

**[DOST MEMORANDUM CIRCULAR NO. 001, S.
2010, March 15, 2010]**

**GUIDELINES FOR THE IMPLEMENTATION OF IGF ASSISTANCE
PROGRAM UNDER R.A. NO. 7459**

SECTION 1. Program Description

Pursuant to Republic Act No. 7459, the Invention Guarantee Fund (IGF) shall be composed of the following:

1. Ten Million Pesos (P10,000,000) continuing appropriation that would be incorporated in the Annual Budget of the Technology Application and Promotion Institute-Department of Science and Technology (TAPI-DOST);
2. Invention Guarantee Fund (IGF) created by R.A. No. 3850, as amended, deposited with the Development Bank of the Philippines; and
3. Interest earnings of the aforesaid Fund.

SECTION 2. Objective:

To support the commercial production of patented Filipino inventions by providing the guarantee on loan assistance extended by government banks.

SECTION 3. Assistance Coverage:

To provide the guarantee for the loans of inventors from government banks as follows:

1. Loan amounting to not more than P200,000;
2. Loan amounting to more than P200,000 provided that such loan shall be covered by acceptable collateral and with 15% of equity on the loan to be shouldered by the borrower-inventor;
3. Loan covering 80% of the peso value of existing foreign irrevocable letter of credit issued in favor of the borrower-inventor or duly registered company producing his invention for export; and
4. Payment of guarantee premiums.

SECTION 4. Eligibility for Financial Assistance:

1. The inventor must be a Filipino citizen;

2. He/She must be of good moral character and have not been convicted of any case involving moral turpitude;
3. He/She must be in good health and must be at least 21 years old;
4. Must have no overdue outstanding obligation with TAPI.

SECTION 5. Criteria for Evaluation

I. Technical Aspect	(30%)
A. Production/Process/Performance Efficiency	
B. Novelty of Design/Process	
C. [Durability] Product Life	
D. Appearance/Acceptability	
E. Certainty of Supply	
F. Potential for Development	
G. Efficiency Utilization of Resources	
H. Waste Management	
II. Market Aspect	(30%)
A. Acceptability of the Product/Service/Process	
B. Supply/Demand Ratio	
C. Competitive Position (Market Share)	
D. Potential Market	
E. Product Life/Sustainability of Market	
III. Financial Aspect	(30%)
A. Profitability	
B. Capacity to pay	
C. Reasonable Cost	
IV. Social Benefits (10%)	
A. Within DOST priority	
B. Employment Generation	
TOTAL SCORE	(100%)

To qualify for assistance, the proposal must garner at least 65% of the total score.

SECTION 6. Operating Procedures for Loan Assistance:

1. Proponent writes a letter of request for guarantee assistance under the Invention Guarantee Fund (IGF) of R.A. No. 7459 to the Director of TAPI attaching a project proposal/ feasibility study and the requirements as enumerated in Sec. 7 hereof.
2. The Program Manager (PM) pre-evaluates the submitted documents for authenticity and completeness. If the submitted documents are incomplete, TAPI writes a letter to the inventor informing the lacking documents to be submitted