



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



**CHED MEMORANDUM ORDER**

No. 03  
Series of 2015

**SUBJECT : POLICY REFORMS FOR THE GRANTS-IN-AID FUNDS OF THE COMMISSION ON HIGHER EDUCATION (CHED) FOR RESEARCH AND DEVELOPMENT, AND EXTENSION**

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**1. RATIONALE**

Pursuant to Republic Act 7722, “An Act Creating the Commission on Higher Education,” which states that “...the knowledge society or knowledge economy characterizes the university not just a generator of knowledge, an educator of young minds and a transmitter of culture but also as a major agent of economic growth, a Research and Development laboratory and a mechanism through which the nation builds its human capital to enable it to actively participate in the global economy” it is, therefore, imperative to encourage Philippine higher education institutions become platforms for innovation and drivers of competitiveness and economic growth.

However, Philippine higher education institutions face critical and urgent challenges in major fronts of the research and development, and extension (RDE) enterprise<sup>1</sup>. Essential issues need to be addressed such as a) improving capabilities of faculty as well as physical resources and infrastructure to carry out research, b) increasing research productivity, and upgrading quality and impact, c) stepping up linkages with community, business and industry stakeholders in order to further sharpen knowledge production, dissemination, extension and utilization, including product development and commercialization, c) using products of research as inputs to policy initiatives and reforms, and d) building up a steady pipeline of young talented researchers who can carry on the task of unleashing innovations that can create new businesses, new ways of solving economic and social issues, generate employment opportunities, and in so doing, alleviate poverty and guarantee the prosperity of the nation in the long term. Given these challenges, Philippine higher education institutions (HEIs) must be supported in their pursuit of higher education goals of knowledge production and generation; in the transmission, dissemination and extension of innovations; in their

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<sup>1</sup> In The Global Innovation Index 2014: The Human Factor in Innovation, the Philippines ranks 100 out of 143 countries, compared to Singapore (7), Malaysia (33), Thailand (48), Vietnam (71), Bhutan (86), Indonesia (87), Brunei Darussalam (88), and Cambodia (106).

