

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1289



Introduced by Hon. Christopher V.P. de Venecia

AN ACT
INSTITUTIONALIZING THE CREATIVE PHILIPPINES PROGRAM AND
PROVIDING FUNDS THEREFOR

EXPLANATORY NOTE

The One Town, One Product (OTOP) Philippines project is a priority stimulus program for Micro, Small and Medium-scale enterprises (MSMEs) as the government's way - through the Department of Trade and Industry (DTI) - to intervene in the development of local economic growth. The program enables localities and communities to determine, develop, support, and promote products or services that are rooted in its local culture, community resource, creativity, connection, and competitive advantage. As their own 'pride-of-place,' these are offerings where they can be the best at or best renowned for. It endeavors to capacitate MSME owners to innovate and produce market-ready products and services.¹

OTOP is an international program that originated from Japan's One Village, One Product. Its various versions and iterations in numerous countries prove that it is a viable branding and stimulus program for MSMEs. More than a decade into its implementation, OTOP remains to be a strategic tool that provides an ecosystem of assistance from local government units, national government agencies, and the private sector. Nevertheless, there are more ways that OTOP can be improved especially in response to the economy's new challenges.²

The Creative Philippines program is inspired by the 'Kalibutan Project' that was initiated by DTI Region VII. It is a banner project under OTOP, infusing concepts on product development and design into the OTOP framework of developing locally-developed businesses. The DTI Region VII partnered with the Design Center of the Philippines and local designers to elevate the design of selected MSMEs, taking into consideration the expertise of the MSMEs' artisans, as well as their limitations.³

¹ <https://www.dti.gov.ph/negosyo/otop-ph/>

² <https://www.dti.gov.ph/negosyo/otop-ph/>

³ <https://www.youtube.com/watch?v=rE5jfZ7VbQQ>

The Creative Philippines program recognizes and emphasizes the role of creativity and design in developing local products and services while ensuring that they remain representative of the local history and heritage where the said products emerge. Its ultimate goal is to develop beautiful, unique, and market-ready products that will benefit the local community socially, culturally, and economically.

In view of the foregoing, the passage of this measure is urgently sought.

A handwritten signature in black ink, appearing to read 'Christopher V.P. De Venecia', written in a cursive style.

HON. CHRISTOPHER V.P. DE VENECIA
Fourth District, Pangasinan

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. **1289**

Introduced by Hon. Christopher V.P. de Venecia

AN ACT
INSTITUTIONALIZING THE CREATIVE PHILIPPINES PROGRAM AND
PROVIDING FUNDS THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the "Creative Philippines Act."

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to develop a self-reliant and independent national economy effectively controlled by Filipinos through policies and programs that drive creative, innovative, and inclusive local economic activity and boost national economic growth.

The State also recognizes the indispensable role of the private sector and private enterprises and the necessity to provide incentives to encourage cultural consciousness, design-sense, and creativity in general and to foster advancement among businesses especially local micro, small, and medium-scale enterprises (MSMEs).

Towards this end, the State shall equip MSMEs to progressively improve product and service quality, to utilize new technologies to pursue innovation and diversification, and to creative products and services that are unique to the comparative advantages of the local communities where they are situated.

The State shall further provide adequate and effective support services for MSMEs to enable communities to create, invent, determine, develop, and promote products and services that are rooted in their culture, community resources, creativity, connection, and competitive advantage.

SECTION 3. *Objectives.* – This Act aims to:

- (a) Provide a package of assistance for MSMEs with minimum viable products to develop new, innovative, and more complex products with significant improvement in the areas of quality, product development, design, packaging, standards compliance, marketability, virality, production capability, brand development, and export potential, among others;
- (b) Assist rural communities in achieving competitive and innovation- and creativity-driven local economies;
- (c) Promote convergence of initiatives from local government units (LGUs), national government agencies (NGAs), and the private sector, as well as international trade communities and organizations, in the development and promotion of Philippine products, whether for export or domestic market; and
- (d) Establish the "Creative Philippines" Trustmark as a guarantee of excellence, uniqueness, and cultural relevance in filipino products and services.

SECTION 4. *Institutionalization of the Creative Philippines Program.* – The Creative Philippines Program, herein referred to as the Program, is hereby institutionalized to serve as the government's stimulus and support program for the empowerment, promotion, and development of MSMEs in the countryside through the use of indigenous raw materials, the utilization of local skills and talents, and the development of unique and creative processes.

SECTION 5. *Program Components.* – The Department of Trade and Industry (DTI), in partnership with the LGUs, as well as with other relevant national government agencies, shall a comprehensive package of assistance to the Program beneficiaries, such as the following:

(a) *Product Development*, including:

(i) *Product Design* - design assistance to new products, product adaptation, product diversification, and expansion of existing product lines;

(ii) *Packaging and Labeling* - assistance to new packaging improvement of package design, or labeling, in coordination with the Design Center of the Philippines;

(iii) *Technology Updating* - conduct workshops on new technology procedures, materials, and processing to increase production quality and quantity, in coordination with the Department of Science and Technology (DOST);

(iv) *Product Enhancement* - provide seminars to increase design awareness and appreciation of product or merchandise development and the industrial design profession; AND

(v) *Branding*- conduct workshops on product branding and narrative and storytelling

