updated Philippine Development Plan (PDP), 2017-2022 and the Updated DRDP, 2017-2022.

Nevertheless, we are optimistic that the RIIC will receive further attention from the national and local governments and will be replicated in other areas. Hopefully, the RIIC success indicators will be included in the monitoring tool or the Results Matrices (RMs) of the Philippine and regional development plans in the next planning period.

D. Making Improvements

1. What strategies do you have in mind to strengthen collaboration among agencies?

1.1 Strategies to attract more partners?

Attracting more partners would depend on how deep the culture of innovation is set in the Region. In other words, the RIIC must build the innovation culture by first upgrading the partners' capacities and capabilities through a capacity building program. Ideally, innovation starts with the partners and will ripple to other organizations and stakeholders. When the current partners (as leaders) are already capable of innovating, it is much easier to encourage others to do as they did. A communication plan should likewise be formulated and implemented for this purpose.

1.2 Strategies to sustain the partnership/convergence?

An effective way of sustaining the partnerships/convergence is by building an innovation management system or framework and institutionalizing or formalizing such collaborative framework. The iSTRIKE Davao has already done the latter, by undertaking an MOU with its partners. The MOU undertaking must be expanded to cover other subsequent partner organizations.

The RIIC must also ensure the harmonization of the programs and initiatives of the partner organizations in relation to the RIIC. In addition, sustaining the convergence will depend on the assessment of the effectiveness of the management measures being implemented. Hence, there needs to be a monitoring and evaluation plan that will ensure improvements to the RIIC.

For continuity, the said system/framework should also consider changes in leadership, as in the case of the local government units. Organizational priorities are mainly influenced by their leaders. To maintain a lasting partnership, partner organizations must establish cohesiveness in terms of having a shared vision and the proper implementation and management of the RIIC.

1.3 Any challenges with the sustainability of partnership? N/A

E. Sharing the Benefits

1. How and with whom do you plan to share the impact your project?

As a pilot RIIC, it is an institutional responsibility of the iSTRIKE Davao to share as much information as possible with other potential partners. Foremost, the impacts of the RIIC shall be shared to the regional stakeholders, and the best practices as well as the learning experiences shall be shared to other regions, for possible replication.

Fora and information sharing sessions can be organized by the RIIC partners. On our part, we can cascade this to other RDCs through the NEDA Board - Regional Development Committee (NB-RDCom). If the opportunity presents itself and should the RIIC succeed, the impacts/results may even be shared to international institutions.

2. What recommendations do you have for regions interested in replicating your project?

Like any other initiative, there is a certain degree of commitment and persistence that other regions will have to demonstrate in order to establish their own RIIC. Efforts should be strategic to be efficient and effective in the use of resources. USAID STRIDE's technical assistance is a 'golden' opportunity, so other regions may avail of the same.

Other regions may start by leveraging partnerships that they have already established with the development partners and stakeholders. They must then establish a harmonized framework i.e., a strategic plan to identify the roles and responsibilities of each partner. This will enable them to focus on what really matters and avoid the unnecessary confusion and inefficiencies. Lastly, other regions should ensure that the partners are driven by a shared vision since this will most likely determine the success of the RIIC.

3. Describe any sustainability plan of the RIIC to allow continued implementation once the grant period has ended.

The sustainability plan, at least for the next five years, shall be reflected in the iSTRIKE Davao Strategic Plan, 2021-2025. The actions of the partners and stakeholders relative to the RIIC shall be anchored on this plan from here on out.

END OF CASE STUDY QUESTIONS

Name of Note taker: _____