

1 Fifteenth Congress  
2 First Regular Session

3  
4 HOUSE BILL NO. 4962  
5

6  
7 Introduced by Honorable Cinchona Cruz-Gonzales, Benjamin D. Asilo, Godofredo V. Arquiza,  
8 Catalina G. Leonen-Pizarro, and Cresente C. Paez  
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11 **EXPLANATORY NOTE**

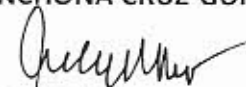
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13 This bill seeks to strengthen people's participation in community development and to  
14 institutionalize the One Village One Product (OVOP)-based programs of the government .  
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16 The convergence of resources through the clustering of Local Government Units (LGU)  
17 has been proven as effective in supporting local development and in engendering people's  
18 participation. While the One Town One Product (OTOP) project of the Department of Trade and  
19 Industry (DTI) has increased employment opportunities and stimulated local economic growth,  
20 the One Cluster One Vision program of the Department of Interior and Local Government  
21 (DILG) has helped certain contiguous LGUs address common needs and interests; improve  
22 service delivery; and spur socio-economic development in the area. Both OVOP-based  
23 programs have also increased the sense of community acceptance and ownership of products  
24 of the people, given their direct involvement in its projects. Unfortunately, the OTOP project  
25 has ended in 2010 while the OCOV program has remained a mere advocacy at the DILG. The  
26 undue termination and relegation of these OVOP-based programs deprive the LGUs and the  
27 people of an effective strategy to strengthen their capacities to become self-reliant  
28 communities.  
29

30 Institutionalizing these OVOP-based programs will bring forth a more stable, defined  
31 and sustained strategy to alleviate poverty in the countryside with the help of the people, in the  
32 process strengthening the participation of CSOs in community development.  
33


34 In view of the foregoing, approval of this bill is earnestly sought.

  
CINCHONA CRUZ-GONZALES

  
GODOFREDO V. ARQUIZA

  
CRESENTE C. PAEZ

  
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CATALINA G. LEONEN-PIZARRO

Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila

Fifteenth Congress  
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Introduced by Reps. Cinchona C. Gonzales, Benjamin D. Asilo, Godofredo V. Arquiza, Catalina  
G. Leonen- Pizarro and Cresente C. Paez

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**AN ACT**  
**STRENGTHENING CIVIL SOCIETY ORGANIZATIONS (CSOs) PARTICIPATION IN COMMUNITY**  
**DEVELOPMENT THROUGH THE INSTITUTIONALIZATION OF "ONE VILLAGE ONE PRODUCT"**  
**(OVOP)-BASED PROGRAMS OF THE GOVERNMENT, AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives in Congress of the Philippines*  
*assembled:*

1           SECTION 1. **Short Title.** – This Act shall be known as the "*CSOs Participation in One*  
2 *Village One Product- Based Programs Act of 2011.*"

3           SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of the State to recognize  
4 the role of the people in community development. Toward this end, the State shall  
5 institutionalize a program to strengthen their participation in local development, to encourage  
6 cooperation among local government units (LGUs) and their instrumentalities, and to enhance  
7 productivity and guarantee income opportunities for all.

8           SEC. 3. **Statement of Goals and Objectives.** Pursuant to the abovementioned policy, the  
9 government shall attain the following objectives:

1 a. To provide an effective mechanism to strengthen the participation of civil society  
2 organizations (CSOs) in community development through institutionalized OVOP-based  
3 programs;

4 b. To institutionalize the "OVOP" approach as a means of pursuing the livelihood  
5 development of clustered communities;

6 c. To build and strengthen partnerships with concerned agencies, LGUs, and CSOs,  
7 toward the development of globally competitive unique local products and services; and

8 d. To promote unity among the people of clustered communities by encouraging  
9 them to work together in pursuing local development.

10 **SEC. 4. *Strengthening CSOs Participation in the Program.*** The government shall  
11 coordinate, encourage, and facilitate the participation of accredited CSOs in all aspects of  
12 development work in OVOP-based programs, namely, in planning, implementation,  
13 monitoring, and evaluation stages, to enliven the sense of community acceptance and  
14 ownership of products. LGUs shall promote and facilitate partnerships with CSOs and the  
15 private sector in pursuit of local development.

16 The LGU shall accredit CSOs and approve the nominated CSO representatives who will in  
17 turn become members of the technical working group (TWG) and of Cluster Advisory Board that  
18 shall provide technical assistance and policy guidance.

19 **SEC. 5. *Accreditation of CSOs and Private Sector Organizations*** – CSOs and private  
20 sector organizations shall be accredited prior to their participation in OVOP-based programs.  
21 The application for accreditation shall be filed with the Local Sanggunian. Applicant-  
22 organizations shall be required to submit the following documents to the Secretary of the  
23 Sanggunian:

24 a) Articles of Incorporation and by-laws;

25 b) Certificate of Registration with a government accrediting agency;

26 c) List of officers and members;

27 d) Nature of business/work of the CSOs/Private sector; and

28 e) Annual accomplishment report for the immediately preceding year.

