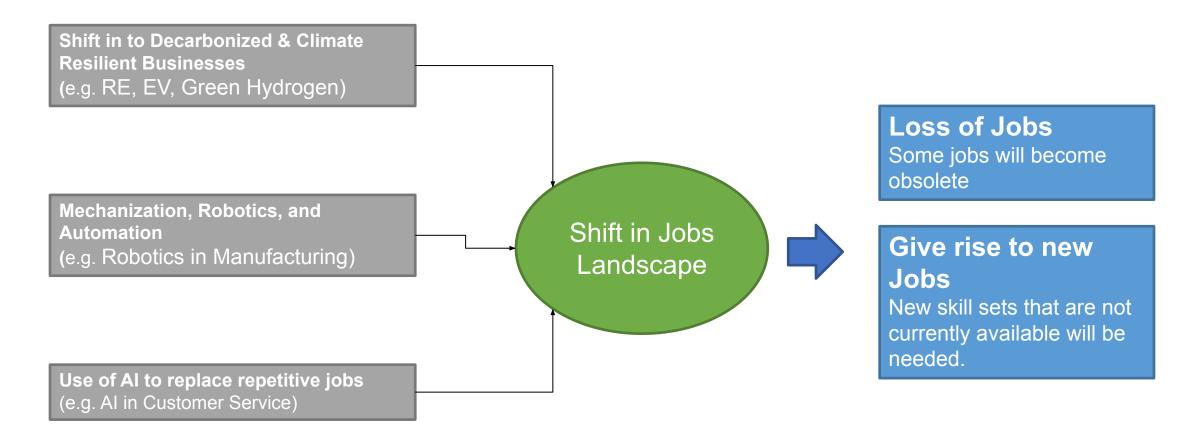


# PHILIPPINE GREEN JOBS ACT OF 2016 (REPUBLIC ACT 10771)

2023 Forum of the Standing Committee on Finance Financing Just Transitions 18 July 2023 Context Setting



# **ANTICIPATED KEY TRANSITIONS IN PH**





3.

S. No. 3092 H. No. 6100

> Republic of the Philippines Congress of the Philippines

Aletro Alanila

Sixteenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand fifteen.

#### [REPUBLIC ACT NO. 10771]

AN ACT PROMOTING THE CREATION OF GREEN JOBS, GRANTING INCENTIVES AND APPROPRIATING FUNDS THEREFOR

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 of 2016".

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

(a) Affirm labor as a primary social economic force in promoting sustainable development;

(b) Afford full protection to labor, local and overseas, organized and unorganized, and promote full and productive employment and equality of employment opportunities for all; and

#### REPUBLIC ACT NO. 10771 PHILIPPINE GREEN JOBS ACT OF 2016

#### **KEY ACTORS**

Department of Labor and Employment	Issuance of decent work certification
Climate Change Commission	Certification of green jobs content and eligible expenses
Department of Finance through revenue agencies	Administration of incentives

#### **INCENTIVES**

#### **Tax Deduction**

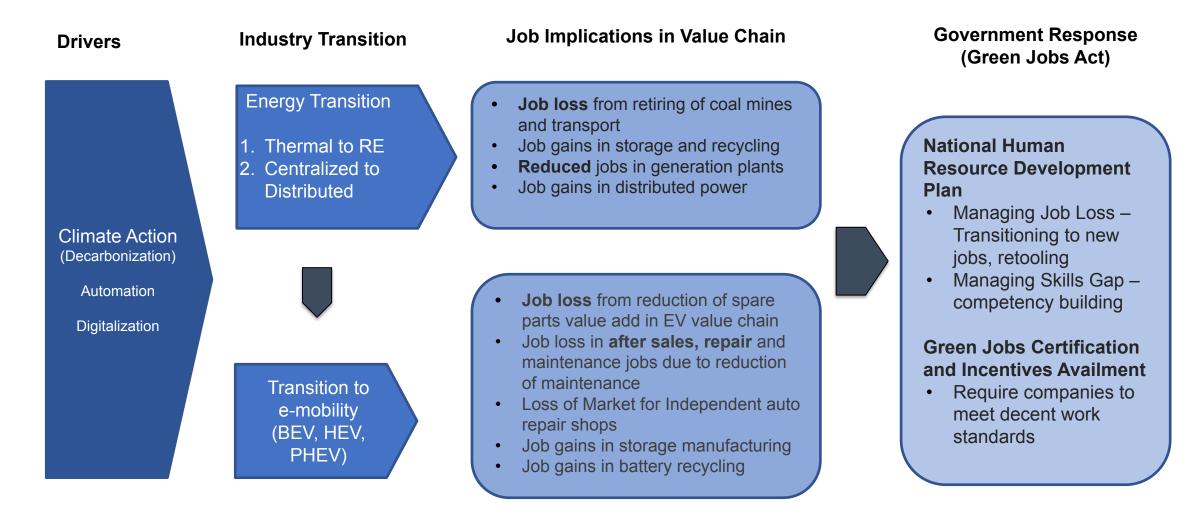
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equivalent to 50% of total expense for skills training and R&D expenses

