

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

13 JUL -3 P 6 :29

SENATE  
S.B. NO. **410**

RECEIVED BY: *ja*

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Introduced by SENATOR FERDINAND R. MARCOS, JR.

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### Explanatory Note

Since 1987, the United Nations, through the World Commission on Environment and Development or the "Brundtland Commission", has formulated and advocated "sustainable development" as a guiding principle in the policy-making and development of nations. The United Nations has defined "sustainable development" as the "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (**Report of the World Commission on Environment and Development: Our Common Future, June 1987**) It has argued that the environment and development are inseparable. In fact, it has posited that economic development, social development, and environmental protection are the "interdependent and mutually reinforcing pillars of sustainable development." (**Johannesburg Declaration on Sustainable Development, World Summit on Sustainable Development, Johannesburg, South Africa, September 2002**)

Buildings are human-made structures that serve essential purposes for humankind: shelter, protection and convenience. Unfortunately, in spite of the recognized beneficial purposes, these human shelters also simultaneously pose significant threats to the environment and health. In particular, buildings directly or indirectly affect land use, energy use, water consumption, materials usage, waste production, outdoor and indoor air quality, among others. (**Buildings and their Impact on the Environment: A Statistical Summary, United States Environmental Protection Agency, Revised 22 April 2009, [www.epa.gov/greenbuilding/pubs/gbstats.pdf]**)

We have to make our buildings sustainable. The building sector alone accounts for "30-40% of global energy usage and global greenhouse gas emissions". Thus, it is indeed "one of the areas with the biggest potential gains for having smarter environmental and economic strategies and applications." (**Philippine Green Building Council, National Secretariat, 11 August 2011, [http://www.philgbc.org/newsroom/media-releases/2-green-convergence-buildings-information-technologies]**) If left unchecked, our buildings could greatly contribute to the deterioration of our environment, far outweighing their intended benefits to humankind.

"Green building" is "the practice of (1) increasing the efficiency with which buildings and their sites use energy, water, and materials, and (2) reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and removal—the complete building life cycle." While the "green building" movement may have originated from the energy crisis in the United States in the 1970s, as a "holistic approach in which energy remains a critical component", green building now considers "other environmental impacts as they relate to sustainability. Thus, green building requires an integrated design approach x x x." "Truly sustainable design recognizes the environmental, economic, and social aspects of building." **(The Federal Commitment to Green Building: Experiences and Expectations, United States Office of the Federal Environmental Executive, [www.ofee.gov/Resources/Guidance\_reports/Guidance\_reports\_archives/fgb\_report.pdf])**

With the increasing global public awareness about the effects of global warming and climate change, nations have begun to adopt comprehensive measures to counterbalance such ill-effects. The development of national green building laws and regulations is one such measure. Countries such as the United States, United Kingdom, and Asian nations such as Singapore, Japan, Hongkong, Thailand, and Vietnam have all developed their own green building regulations. Alongside the development of these laws, these countries have also implemented green building rating systems with which to gauge compliance by developers, contractors, and construction companies with the green building laws in force, such as the United States' LEED; the UK's BREEAM, Australia's Green Star, Japan's CASBEE, Singapore's Green Mark, Hongkong's BEAM Plus, Thailand's TREES, and Vietnam's LOTUS. Unfortunately, even in the face of the tremendous global issue of climate change and global warming, the Philippines still has not adopted and enforced its own green building standards and rating system.

Precisely, this legislative measure seeks to attune Philippines to the rising global standard in sustainable buildings and construction developments, not only by creating green building standards and rating system. Moreover, this bill seeks to incentivize builders and owners by way of tax breaks and other benefits in exchange for their compliance with the said green building standards.

Indeed, the Philippines has in place laws and regulations prescribing minimum standards and requirements in the construction of buildings, such as the National Building Code, Clean Water Act, Clean Air Act, and the like. However, "green building" strategies essentially adopt a "beyond code" approach and aim to push the envelope further by inviting compliance beyond the traditional building regulations and requirements.