1 All applications for accreditation shall be acted within a period of ten (10) working days.  
2 Upon approval, a certificate of accreditation shall be issued to the organization which shall be  
3 valid for three (3) years. In case of disapproval, a notice shall be sent to the CSO concerned. The  
4 Local Sanggunian shall also have the power, upon verified complaint, to cancel the certificate of  
5 accreditation.

6 SEC. 6. "**One Village One Product**" -Based Programs. – Pursuant to the abovementioned  
7 policy, OVOP-based programs are hereby institutionalized under the supervision of both the  
8 Department of the Interior and Local Government (DILG) and the Department of Trade and  
9 Industry (DTI). These programs cover all the projects and activities related to "*One Cluster One*  
10 *Vision*" and "*One Town One Product*" framework of the DILG and the DTI, respectively.

11 OVOP-based Programs encourage the organization of contiguous LGUs within the  
12 province, with the help of CSOs and the private sector, to form clusters which are primarily  
13 based on the necessity to develop locally-based products and services, and to provide  
14 livelihood for the community.

15 The DILG shall supervise the clustering of LGUs for local development while the DTI shall  
16 supervise the preparation of the cluster framework plan. The CSO and the private sector shall  
17 act as advisers to the OVOP clusters in the identification of local products and services and in all  
18 other development processes which pertain to OVOP Programs.

19 SEC. 7. **Cluster Development Process.** –LGUs shall be organized into clusters based on  
20 the following criteria:

- 21 a. Geographically adjacent or contiguous to each other;
- 22 b. Commonness in interests, needs, and development requirements;
- 23 c. Agreement in the identification of products and services that shall be developed;
- 24 d. Willingness to commit and share local resources, facilities, and services for local  
25 development.

26 Each cluster shall be composed of not less than three (3) nor more than seven (7) LGUs:  
27 *Provided, That* each LGU, prior to its inclusion into a cluster, shall pass a Sangguniang Bayan  
28 Resolution authorizing the local chief executive (LCE) to enter into a Memorandum of  
29 Agreement with other LGUs, indicating therein the willingness to commit resources for

1 purposes of local development: *Provided, further,* That said Sangguniang Bayan Resolution,  
2 together with a letter of intent signed by the LCE, shall be submitted to the DILG as assent to  
3 membership into a cluster.

4 Each cluster, through the Board, shall be guided by the DTI in formulating a master plan  
5 that will serve as the framework for the development plans of the cluster, which shall include  
6 the identification of products and services; the actions to develop such products or services; the  
7 role of each LGU in the product development process; the assistance needed from other  
8 agencies and institutions; the source of fund support; and the projected income.

9 The Board shall present the master plan to the respective local Sanggunian, which shall  
10 in turn pass a resolution approving the plan for implementation. Thereafter, such approved  
11 master plan shall be implemented within sixty (60) days after its adoption.

12 **SEC. 8. Cluster Management Board.** – A Cluster Management Board, hereinafter  
13 referred to as the Board, is hereby created for every cluster. The Board shall be the primary  
14 body that will prepare, integrate, coordinate, supervise, and control the OVOP plans, programs,  
15 projects, and activities of the cluster. The Board shall be composed of the LCEs of the member-  
16 LGUs of each cluster, the planning and development officer of each member-LGU, the  
17 respective Provincial Directors of the DILG and the DTI, and two (2) representatives from CSOs,  
18 as members.

19 Accredited organizations shall nominate representatives to the Board, who will in turn  
20 elect among themselves two (2) CSO representatives and two (2) private sector representatives  
21 to the Board.

22 The members of the Board shall have one (1) vote each. The Board shall establish and  
23 provide the necessary technical, consultative, and secretariat support to member-LGUs. The  
24 Chairperson and members of the Board shall be entitled to allowances and honoraria in  
25 accordance with pertinent policies, rules, and regulations.

26 The Board shall also perform planning, monitoring, and coordinative functions, and in  
27 the process exercise supervisory authority over the implementation of OVOP objectives,  
28 programs, projects, rules, and regulations.

1           The Board shall be organized thirty (30) days after the DILG has identified a cluster and  
2 shall convene not more than fifteen (15) days following its organization.

3           There shall be established a Cluster Management Office (CMO) in each cluster, the  
4 location of which shall be determined by the Board fifteen (15) days after the Board shall have  
5 been organized.

6           **SEC. 9. Powers and Functions of the Board.** – The Cluster Management Board shall  
7 have the following powers and functions:

8           a.     Provide policy guidance in the formulation of cluster plans and programs;

9           b.     Promulgate rules and regulations on the management, operation, and conduct  
10 of the affairs and businesses of the cluster;

11          c.     Enter into, make and execute contracts with government entities, private  
12 organizations, CSOs, international organizations (IOs), and other parties, domestic or foreign, as  
13 may be necessary for the implementation of the cluster plan or project;

14          d.     Review and approve project proposals of the cluster including the budget;

15          e.     Submit to the respective local Sanggunian any proposed plan, program, or  
16 project for adoption and approval;

17          f.     Recruit and designate personnel as may be deemed necessary to handle the  
18 projects and activities of the cluster;

19          g.     Provide leadership in the coordination and over-all management of the affairs of  
20 the cluster;

21          h.     Conduct continuing research and development of innovative and indigenous  
22 technologies that will enhance the productivity of each cluster;

23          i.     Raise or borrow adequate and necessary funds from local or foreign sources to  
24 finance its projects and programs, within the limitation provided by law;

25          j.     Assess, levy, and collect fees and charges for products and services rendered;

26 and

27          k.     Perform such other functions as may be required by law.