#### **Exempt importation of capital equipment**



# **GOVERNMENT RESPONSE: GREEN JOBS ACT**





# **HOW THE PH FOSTERS JUST TRANSITION**

Require Applicants to meet decent work standards including providing security in the workplace to cushion potential job losses from the decarbonization transition.



Business Enterprise

#### **Demonstrate:**

#### **Environmental Value**

- Decarbonize the Economy
- Protect Ecosystems and Biodiversity
- Reduce Energy, Materials, and Water Consumption
- Minimize Generation of all forms of Waste and Pollution
- Improve Resilience and Adaptive Capacity of Communities to Disasters and Climate Change Impacts

#### **Meet Minimum Social Standards**

- Productive Jobs
- Respect the rights of workers
- Deliver a fair income
- Provide security in the workplace and social protection for families
- Promote social dialogue



#### Green Business Enterprise

Green Industry List Green Products or Services Green Processes and Initiatives



Green Jobs Content (Eligibility Requirement for incentives)

Avail of Incentives



## **Benefits of Green Jobs to PH**

- 1. Job creation. New job opportunities in the green sector, which includes industries such as renewable energy, sustainable agriculture, waste management, and eco-tourism
- 2. Increased investment. More investment in the green sector, which will further drive economic growth and job creation
- **3. Environmental benefits**. Promote sustainable development and reduce environmental damage caused by traditional industries
- 4. Improved business competitiveness. Green business certification will put the Philippine companies at a better competitive advantage in the global value chains.
- 5. Reduce Government Cost to building human capital. Stimulate private sector investment on green skills training, research and development, thus reducing government cost to building green skills



## From a social benefit standpoint, Green Jobs are decent jobs that:

- 1. Productive
- 2. Respect the rights of workers
- 3. Provide security in the workplace and social protection for families
- 4. Promote social dialogue

### From an environmental benefit standpoint, Green Jobs are decent jobs that:

- 1. Protects ecosystem and biodiversity
- 2. Reduce energy, materials, and water consumption through high efficiency strategies
- 3. Decarbonize the economy
- 4. Minimize or altogether avoid generation of all forms of waste and pollution
- 5. Contribute to climate change adaptation



## **Green Jobs Implementation towards Incentives Availment**

Decent work compliance and Green Jobs Certification	R&D, Greening, and Green Skills Training	Certification of eligible expense	Availment of incentives
<b>CCC</b> Evaluate application and issue Green Jobs Certificate	<b>BUSINESS ENTERPRISE</b> Invest in green skills development, green R&D, importation of green equipment	<b>CCC</b> Issue Certificate of Eligibility	<b>DOF</b> Issue guidelines on granting incentives
DOLE Evaluate and issue certification of compliance to decent work standards DENR Assess compliance to environmental laws and issue findings of compliance or non-compliance to CCC	<ul> <li>DOST. Support the development of new technologies, processes, and innovations in green industries</li> <li>DTI. Promotion and development of green enterprises, facilitating access to finance, technology, and markets.</li> <li>TESDA. Train and develop the skills and knowledge of workers for green industries.</li> <li>DENR. Support TESDA in the Curriculum Development and Skills Training</li> </ul>	<ul> <li><b>DOST</b></li> <li>Provide support in building a list of green R&amp;D and green equipment importation</li> <li><b>TESDA</b></li> <li>Provide support in building list of green skills training</li> </ul>	DOF - BIR Implement availment of incentives on tax deductibility DOF - BOC Implement availment of incentives on waiver of import duties and taxes



