



S E N A T E

S. No. 1594

PREPARED AND SUBMITTED JOINTLY BY THE COMMITTEES
ON TRADE, COMMERCE AND ENTREPRENEURSHIP,
LOCAL GOVERNMENT, AND FINANCE WITH SENATORS
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AN ACT INSTITUTIONALIZING THE ONE TOWN, ONE
PRODUCT (OTOP) PHILIPPINES PROGRAM,
APPROPRIATING FUNDS THEREFOR, AND FOR
OTHER PURPOSES

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

1 SECTION 1. *Short Title.* – This Act shall be known as
2 the “OTOP Philippines Act of 2023.”

3 SEC. 2. *Declaration of Policy.* – It is the State’s policy
4 to ensure the nation’s prosperity through policies and
5 programs that drive inclusive local economic activities and
6 boost national economic growth. The State further
7 recognizes the role of Micro, Small, and Medium

1 Enterprises (MSMEs) and the support that the State and
2 local government units (LGUs) shall provide to enable
3 communities to determine, develop, support, and promote
4 products or services.

5 SEC. 3. *Objectives.* – The objectives of this Act are as
6 follows:

7 (a) To provide a package of assistance for MSMEs
8 with viable products in order to develop new, innovative,
9 and more complex products, with significant improvement
10 in the areas of quality, product development, design,
11 packaging, standards and regulatory compliance,
12 marketability, production capability, and brand
13 development, among others;

14 (b) To assist rural communities in growing the local
15 economy and being more market-oriented and innovation-
16 driven; and

17 (c) To promote the convergence of initiatives from
18 LGUs, national government agencies, and the private
19 sector in developing and promoting Philippine products,
20 whether for export or the domestic market.

1 SEC. 4. *One Town, One Product (OTOP) Philippines.* –

2 To meet the declared policy of the State, the OTOP
3 Philippines Program is hereby institutionalized and shall
4 be one of the government’s stimulus programs that will
5 encourage the growth of MSMEs in the countryside
6 through the development of indigenous raw materials,
7 utilizing local skills and talents and featuring local
8 traditions and cultures across the country: *Provided, That*
9 simplified requirements and procedures shall be adopted
10 for beneficiaries to easily access the components of the
11 Program, in accordance with Republic Act No. 11032 or the
12 “Ease of Doing Business and Efficient Government Service
13 Delivery Act of 2018”.

14 SEC. 5. *OTOP Philippine Trustmark.* – The

15 Department of Trade and Industry (DTI) is hereby
16 authorized to establish the OTOP Philippines Trustmark,
17 an assurance that the products under the Program
18 represent the country’s best. The OTOP Philippines
19 Trustmark shall signify that the business and products

1 have been marked as excellent in terms of quality, design,
2 value, and marketability.

3 SEC. 6. *Products and Services Covered.* – The OTOP
4 Philippines Program shall cover products and skills-based
5 services known to an area or locality. This shall include,
6 but not be limited to, the following products and services:

7 (a) Processed foods such as fruits and nuts, local
8 delicacies, juices, wines, tea, and other beverages, pastries
9 and baked goods, preserved food sauces, cakes and dessert
10 products, food supplements, and culinary-based specialty
11 products;

12 (b) Agricultural-based products such as coffee, cacao,
13 and other agricultural produce, agri-processed products
14 like processed meats, coconut oil, and preserved and
15 processed seafood products;

16 (c) Home and fashion, and creative artisanal
17 products such as gifts, souvenir items, furniture,
18 ornaments, houseware, garments, fabrics, and textiles;

19 (d) Arts and crafts such as coco coir, weaves, bamboo
20 products, paper artistry, and wood;

1 (e) Skills-based services and other products such as
2 *hilot* or traditional Filipino massage, sculpting, essential
3 oils and other wellness products, industrial goods, soaps,
4 and other personal care goods, and cosmetics; and

5 (f) Transportation services and agri-tours.

6 SEC. 7. *Qualifications.* – OTOP products included in
7 the Program must meet a set of criteria to be established
8 by the DTI: *Provided,* That they are consistent with the
9 following elements:

10 (a) Culture – This shall pertain to cultural values
11 rooted in the following: heritage, living traditions, customs
12 and rituals, recipes passed on from generation, narratives,
13 history, and beliefs.

14 (b) Community Resource – The locality’s selected
15 products shall be based on the availability of local
16 resources, raw materials, skills, and network resources
17 within a community.

18 (c) Connection – The selected product shall be able
19 to evoke a sense of pride or emotional connection among
20 the locals.

1 (d) Creativity – The products selected for a locality
2 shall be able to exemplify the Filipino people’s creativity
3 and innovation.

4 (e) Competitive advantage – The product or service
5 selection shall be based on a locality’s innate or endemic
6 strengths anchored on several variables such as
7 topography, climate, geographical location, and proximity
8 to resources, among others.

9 SEC. 8. *Beneficiaries.* – The regional and provincial
10 offices of the DTI shall, in cooperation with the concerned
11 LGUs, determine the beneficiaries of the OTOP Program:
12 *Provided, That* the beneficiaries shall be limited to MSMEs
13 as defined under Republic Act No. 6977, as amended by
14 Republic Act No. 9501. The guidelines and mechanism for
15 the selection of beneficiaries shall be formulated by the
16 implementing agencies identified by this Act.

