

NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session

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#### SENATE

s. No. 623

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## Introduced by Senator Loren B. Legarda

# AN ACT ESTABLISHING A NATIONAL GREEN PUBLIC PROCUREMENT PROGRAM

### EXPLANATORY NOTE

Procurement is a critical function of the government and is vital in executing and delivering government services. However, the impacts of public procurement are far-reaching and are often not limited to the public sector alone.

According to a World Economic Forum and Boston Consulting Group report, public procurement is responsible for fifteen percent (15%) of Global Greenhouse Gas (GHG) emissions and \$11 trillion worth of global expenditures every year.<sup>1</sup> In the Philippines alone, the government spends almost twenty percent (20%) of its gross domestic product yearly.<sup>2</sup>

Government spending is also an important market factor, and the government's purchasing power can influence markets and spur innovation. Through policy, the government also has the privilege to regulate the market where necessary, incentivize, and inform and guide other market players. This makes the country's transition to Green Public Procurement (GPP) even more crucial.

<sup>&</sup>lt;sup>1</sup> https://www.bcg.com/press/13january2022-green-government-procurement-practices-cut-global-emissions

<sup>&</sup>lt;sup>2</sup> Government Procurement Policy Board – Technical Support Office, The Philippine Green Public Procurement Roadmap, 6 (2017).

By choosing goods, services, and works with a reduced environmental impact, the government can use its purchasing power to reduce GHG emissions and move towards a more circular economy while driving innovation and providing financial savings for public authorities.

This bill therefore seeks to implement a GPP program in order to achieve sustainable consumption and production by mandating compliance with green criteria in government procurement whenever possible.

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

LOREN LEGARDA



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## AN ACT ESTABLISHING A NATIONAL GREEN PUBLIC PROCUREMENT PROGRAM

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

Section. 1. Short Title. - This Act shall be known as the "National Green Public
 Procurement Act of 2022".

3 Sec. 2. Declaration of Policy. – The State recognizes the role of the landmark 4 policy frameworks set by the UN Sustainable Development Goals and the country's 5 Nationally Determined Contribution targets in the pursuit of sustainable 6 development according to the long-term vision embodied in AmBisyon Natin 2040. 7 Towards this end, the State shall harness the immense purchasing power of the 8 government to convert the market into a greener market, achieve responsible 9 consumption and production and circular economy, and ensure ecological integrity 10 for the current and future generations.

Sec. 3. *Establishment of a Green Public Procurement Program in All Branches of the Government.* – Green Public Procurement (GPP) is a process whereby public authorities seek to procure goods and services and works with a reduced environmental impact throughout their life cycle when compared to goods, services, and works with the same primary function that would otherwise be procured.

16 The executive, judicial and legislative branches of government shall implement 17 a GPP program to achieve sustainable consumption and production in procurement 18 in accordance with the GPP Roadmap established by the Government Procurement

1 Policy Board (GPPB), consistent with the governing principles of Republic Act No. 2 9184, otherwise known as the "Government Procurement Reform Act". 3 Sec. 4. Objectives of the GPP Program. - The GPP Program aims: 4 (a) To integrate and promote the culture of making green, sustainable, and 5 informed decisions in the government, especially in the implementation 6 of existing government procurement policies; 7 (b) To require the Philippine Government Electronic Procurement System 8 (PHILGEPS) to identify all government agencies procuring consumable 9 supplies and equipment (CSE) and non-consumable supplies and 10 equipment (non-CSE) identified by the GPPB as part of the Green 11 Procurement Roadmap; 12 (c) To observe green criteria in government procurement whenever 13 possible, with the end view of preserving and protecting the 14 environment through efficient use of materials and resources, 15 prevention of pollution and harmful emissions, and reduction of 16 wastage, among others; 17 (d) To establish general and subsector targets and relevant performance 18 indicators among government agencies; 19 (e) To develop technical specifications for CSE and non-CSE products, 20 taking into account, among others, the following processes and 21 principles: 22 (f) Development of a standard template consisting of scope, key 23 environmental impact of a product in terms of its materials composition, and eventual disposal, product specifications, evidence, 24 use, 25 verification, and references; 26 (g) Extensive research of GPP technical specifications, taking into account 27 international and national specifications of countries with extensive 28 GPP experience; 29 (h) Document comments and feedback on the technical specifications of 30 various products; 31 (i) Conduct environmental impact studies of a product in terms of its 32 materials composition, use, and eventual disposal;