1           SEC. 10. **Chairperson of the Board.** – The Board shall be headed by a Chairperson, who  
2 shall be elected annually by a majority of the Board Members. The Chairperson of the Board  
3 shall exercise the following powers and functions:

- 4           a. Call and preside over the meetings of the Board;
- 5           b. Engage the services of experts or consultants either on full-time or part-time  
6 basis, as may be required in the performance of the functions and duties of the Chairperson;
- 7           c. Execute and administer the policies and decisions approved by the Board and be  
8 responsible for the effective day-to-day management of the operations of the Board;
- 9           d. Prepare, in coordination with the TWG, the annual budget for the operations,  
10 plans, programs, and projects of the cluster for submission and approval of the Board;
- 11          e. Present to the local Sanggunian for approval the proposed policies and  
12 programs, revenue-raising measures, operations plan, draft rules and regulations, and such  
13 other plans and projects necessary to carry out its purpose;
- 14          f. Submit for consideration of the Board such other policies and measures  
15 necessary to carry out the provisions of this Act;
- 16          g. Prepare and submit to the Board and to the Secretary of the Interior and Local  
17 Government and the Secretary of Trade and Industry annual reports and evaluation of  
18 programs and projects;
- 19          h. Recommend to the national policy-making bodies the implementation of plans  
20 and programs of the cluster that conform to the regional development plan; and
- 21          i. Perform such other functions as may be required by law or the Board.

22           SEC. 11. **Cluster Advisory Board.** – A Cluster Advisory Board, hereinafter referred to as  
23 the CAB, is hereby created for every cluster. The CAB shall be the primary body that will provide  
24 technical and policy guidance to the Board, particularly in the formulation of cluster plans and  
25 programs and in enterprise and livelihood development. The CAB shall be composed of  
26 concerned national government agencies, financing institutions, as well as the CSOs, the  
27 academe, and the private sector within the cluster, as members.

28           SEC. 12. **Financial Support and the Cluster Common Fund.** The Secretary of the Interior  
29 and Local Government and the Secretary of Trade and Industry shall include in the respective

1 Department's programs the implementation of this Act, the initial funding of which shall be  
2 charged against the current year's appropriations of the DILG and the DTI. Thereafter, the  
3 amount necessary for its continued implementation shall be included in the annual *General*  
4 *Appropriations Act*.

5 There is hereby established a Cluster Common Fund which shall comprise of THE  
6 AMOUNT OF CONTRIBUTION BEING AGREED BY THE MEMBERS OF THE CLUSTER THRU A  
7 CLUSTER RESOLUTION, and any local or foreign donation obtained by the Board to finance  
8 OVOP-based programs and projects.

9 The proceeds from the revenue-raising powers under Section 9 hereof shall accrue to  
10 the Board, for use exclusively in the implementation of OVOP's programs and projects.

11 The Board shall be authorized to directly utilize a portion of the income generated from  
12 fees and other collections in the performance of its functions to defray operating expenses.

13 The Board may submit proposals to the Representative of the legislative district who has  
14 jurisdiction over the member-LGU for inclusion in the district's priority projects and in the  
15 Priority Development Assistance Fund.

16 SEC. 13. ***Institutional Linkages.*** – The Board shall, in carrying out its functions, consult,  
17 coordinate, and work closely with the LGUs, the DILG, the DTI, the National Economic and  
18 Development Authority, and other national government agencies, accredited CSOs, and the  
19 private sector operating within the cluster.

20 SEC. 14. ***Monitoring and Evaluation.*** – The respective Offices of the Secretary of the  
21 DILG and the Secretary of the DTI, thru the Regional Offices and with the help of the accredited  
22 CSOs, shall monitor and evaluate the implementation of the plan and project and recommend  
23 necessary measures to support cluster-related activities.

24 SEC. 15. ***Implementing Rules and Regulations.*** – The Secretary of the Interior and Local  
25 Government, in coordination with the Secretary of Trade and Industry, shall issue the rules and  
26 regulations necessary for the effective implementation of this Act.

27 SEC. 16. ***Repealing Clause.*** – All laws, executive orders, presidential decrees, rules and  
28 regulations or parts thereof contrary to or inconsistent with any provisions of this Act is hereby  
29 repealed, amended or modified accordingly.



1           SEC. 17. **Separability Clause.** – If for any reason, any part or provision of this Act is  
2 declared invalid or unconstitutional, the remaining parts or provisions not affected thereby  
3 shall remain in full force and effect.

4           SEC. 18. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in  
5 the Official Gazette or in two (2) national newspapers of general circulation.

6           Approved,