

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3745



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

The government spends hundreds of billions of pesos annually on acquiring essential supplies, materials, and equipment necessary for the performance of its duties and functions. In 2003, the Government Procurement Reform Act was enacted, harmonizing the public procurement process with international standards and best practices, while emphasizing transparency, accountability, and competitiveness.¹

In 2023, Department of Budget and Management Secretary Amenah Pangandaman cited the 2022 World Bank Group's *Country Climate and Development Report for the Philippines*, which stressed that mainstreaming climate considerations in public financial management is crucial to climate change adaptation and mitigation.² Across Asia, several countries have already integrated climate considerations into their public procurement processes as part of efforts to address the worsening climate crisis. Notably, Japan (2001), Korea (2005), and Thailand (2008) have enacted specific laws and policies to promote green public procurement.³

As President Ferdinand "Bongbong" Marcos Jr. has repeatedly emphasized the urgent need for enhanced climate action and reaffirmed the country's proactive stance on climate responsibility, this bill seeks to:⁴

- Establish a Green Public Procurement (GPP) Program in all government branches to achieve sustainable consumption and production in the government procurement process.
- Require the Philippine Government Electronic Procurement System, in coordination with the Procurement Service of the Department of Budget and Management and relevant agencies, to identify and develop technical specifications of all government agencies procuring common-use supplies and equipment (CSE) and non-common-use supplies and equipment (non-CSE).

¹ Philippine Government Electronic Procurement System (PhilGEPS). (n.d.). *Government's tool for procurement reforms and transparency*. Department of Budget and Management. <https://notices.philgeps.gov.ph/GEPSNONPILOT/aboutGEPS/aboutGEPS.aspx?menuIndex=5#:~:text=Procurement%20is%20also%20a%20major,of%20the%20country's%20annual%20budget>.

² Department of Budget and Management, Republic of the Philippines. (2023, March 7). *Pangandaman urges climate change programming in national budget*. <https://www.dbm.gov.ph/index.php/management-2/329-pangandaman-urges-climate-change-programming-in-national-budget>

³ United Nations Environment Programme. (2017). *Comparative analysis of green public Procurement and Ecolabelling programmes in China, Japan, Thailand and the Republic of Korea: lessons learned and common success factors* https://www.oneplanetnetwork.org/sites/default/files/comparative_analysis_gpp_180917_web.pdf

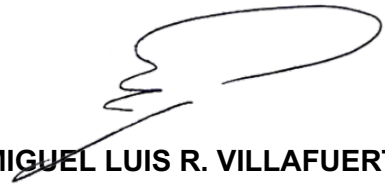
⁴ Climate Change Commission, Philippines. (2024, July 22). *CCC lauds PBBM's commitment to climate action in third SONA*. <https://climate.gov.ph/news/903>

- Define the functions of the Government Procurement Policy Board (GPPB) and require the agency to identify competent third-party verifiers to assess the environmental soundness and sustainability of the CSE and non-CSE procured.
- Mandate all agencies to submit their respective GPP Program to the GPPB.
- Require GPPB to conduct regular capacity building and information, education, and communication programs to develop capacities and enhance awareness and understanding of the implementation of the program.

By institutionalizing GPP, the State will not only promote transparency and efficiency in procurement but also harness its purchasing power to advance climate action, environmental stewardship, and inclusive economic growth.

This bill was passed on third reading and transmitted to the Senate during the 19th Congress, showing the overwhelming support of legislators for this proposed measure.

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



HON. MIGUEL LUIS R. VILLAFUERTE



HON. VINCENZO RENATO LUIGI R. VILLAFUERTE



HON. TSUYOSHI ANTHONY G. HORIBATA



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**AN ACT ESTABLISHING A GREEN PUBLIC PROCUREMENT PROGRAM FOR ALL
BRANCHES OF GOVERNMENT**

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 “Green Public Procurement Act.”

SECTION 2. *Declaration of Policy.* – The State recognizes that sustainable development is a necessary policy for nation-building, and that it plays a lead role in promoting sustainable practices by incorporating environmental, economic, and social factors in government decisions and processes. Further, the State, as a large consumer bloc in itself, recognizes that every product or service it purchases or avails of should be evaluated for its sustainability.

As a party to the United Nations 2030 Agenda for Sustainable Development, the State remains committed to achieving the seventeen (17) Sustainable Development Goals (SDGs) by 2030. Guided by the SDGs and their targets, particularly SDG 12, which sets the Sustainable Consumption and Production Goal that is embodied in the long-term vision of AmBisyon Natin 2040, the State shall implement programs geared towards responsible and sustainable consumption and production with the end view of achieving a fully circular economy.

SECTION 3. *Definition of Terms.* – As used in this Act:

- (a) *Green public procurement program* refers to a process whereby public authorities seek to procure goods and services with reduced environmental impact throughout their life cycle when compared to goods and services with the same primary function that would otherwise be procured. It ensures value for money in terms of source, quantity, quality, price, time and delivery. It prohibits the use of discriminatory criteria such as brands, labels or other suppliers' requirements that could distort the open competition.
- (b) *Circular economy* refers to a new and inclusive economic paradigm that aims to minimize pollution and waste, extend product lifecycles, and enable the broad sharing of physical and natural assets. It is a competitive economy that creates green and decent jobs and keeps resource use within planetary boundaries.
- (c) *Common-use supplies and equipment* refer to those goods, materials and equipment that are used in the day-to-day operations of procuring entities in the performance of their functions.

