

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

16th Congress
Second Regular Session

HOUSE BILL NO. 4969



Introduced by: HON. KARLO ALEXEI B. NOGRALES

EXPLANATORY NOTE

With the adverse effects of climate change being felt around the world and its increasing threat to lives and properties, nations have found it imperative to facilitate and guide the process of making industries less harmful to the environment. As countries all over the world collectively move toward more sustainable economies, public policy must center on developing a green jobs agenda, enhancing workers skills, and ensuring a just transition to a green economy.

Since the enactment of the Climate Change Act, the Climate Change Commission, in fulfillment of its mandate, has formulated a National Climate Change Action Plan (NCCAP) that includes as one of its priorities for 2011 to 2028 the creation or promotion of climate-smart industries and services. This bill seeks to complement the law and the NCCAP by making explicit the State policy for jobs and employment creation as an integral pillar of measures to prevent and reduce the adverse impacts of climate change and to maximize whatever potential benefits climate change may bring. The generation of green jobs shall be the distinct characteristic of climate-smart industries and services.

To implement this new State policy, the bill requires that government strengthen the capacity of workers and businesses to prevent, manage, mitigate and adapt to the impact of climate change, and continue to create, sustain or expand opportunities for employment, by improving business climate and working conditions. To ensure that workers can meet the needs of these industries, the institutional framework for human resource development, including basic and higher education and skills development, shall be improved.

To this end, concerned agencies must work towards the common agenda of transitioning to a green economy, through, among others, the provision of capacity building programs and the grant of fiscal incentives to individuals or establishments who contribute to the creation of green jobs.

In light of the foregoing, the immediate passage of this bill is earnestly sought.


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AN ACT
GRANTING INCENTIVES TO INDIVIDUALS AND ENTERPRISES FOR THE
CREATION OF GREEN JOBS AND APPROPRIATING FUNDS THEREFOR AND
FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall be known as the “Philippine Green Jobs Act”.

SEC. 2. *Declaration of Policy.* – It is the declared policy of the State to:

- a. To affirm labor as primary social economic force in promoting sustainable development;
- b. To afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all; and
- c. To promote the rights of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature;

The State shall identify needed skills, develop training programs, and train and certify workers for jobs in a range of industries that produce goods and render services for the benefit of the environment, conserve natural resources for the future generation and ensure the sustainable development of the country and its transition into a green economy. In recognition of the participation of individuals and business enterprises in jobs creation, the State shall provide incentives therefor.

SEC. 3. *Coverage.* This Act shall apply to all business enterprises unless otherwise provided herein.

SEC. 4. *Definition of Terms.* – As used in this Act:

- a. *Business enterprises* refer to establishments engaged in production, manufacturing, processing, repacking, assembly or sale of goods, including service-oriented enterprises. It shall include self-employed or own-account workers;

- b. *Climate change* refers to a change in climate that can be identified by changes in the mean or variability of its properties and that persists for an extended period typically decades or longer, whether due to natural variability or as a result of human activity;
- c. *Green jobs* refer to employment in sectors or industries that contribute to preserving or restoring the quality of the environment, be it in agriculture, industry or services. Specifically, these are jobs in business enterprises that produce goods or provide services that benefit the environment or conserve natural resources and where workers' duties involve making their establishment's production processes more environmentally friendly or use fewer natural resources.

Green jobs necessitate employment that is productive, respects the rights of workers, delivers a fair income and provides security in the workplace and social protection for families;
- d. *Green economy* refers to one which is low-carbon and resource-efficient and results in generation of green jobs and in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities;
- e. *Green goods and services* refer to goods and services that benefit the environment or conserve natural resources which may be sold to customers, and may include research and development, installation and maintenance services;
- f. *Green technologies* refer to the development and application of products, equipment and systems used to conserve the environment and natural resources;
- g. *Sustainable development* refers to development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.

SEC. 5. Incentives. – An incentive scheme is hereby provided for the purpose of encouraging individuals to engage in green jobs and business enterprises to generate and sustain green jobs.