(vi) *Cultural Relevance and Consciousness* - conduct training on cultural relevance and consciousness, in coordination with the National Commission on Culture and the Arts (NCCA) and, when applicable, with the National Commission on Indigenous Peoples (NCIP);

(b) *Capacity Building* shall be provided through training opportunities focusing on improving the human aspect of Creative Philippines, including business skills training and business counseling;

(c) *Standards and Market Compliance* where beneficiaries shall be trained and capacitated to observe standards and comply with the requirements of DTI- Bureau of Philippine Standards, Food and Drug Administration, and the Intellectual Property Office of the Philippines, and other concerned government agencies. Monitoring and evaluation schemes shall be developed and maintained to ensure that products under the Creative Philippines conform to these standards; and

(d) *Market Access and Product Promotion* where beneficiaries shall receive support in market access and promotion of products across different platforms, in coordination with the Center for International Trade Expositions and Missions (CITEM). These platforms may include multimedia advocacy campaigns, physical and virtual trade fairs, and Creative Philippines Hubs.

SECTION 6. Coverage. – The Creative Philippines Program shall cover material products and skills-based services known to or developed in an area or locality. This shall include the following products and services:

- (a) Agricultural-based Products such as coffee, cacao, other agricultural produce, agri-processed products like processed meats, coconut oil, preserved and processed seafood products, and plants and crops indigenous to the Philippines, especially as well as agri-tourism services related to such products;
- (b) Arts and Crafts such as coco coir, weaves, bamboo, paper artistry, and wood;
- (c) Home and Fashion / Creative Artisanal Products such as gifts, souvenir items, furniture, ornaments, houseware, garments, and textiles;
- (d) Processed Food such as fruits and nuts, local delicacies and kakanin (sticky rice cakes), juices, wines, tea, and other beverage, pastries, and baked goods, preserved food sauces, cakes, other dessert products, food supplements, and culinary-based specialty products; and
- (e) Skills-based Services and Other Products such as hilot or traditional Filipino massage, sculpting, essential oils and other wellness products, industrial goods, soaps, and other personal care goods, and cosmetics.

In dealing with indigenous products, both tangible and intangible, the free, prior, and informed consent shall always be obtained from the community who owns such products, pursuant to Republic Act No. 8371 or the Indigenous Peoples Rights Act.

SECTION 7. *Creative Philippines Trustmark.* – The DTI shall establish the Creative Philippines Trustmark that shall signify that the services and products have been marked excellent in terms of quality, design, value, creativity, uniqueness, cultural relevance, and marketability. It shall be a symbol representing the country's best products.

SECTION 8. *Establishment of Creative Philippines Hubs.* – Creative Philippines Hubs shall be established within the Go Lokal! Program of the DTI, within the shops and outlets of the Duty Free Philippines Corporation, and within other market access platforms of the government that are strategically located areas for local and foreign consumers. likewise, the government shall also establish or assist in the establishment of online marketplaces, including the logistical infrastructure to ensure the efficient functioning, where consumers can access and purchase Creative Philippines products.

SECTION 9. *Beneficiaries.* – The regional and provincial offices of the DTI shall, in cooperation with the concerned LGUs, determine the beneficiaries of the Program. The guidelines and mechanism for the selection of beneficiaries shall be formulated by the implementing agencies identified by this Act.

SECTION 10. *Administration of the Program.* – Every LGU and every DTI Regional Office shall assign an officer who shall administer, supervise, and implement the Program.

SECTION 11. *Implementing Agencies.* – The DTI shall implement the provisions of this Act, in coordination with the following agencies:

- (a) Cooperative Development Authority (CDA);
- (b) Department of Interior and Local Government (DILG);
- (c) Technical Education and Skills Development Authority (TESDA);
- (d) DOST
- (e) DA
- (f) DOT
- (g) DCP
- (h) CITEM
- (i) NCCA
- (j) NCIP

SECTION 12. *Repository of Creative Philippines Products.* – the DTI shall establish a repository of Creative Philippines products where information regarding the products can be shared for purposes of archiving and knowledge management.

The DTI shall also develop and maintain a website that shall serve as the primary source of information on information regarding the Creative Philippines products. The website shall also endeavor towards e-commerce to provide sales and marketing support to partner MSMEs.

SECTION 13. *Integration in the Seal of Good Local Governance.* – The development and promotion of Creative Philippines products within their respective local communities shall be one of the indicators of Local Government Units' compliance with the Tourism, Heritage

Development, Culture, and Arts criteria of the Seal of Good Local Governance, pursuant to Section 3 (i) of Republic Act No. 11292. LGUs shall receive additional points or commendations for developing and promoting Creative Philippines products in accordance with this Act.

SECTION 14. *Monitoring and Reporting.* – To ensure that the objectives of the Program are properly met, and to encourage other local communities and LGUs to develop and promote Creative Philippines products in their respective localities, the DTI shall submit an Annual Summary Report of the Program to both Houses of Congress with an accurate account of the expenditures and activities relating to the Program.

SECTION 15. *Appropriations.* – The amount necessary to carry out the initial implementation of this Act shall be charged against the current year's appropriations of the DTI. Thereafter, such amount as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

The LGUs concerned shall set aside the amount needed to implement the provisions of this Act.

SECTION 16. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the DTI, in consultation with the LGUs and other concerned agencies and relevant stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 17. *Separability Clause.* – Should any provision herein be declared unconstitutional the same shall not affect the validity of the other provisions of this Act.

SECTION 18. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,