

PH Government Pushes Buying Green

The Philippine government is leading the movement to buy green through Green Public Procurement or GPP. It’s an initiative that bears on the country’s commitments to the Sustainable Development Goals put forth by the United Nations.



Through Green Public Procurement, supplies, equipment, and services secured by public authority are subject to specifications that ensure reduced environmental impact throughout their life cycle. The Philippines’ GPP policy directs government spending in favor of green products. This stimulates demand to encourage materials-and-energy-efficient manufacturing.

As the single largest buyer in the market, government procurement decisions influence the direction that manufacturing takes. When environment-friendly processes and technologies are encouraged by public sector demand, more growth in green manufacturing is expected. Ultimately, this lowers the costs for green products, benefitting the public, and easing pressure on the environment in the long run.

The Philippine government’s approach to GPP is in accordance with a well-established public procurement system. Recent reforms, specifically the 2016 Revised IRR on R.A. # 9184 or The Government Procurement Reform Act, outlines rules that enable transparency and competition through the Philippine Electronic Procurement System or PhilGEPS.

While needs assessment and contracting mechanisms remain the same, GPP provides green criteria through technical specifications that reduce environmental impact and over conventionally-produced goods or services. Initially, the focus will be on simple, core green criteria across twenty product categories. The criteria may expand in comprehensiveness in later years as industries adjust to government’s needs.

“With greening initiatives, there’s a perception that the initial cost is big when introducing new production processes and technologies,” says Director Lydia Guevarra of the Department of Trade & Industry’s Resource Generation Management Office. “Manufacturers are reluctant to switch to new energy sources like solar because of this perception. Studies have shown that benefits are bigger in the long-term in terms of energy-savings. You become even more competitive, gaining access to more markets around the world, as compliance to green standards become the norm across ASEAN, EU, and North America.”

The Green Public Procurement Board-Technical Support Office (GPPB-TSO) is launching the Green Public Procurement Roadmap in coordination with the Department of Budget and Management and Department of Trade and Industry. The Roadmap was developed with the Technical Support from the EU- Switch Policy Support Component Philippines of the European Union. It’s a major milestone in the promotion of sustainable consumption and production in the Philippines. It is also considered to be a major part of the government’s long-term solutions in the adoption and mitigation of the destructive effects of Climate Change. “When industries go green, they contribute to climate change mitigation with reduced carbon emissions. If more eco-labelled products become available, society benefits,” Guevarra said.

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GPP bayanihan is our future

A sustainable future is in the horizon with the Philippine government’s commitment to Sustainable Development Goal #12: Responsible Consumption and Production. One key initiative is Green Public Procurement (GPP), which will enable a shift to green-standards compliance across businesses and in Filipino homes.

The Philippine Board of Investments (BOI) has crafted the Climate Incentives for Manufacturing (CLIMA), a targeted financial incentive scheme under the 2017 Investment Priorities Plan (IPP.)

“CLIMA encourages industries to go green,” declares Director Lydia Guevarra of the Dept. of Trade & Industry’s Resource Generation Management Office. “When businesses qualify, they earn fiscal incentives. This helps companies reduce the cost of investing in new equipment, new technologies.”. Such incentives include an Income Tax Holiday (ITH), 1-10% import duty exemption on capital equipment acquisition of energy-saving systems, and an ITH of 50% of its acquisition cost, a year into its installation.

The GPPB-Technical Support Office (GPPB-TSO) is the research, policy formulation and implementation arm of the Government Procurement Policy Board (GPPB), comprised of thirteen Department Secretaries and one private sector industry representative.

“Even if the GPPB-TSO was well on its way to recommending GPP measures in aid of our SDG 12 commitments, our partnership with the EU-SWITCH Policy Support Component (EU-SWITCH PSC) is very relevant, as they provided the platform, the technical assistance, in considering which green parameters to include, and the prioritization between short, medium, and long-term plans. GPPB-TSO may have done initial identification of green product categories, but EU-SWITCH PSC provided the test mechanisms for verification - a significant measure against “greenwashing”, ensuring true compliance to green specifications,” says GPPB-TSO Director Dennis Santiago.

“Our role is to prime the market, announce to industry that in due time, we will be buying green - that these are the technical parameters, and the verification mechanisms - to leave no surprise. Some green products cannot be bought upfront, and some categories identified as already available - and so, we strategize,” Director Santiago remarked. “GPP brings a paradigm shift in manufacturing, when it addresses the environmental aspect of production. We look into the concept of life cycle costing, which includes all cost factors. On buying a green product, it appears to cost more initially, but since acquisition cost includes the costs of repair, service, and disposal, in the long run, this overarching approach to procurement gives good value-for-money, and economic returns are achieved. Now that’s pagtitipid.”