Grants for skills training and research and development in pursuit of supporting the green economy, or the development and use of green technologies and practices or the production and rendition of green goods and services shall entitle individuals and business enterprises to a special deduction from gross income equivalent to two hundred per cent (200%) of the total grants over and above the allowable ordinary and necessary business deductions under the National Internal Revenue Code, as amended.

The special deductions from gross income provided under this Section shall be allowed starting the next taxable year after the effectivity of this Act.

SEC. 6. *Role of Agencies.* -

- a. The Department of Labor and Employment (DOLE) shall, in coordination with other government agencies, formulate a national green jobs human resource development plan on the development, enhancement and utilization of the labor force, both in the private and public sectors. The plan shall have the primary objective of enabling and sustaining the transition into a green economy and the generation of green jobs towards more employment and equal opportunities and the promotion of social justice and workers' welfare. It shall include programs, projects, and activities pertaining to basic, higher and technical vocational education and training, database that identifies and links green job opportunities with private and public entities, and information on knowledge and skill requirements of a green economy.

The DOLE in coordination with Philippine Statistical Authority (PSA) shall also maintain a database of green careers, professions and skills. It shall facilitate skills training assessment and certification, career advocacy, provide productivity and livelihood training, and extend technical assistance to enterprises to ensure labor law compliance.

- b. The Department of Finance shall administer the grant of incentives as discussed in Section 5 to qualified individuals and business enterprises engaged in registered strategic activities and shall maintain a database on the same.
- c. The Department of Environment and Natural Resources (DENR) shall establish and maintain a climate change information management system and network as reference in the formulation of strategies and approaches to develop potential green jobs.
- d. The Department of Education shall implement faculty, facility and curriculum development for primary and secondary education in support of the knowledge and skills requirement of a green economy.
- e. The Commission on Higher Education (CHED) shall develop and implement curriculum and related standards and instructional materials in support of the green economy.
- f. The National Economic and Development Authority shall ensure the mainstreaming of green jobs concern in development plans.

- g. The Department of Trade and Industry (DTI) shall develop a special business facilitation program for individuals and business enterprises that create green jobs.
- h. The Professional Regulation Commission shall encourage the development of qualifications framework that can facilitate the recognition of knowledge, skills, and competencies of professionals working in the green economy.
- i. Any provision in their respective charters to the contrary notwithstanding, government financial institutions (GFIs) shall, in consultation with the Bangko Sentral ng Pilipinas (BSP), provide preferential financial packages to individuals and business enterprises that create green jobs.
- j. The Climate Change Commission, in consultation with concerned agencies, such as the DENR, DTI, DOLE, Department of Agriculture, Department of Energy, Department of Interior and Local Government and Department of Science and Technology, shall develop and administer appropriate standards for the assessment and certification of green goods and services and green technologies and practices for the purpose of regulating the availment of incentives and ensuring green jobs content.

SEC. 7. *Role of the Secretary of Labor and Employment.* – The Secretary of Labor and Employment shall be included as an additional member of the Climate Change Commission constituted under Section 5 of Republic Act No. 9729, as amended.

SEC. 8. *Appropriations.* - The amount necessary to carry out the initial implementation of this Act shall be sourced from the current budget of the DOLE. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 9. *Implementing Rules and Regulations* – Within 180 days from the effectivity of this Act, the Secretary of Labor and Employment, in coordination with concerned agencies as may be deemed necessary, shall formulate the necessary rules and regulations to implement the provisions of this Act.

SEC. 10. *Separability Clause.* — Should any provision of this Act be declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

SEC. 11. *Repealing Clause.* — Section 5 of Republic Act 9729, as amended, is deemed amended or modified by Section 7 of this Act. All other existing laws, presidential decrees, executive orders, proclamations or administrative regulations that are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 12. *Effectivity.* — This Act shall take effect fifteen (15) days following the completion of its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,