## **POSSIBLE SUPPORT AREAS**

- **1. Capacity Building**. Reskilling training specifically on emerging and decarbonized technologies for just transition.
- 2. Technology Transfer. Provision of new, emerging and innovative green technologies towards greener economy as employment options to cushion the adverse impact of employment transition
- **3. Financing**. Efficient and timely delivery of financing for implementation of climate mitigation and adaptation action, as part of the just transition process.
- **4. Forging partnerships.** Facilitating trade agreements and market access with developed and developing countries.



## Opportunity: PH can be a global leader in Green Jobs and Certification

Country	Green Jobs Act/Policy	Green Jobs Certification Program	Fiscal Incentives
United States		<b>Green Jobs Certification Program</b> established by the non-profit organization, the Green Business Certification Inc. (GBCI), which provides third-party certification for professionals working in the green building and sustainability fields, including the Leadership in Energy and Environmental Design (LEED) credential	Incentives for green jobs, such as tax credits and grants for renewable energy projects, as well as loans and loan guarantees for green businesses
Philippines	The Philippines has a dedicated <b>Green Jobs Act</b> , which was signed into law in 2016. The Philippine Green Jobs Act aims to promote the creation of green jobs in various sectors, including agriculture, fisheries, forestry, and waste management.	In the process of setting up its <b>Green Jobs Certification</b> <b>Program</b> to provide certification for businesses and the accounting of green jobs supported for each company and industry sector	Incentives for green skills development, green research and development and for importation of equipment that improves green performance of businesses.
European Union	Adopted various policies and initiatives to promote green jobs, such as the 2020 Energy Strategy, which aims to create new green jobs in the energy sector	<b>EU Ecolabel</b> , a voluntary certification scheme that recognizes products and services that have a reduced environmental impact throughout their lifecycle	Subsidies for renewable energy projects, as well as tax credits and grants for businesses that implement energy-efficient practices
China	Implemented various policies to promote green jobs, such as the 13th Five-Year Plan for Economic and Social Development, which aims to create new jobs in the renewable energy sector	<b>Green Product Certification program</b> that certifies products that meet certain environmental standards, including energy and resource efficiency, low pollutant emissions, and safety	Subsidies for renewable energy projects and tax credits for businesses that implement energy-efficient practices
South Africa	Implemented various policies to promote green jobs, such as the Green Economy Accord, which aims to create 300,000 new green jobs by 2020	<b>Carbon Protocol</b> that provides guidelines for businesses and organizations to report their greenhouse gas emissions and reduce their carbon footprint	Tax credits and subsidies for renewable energy projects, as well as grants and loans for businesses that implement energy-efficient practices
Japan	Implemented various policies to promote green jobs, such as the Basic Act on Global Warming Countermeasures, which aims to create new jobs in the renewable energy sector	<b>Eco-Leaf certification program</b> that recognizes products that have a reduced environmental impact, including energy efficiency and low pollutant emissions	Subsidies and tax credits for renewable energy projects, as well as grants and loans for businesses that implement energy-efficient practices



# Thank you!

#### Secretary Robert E.A. Borje Vice Chairperson and Executive Director

#### **CCC Special Working Group for Green Jobs**

- Lead: Assistant Secretary Romell Antonio Cuenca Deputy Executive Director
- **Co-Leads: Alexis Lapiz**, Chief, Strategic Partnership Division **Sandee Recabar**, Chief, Implementation Oversight Division

Contact Details: <u>greenjobs.ccc@gmail.com</u> <u>osec@climate.gov.ph</u>