17 SEC. 9. *OTOP Program Components.* – The DTI and
18 LGUs shall make available a comprehensive package of
19 assistance to OTOP Program beneficiaries, such as but not
20 limited to the following:

1 (a) Product Development – This component shall be
2 considered as the primary instrument of assistance for the
3 OTOP Program beneficiaries. It shall be focused on the
4 following areas:

5 (1) Product Design – involves assistance in the
6 designing of new products, product adaptation,
7 product diversification, or expansion of existing
8 product lines;

9 (2) Packaging and Labeling – involve new packaging,
10 improved package design, or labeling assistance;

11 (3) Technology Updating – involves workshops on
12 various technology procedures, materials, and
13 processing technologies, assistance on production
14 techniques related to product development; and

15 (4) Product Enhancement – involves seminars to
16 increase design awareness and appreciation of
17 product/merchandise development and the
18 industrial design profession.

19 (b) Capacity Building – This component shall
20 address gaps in the entrepreneurial skills of the

1 beneficiaries. It shall involve training opportunities that
2 are focused on improving the human aspect of OTOP
3 Philippines, including business skills training,
4 entrepreneurial management and expansion, securing
5 licenses, product registration and other market
6 authorization, and business counseling.

7 (c) Standards and Market Compliance – For the
8 preservation of the OTOP brand as a mark of excellence,
9 the beneficiaries shall be capacitated to observe standards
10 through compliance with the requirements of other
11 government agencies such as the DTI-Bureau of Philippine
12 Standards (DTI-BPS), the Food and Drug Administration
13 (FDA), and the Intellectual Property Office of the
14 Philippines (IPOPHL). A monitoring and evaluation
15 scheme shall be developed and maintained to ensure that
16 products sold under the OTOP Philippines conform to
17 standards and pertinent regulations.

18 (d) Market Access and Product Promotion – support
19 in accessing both local and foreign markets as well as
20 promoting products across different platforms. These

1 platforms may include, but are not limited to multimedia
2 advocacy campaigns, trade fairs, and OTOP Philippines
3 hubs. The DTI shall also capacitate suppliers with the goal
4 of promoting their products through online platforms.

5 SEC. 10. *Lead Implementing Agency.* – The DTI shall
6 serve as the lead agency for this Act. An OTOP
7 Management Committee shall be created and designated
8 by the DTI Secretary, which shall have the main
9 responsibility of directing the implementation of the
10 provisions of this Act. The OTOP Management Committee
11 shall be composed of offices and attached agencies under
12 the DTI, such as but not limited to the DTI-BPS and
13 IPOPHL. The DTI Secretary shall create the OTOP
14 Management Committee within fifteen (15) working days
15 from the effectivity of this Act.

16 The following agencies shall also assist and
17 coordinate with the DTI in the implementation of the
18 provisions of this Act to achieve convergence and ensure
19 efficient use of resources:

20 (a) Cooperative Development Authority (CDA);

1 (b) Department of Agriculture (DA);

2 (c) Department of Information and Communications
3 Technology (DICT);

4 (d) Department of the Interior and Local
5 Government (DILG);

6 (e) Department of Health (DOH);

7 (f) Department of Science and Technology (DOST);

8 (g) Department of Tourism (DOT);

9 (h) Department of Transportation (DOTr);

10 (i) National Economic and Development Authority
11 (NEDA);

12 (j) National Commission for Culture and the Arts
13 (NCCA);

14 (k) Philippine International Trading Corporation
15 (PITC);

16 (l) Technical Education and Skills Development
17 Authority (TESDA); and

18 (m) concerned LGU.

19 SEC. 11. *Creation of OTOP Program Office.* – There is
20 hereby created the OTOP Program Office (OTOP PO) in

1 each LGU, which shall direct, supervise and implement the
2 OTOP Program on the local level, in accordance with the
3 national OTOP Strategic Development Plan to be prepared
4 by the DTI in consultation with relevant stakeholders.

5 SEC. 12. *Establishment of OTOP Philippines Hubs.* –

6 The DOT, the Civil Aviation Authority of the Philippines
7 (CAAP), the Philippine Ports Authority (PPA), the Land
8 Transportation Franchising and Regulatory Board
9 (LTFRB), and other similar agencies shall support the
10 construction and allocation of spaces for the establishment
11 of OTOP Philippines hubs.

12 To promote access to the market, the DTI shall
13 ensure that the OTOP Philippines hubs are established in
14 strategic ports of entry, such as but not limited to airports,
15 seaports, bus terminals, high-traffic retail outlets like
16 malls, tourist destinations, and other consumer-frequented
17 locations.

18 The DTI, in coordination with the agencies, shall
19 formulate a comprehensive marketing and operations plan
20 for the establishment of the OTOP Philippines hubs.

1 SEC. 13. *Appropriations.* – The amount necessary to
2 carry out the initial implementation of this Act shall be
3 charged against the current year’s appropriations of the
4 DTI. Thereafter, such amount as may be necessary for the
5 continued implementation of this Act shall be included in
6 the annual General Appropriations Act.

7 The LGUs concerned shall set aside the amount
8 needed for the operation of the OTOP PO under Section 11
9 hereof.

10 SEC. 14. *Implementing Rules and Regulations.* –
11 Within sixty (60) working days from the effectivity of the
12 Act, the DTI, in coordination with the other implementing
13 agencies identified in Section 10, shall formulate and
14 promulgate the necessary rules and regulations to
15 effectively implement the provisions of this Act.

16 SEC. 15. *Separability Clause.* – If any portion or
17 provision of this Act is declared unconstitutional, the
18 remainder of this Act or any provisions not affected thereby
19 shall remain in force and effect.

1 SEC. 16. *Repealing Clause.* – Any laws, decrees,
2 proclamations, issuances, or ordinances that are contrary
3 to or inconsistent with the provisions of this Act are hereby
4 amended, repealed, or modified accordingly.

5 SEC. 17. *Effectivity.* – This Act shall take effect fifteen
6 (15) days following its complete publication in the *Official*
7 *Gazette* or in a newspaper of general circulation.

 Approved,