- (d) *Procuring entity* refers to the executive, judicial or legislative branch, constitutional commission or office, agency, department, bureau, office, or instrumentality of the government of the Philippines, including government owned and controlled corporations (GOCCs), government financial institutions (GFIs), state universities and colleges (SUCs) and local government units (LGUs) procuring goods, infrastructure projects and consulting services.
- (e) *Philippine Government Electronic Procurement System (PHILGEPS)* refers to the electronic system that shall serve as the primary and definitive source of information on government procurement.

SECTION 4. Establishment of a Green Public Procurement (GPP) Program in all Branches of Government. – The executive, judicial and legislative branches of government, including constitutional commissions, state universities and colleges (SUCs), government-owned and controlled corporations (GOCCs), government financial institutions (GFIs), and local government units (LGUs), shall implement a Green Public Procurement (GPP) Program to achieve sustainable consumption and production in government procurement in accordance with the GPP Roadmap established by the Government Procurement Policy Board (GPPB) for the purpose, consistent with the governing principles of Republic Act No. 9184, or the Government Procurement Reform Act.

SECTION 5. Objectives of the Green Public Procurement (GPP) Program. – The GPP Program shall have the following objectives:

- (a) To promote the culture of making green, sustainable, and informed decisions in government, especially in government procurement;
- (b) To require the Philippine Government Electronic Procurement System (PHILGEPS) in coordination with the Procurement Service of the Department of Budget and Management to identify all government agencies procuring common-use supplies and equipment (CSE) and non-common-use supplies and equipment (non-CSE) identified by GPPB as part of the Green Procurement Roadmap;
- (c) To promote the preferential use of green criteria in government procurement whenever possible and practicable;
- (d) For the relevant government agencies to develop technical specifications for CSE and non-CSE products, taking into account among others, the following processes and principles:
 - (i) Development of a standard template consisting of scope, key environmental impact of a product in terms of its material composition, use and eventual disposal, product specifications, evidence, verification and references;
 - (ii) Extensive research of GPP technical specifications, taking into account international and national specifications of countries with extensive GPP experience;
 - (iii) Documentation of comments and feedback on the technical specifications of the various products;
 - (iv) Conduct of environmental impact studies of a product in terms of its material composition, use, and eventual disposal; and
 - (v) Inclusion of employment generation, safe working environment, and supply-chain management in the formulation of long-term sustainability criteria.
- (e) To establish and include green criteria or specifications developed by the GPPB in the project or product requirements of procuring entities; and

- (f) For the relevant government agencies to develop programs for manufacturers and suppliers of green and sustainable products and services for relevant government agencies.

SECTION 6. *Functions of the Government Procurement Policy Board (GPPB).* – In addition to its existing functions, the GPPB shall perform the following:

- (a) Protect the national interest in all matters affecting public procurement, giving due regard to the country's regional and international obligations;
- (b) Ensure the incorporation of the concept of sustainability in the procurement activities of the government. The GPP Program shall be implemented in phases, taking into account the readiness of both the government agencies as well as green product suppliers to implement the program;
- (c) Centralize the information on GPP guidelines and procedure, green criteria, green product listing of information and verification methods;
- (d) Design and conduct capacity building and training programs for government procuring entities and green product suppliers and service providers, particularly the Micro, Small and Medium Enterprises (MSMEs) to encourage consistency in the delivery of green products and services and efficiency in implementing the GPP requirements;
- (e) Develop incentive schemes, such as recognition or awards for GPP performing units to increase motivation and catalyze action for better performance and environmental stewardship; and
- (f) Establish standard monitoring and evaluation mechanisms to measure the compliance of procuring entities to the criteria.

SECTION 7. *Submission of Plans and Reports.* – All agencies shall submit their respective GPP Programs to the GPPB, the specific requirements and mechanisms of which shall be defined in the rules and regulations 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 to the Committee on Sustainable Development Goals, Innovation and Futures Thinking of the Senate on the compliance of the different agencies with the provisions of this Act.

SECTION 8. *Third-party Verification.* – The GPPB shall identify competent third-party verifiers that will assess the environmental soundness and sustainability of the CSE and non-CSE that will be procured. All agencies of the government identified in this Act are mandated to comply with the green criteria established by the GPPB, along with the other technical specifications required by the agency for the particular procurement, in accordance with the relevant provisions of RA No. 9184 and its IRR. The GPPB shall provide a list of certified environmentally-sound and sustainably produced products and services, and accredited testing centers and manufacturers for reference of the agencies, which shall be updated regularly by the GPPB based on the established green criteria for specific goods and items included in the GPP Program and Roadmap.

SECTION 9. *Capability-building of Government Agencies and Information, Education and Communication (IEC) Awareness Programs.* – The GPPB shall regularly implement capacity building and information, education, and communication programs to develop capacities and enhance awareness and understanding of the implementation of the GPP Program. These programs will include the conduct and provision of the following:

- (a) Training needs assessment of the entire public sector;
- (b) Relevant training programs and modules for all government agencies or procuring entities;
- (c) Technical assistance and conduct of awareness programs for suppliers, particularly the MSMEs; and
- (d) IEC awareness campaigns and programs for all government agencies or procuring entities, MSMEs, and the general public.

SECTION 10. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the GPPB shall in coordination with the Commission on Audit (COA) and the National Economic and Development Authority (NEDA), promulgate and issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 11. *Separability Clause.* – If any provision or part hereof is held invalid and unconstitutional, the remainder of the law or provision not otherwise affected shall remain valid and subsisting.

SECTION 12. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,