

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session



**COMMITTEE REPORT NO. 54**

Submitted by the Committee on People's Participation on JAN 19 2017

**Re : House Bill No. 1166**

Recommending its approval without amendment, in consolidation with **House Bill No.1615**

**Sponsors : Representatives Kaka J. Bag-ao, Ma. Lourdes Acosta-Alba, Orestes T. Salon, and Delphine Gan Lee**

Mr. Speaker:

The Committee on People's Participation to which were referred House Bill No.1166 introduced by Representatives Ma. Lourdes Acosta-Alba, Divina Grace C. Yu, and Juliette T. Uy, entitled:

**"AN ACT INSTITUTIONALIZING INDUSTRY CLUSTER-BASED PROGRAMS AND PROJECTS THROUGH INTER-LOCAL COOPERATION AND PEOPLE'S PARTICIPATION"**

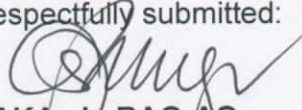
and House Bill No.1615 introduced by Representatives Orestes T. Salon, Delphine Gan Lee, Harlin Neil J. Abayon III, Len B. Alonte-Naguiat, Manuel Jose "Mannix" Dalipe, Carmelo "Jon" B. Lazatin II, Rodante D. Marcoleta, Ma. Lourdes R. Aggabao, Enrico A. Pineda, Frederick W. Siao, Michael L. Romero, Bernadette C. Herrera Dy, Luis Raymund Villafuerte, Jr., Benhur B. Lopez, Jr., Salvador B. Belaro, Jr., Alfredo A. Garbin, Jr., Teodoro G. Montoro, Luis Jose Angel N. Campos, Jr., Lorna P. Bautista- Bandigan, Ron P. Salo, Arlene B. Arcillas, and Lianda B. Bolilia, entitled:

**" AN ACT INSTITUTIONALIZING INDUSTRY CLUSTER-BASED PROGRAMS AND PROJECTS THROUGH INTER-LOCAL COOPERATION AND PEOPLE'S PARTICIPATION"**

has considered the same and recommends the approval of House Bill No. 1166 without amendment, in consolidation with House Bill No. 1615, and with Representatives Ma. Lourdes Acosta-Alba, Orestes T. Salon and Delphine Gan Lee as authors and Representatives Divina Grace C. Yu, Juliette T. Uy, Harlin Neil J. Abayon III, Len B. Alonte-Naguiat, Manuel Jose "Mannix" Dalipe, Carmelo "Jon" B. Lazatin II, Rodante D. Marcoleta, Ma. Lourdes R. Aggabao, Enrico A. Pineda, Frederick W. Siao, Michael L. Romero, Bernadette C. Herrera Dy, Luis Raymund Villafuerte, Jr., Benhur B. Lopez, Jr., Salvador B. Belaro, Jr., Alfredo A. Garbin, Jr., Teodoro G. Montoro, Luis Jose Angel N. Campos, Jr., Lorna P. Bautista-Bandigan, Ron P. Salo, Arlene B. Arcillas, Lianda B. Bolilia, Kaka J. Bag-ao, Florida "Rida" P. Robes, Glona G. Labadlabad, Ramon "RAV" Rocamora, Winston "Winnie" Castelo, Sitti Djalia A. Turabin-Hataman,

Shernee Abubakar Tan, Carlos Isagani T. Zarate, Lawrence Lemuel H. Fortun, Nancy A. Catamco, Jorge "Bolet" Banal, Sherwin N. Tugna and Anna Marie Villaraza-Suarez as co- authors thereof.

Respectfully submitted:



**KAKA J. BAG-AO**

Chairperson

Committee on People's Participation

THE HONORABLE SPEAKER  
HOUSE OF REPRESENTATIVES  
QUEZON CITY

## **FACT SHEET**

**House Bill No. 1166  
(In consolidation with HB 1615)**

### **AN ACT INSTITUTIONALIZING INDUSTRY CLUSTER – BASED PROGRAMS AND PROJECTS THROUGH INTER-LOCAL COOPERATION AND PEOPLE’S PARTICIPATION**

Introduced by: **REPS. MA. LOURDES ACOSTA-ALBA, ORESTES T.  
SALON AND DELPHINE GAN LEE**

Committee Referral : **COMMITTEE ON PEOPLE’S PARTICIPATION**  
Committee Chairperson: **REP. KAKA J. BAG-AO**

#### **OBJECTIVES:**

- To strengthen the participation of civil society and business organizations in community development through industry cluster- based programs and projects of the government
- To build and strengthen partnerships among concerned agencies, local government units (LGUs) and civil society organizations (CSOs) toward the development of competitive local products and services

#### **KEY PROVISIONS:**

- Institutionalizes the Industry Cluster program which encourages the clustering of LGUs within the province based on the need to develop locally-based products and services, and to provide livelihood for the community
- Provides the procedures for the accreditation of civil society and business organizations who wish to meaningfully participate in industry cluster-based programs and projects
- Provides the criteria for formation of clusters; the procedures for creating them; and the guidelines pertaining to the formulation of their respective master plans
- Provides for the establishment of an Industry Cluster Management Board (ICMB), which shall be composed of the Local Chief Executives of member-LGUs, the respective provincial Directors of DTI and DILG, one representative each from accredited CSOs of each member-LGU, and a representative from business organizations
- Defines the powers and functions of the ICMB and its Chairperson

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(This is a refiled bill which was transmitted to the Senate in the 16<sup>th</sup> Congress)



- Creates a Cluster Advisory Committee, which shall provide technical and policy guidance to the Board, and which includes concerned national government agencies, financing institutions, as well as accredited civil society organizations
- Grants incentives to industry cluster entrepreneurs in terms of preferential access to low-interest government credit and to government-initiated promotion programs, as well as tax exemptions
- Provides for a Cluster Common Fund and other sources of funding to finance the operations of the Industry Cluster-based programs and projects
- Identifies the institutional linkages of the Board and assigns the Offices of the Secretaries of the DTI and the DILG to monitor and evaluate the implementation of Industry Cluster programs and projects.

**RELATED LAWS :**

- RA 7160 or the Local Government Code of 1991
- Executive Order No. 176, s. 2003
- DILG – MC 2002-09