1 (j) Include employment generation, safe working environment, and 2 supply-chain management in the formulation long-term of 3 sustainability criteria; 4 (k) To establish a system for the development of core green criteria, which 5 shall be gradually enhanced and adjusted, and including the same in the 6 project requirements developed by procuring entities; and 7 (l) To develop programs for manufacturers and suppliers of green and 8 sustainable products and services for relevant government agencies. 9 Sec. 5. Functions of the Government Procurement Policy Board. - The GPPB shall 10 perform the following functions in accordance with this Act: 11 (a) Protect the national interest in all matters affecting public procurement, 12 giving due regard to the country's regional and international 13 obligations; 14 (b) Ensure the incorporation of the concept of sustainability in the 15 procurement activities of the government. The GPP Program shall be 16 implemented in phases, taking into account the readiness of both the 17 government agencies as well as green product suppliers to Implement 18 the program; 19 (c) Centralize the information on GPP guidelines and procedure, green 20 criteria, green product listing of information, and verification methods; (d) Design and conduct capacity building and training programs for 21 22 government procuring entities and green products suppliers and service 23 providers, particularly the Micro, Small and Medium Enterprises 24 (MSMEs), to encourage consistency in delivering green products and 25 services and efficiency in implementing the GPP requirements; 26 (e) The GPPB shall develop incentive schemes, such as recognition or 27 awards for GPP performing units to increase motivation and catalyze 28 action for better performance and environmental stewardship; and 29 (f) Establish monitoring and evaluation mechanisms. Sec. 6. Submission of Plans and Reports. - All agencies shall submit their 30

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respective GPP Programs to the GPPB, the specific requirements and mechanisms ofwhich shall be defined in the rules and regulations (IRR) to be promulgated to

implement this Act. The GPPB shall, in turn, submit an annual report to the Committee on Sustainable Development Goals of the House of Representatives and the Committee on Sustainable Development Goals, Innovation and Futures Thinking of the Senate of the Philippines on the compliance of the different agencies with the provisions of this Act.

6 Sec. 7. Verification by Agencies. - All agencies of the government are mandated 7 to conduct the verification of the compliance of the goods or items being procured 8 with the green criteria established by the GPPB, along with the other technical 9 specifications required by the agency for the particular procurement, in accordance 10 with the relevant provisions of R.A. No. 9184 and its IRR. The GPPB shall provide a 11 list of testing centers for reference of the agencies in the conduct of the verification, 12 which shall be updated regularly based on the green criteria established by the GPPB 13 for specific goods and items included in the GPP Program.

Sec. 8. *Capacity Building of Government Agencies.* – The GPPB shall implement regular capacity building programs to develop the skills of government agencies in understanding and implementing the government's GPP Program through the following:

- 18 (a) Conduct of relevant training needs assessment of the public sector;
- (b) Provision of technical assistance to suppliers, particularly the MSMEs;
  and
- 21 (c) Conduct of public awareness campaigns on green procurement, among
  22 others.
- Sec. 9. *Separability Clause.* If any part, section, or provision of this Act shall be held invalid or unconstitutional, no other part, section, or provision thereof shall be affected thereby.
- Sec. 10. *Repealing Clause.* All laws, decrees, executive orders, rules and regulations, issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Sec. 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
 complete publication either in the Official Gazette or in at least two (2) newspapers of
 general circulation.

Approved,