In view of thereof, the passage of this bill is earnestly requested.



FERDINAND R. MARCOS, JR

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SENATE  
SENATE BILL NO. 410

REGISTERED BY: *ja*

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Introduced by Senator **FERDINAND R. MARCOS, JR.**

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**AN ACT ESTABLISHING A NATIONAL GREEN BUILDING CODE AND RATING SYSTEM, AND FOR OTHER PURPOSES**

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

**SECTION 1. Title.** - This Act shall be known as, "**The Philippine Green Building Act.**"

**SECTION 2. Declaration of Policies.** - The State hereby affirms the state policies enshrined in the Constitution and in various national laws, such as but not limited to the following:

- a) Protection and promotion of the people's right to health and to a balanced and healthful ecology.
- b) Primary focus on pollution prevention rather than on control and providing for a comprehensive management program for air pollution.
- c) Safeguarding of life, health, property, and public welfare, consistent with the sound principles of environmental management and control; and to this end, providing for all buildings and structures an expanded framework of standards and requirements to regulate and control their design, construction, use, occupancy, repair and maintenance.
- d) Promotion and pursuit of United Nations' principle and policy of sustainable development.
- e) Promotion and encouragement of commercial and industrial buildings that are environment friendly and energy-efficient.
- f) Promotion and encouragement of cooperation and self-regulation among citizens and industries through the application of fiscal incentives and promotion of the role of private industrial enterprises in shaping its regulatory profile within the acceptable boundaries of public health and environment.

- g) Creation, development, maintenance and improvement of conditions under which man and nature can thrive in productive and enjoyable harmony with each other; fulfillment of the social, economic, and other requirements of present and future generations of Filipinos; and insuring the attainment of an environmental quality that is conducive to a life of dignity and well-being.
- h) Recognition and fulfillment of the responsibilities of each generation as trustee and guardian of the environment for succeeding generations; assuring the people of a safe, decent, healthful, productive and aesthetic environment; encouragement of the widest exploitation of the environment without degrading it, or endangering human life, health and safety or creating conditions adverse to agriculture, commerce and industry; attainment of a rational and orderly balance between population and resource use; and improvement of the utilization of renewable and non-renewable resources.

**SECTION 3. Definition of "Green Building".** - 1) The practice of increasing the efficiency with which buildings and their sites use energy, water, and materials, and reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and demolition.

2) The promotion and practice of sustainable site development, improvement of indoor air quality, use of efficient energy, and improvement of water management, utilization of green materials, and the preservation of cultural heritage.

3) A building, whether commercial or non-commercial, whose siting, design, construction, retrofitting, renovation, use and reuse are both resource-efficient and ecologically efficient. For purposes of determining whether a building is resource-efficient and ecologically efficient, full compliance with relevant green building laws and regulations shall be considered in the following aspects:

- a) Planning and design;
- b) Energy efficiency;
- c) Water efficiency and conservation;
- d) Material conservation and resource efficiency; and
- e) Environment quality.

**SECTION 4. Green building laws and regulations.** - For purposes of this Act, green building laws, rules and regulations shall cover laws, rules and regulations, and other codes and regulations referenced therein, whose primary aim is the protection and safeguarding of life, health, public welfare, and the environment, such as but not limited to the following:

- a) National land use rules and regulations;
- b) National Building Code (Presidential Decree No. 1096);
- c) National Structural Code;
- d) Philippine Environmental Code (Presidential Decree No. 1152);
- e) Philippine Environmental Policy (Presidential Decree No. 1151);
- f) Environmental Impact Statement System (Presidential Decree No. 1586);
- g) Code of Sanitation of the Philippines (Presidential Decree No. 856);
- h) Philippine Electrical Code;
- i) Revised National Plumbing Code of 1999;
- j) Philippine Society of Mechanical Engineers Code;
- k) Fire Code of the Philippines (Republic Act No. 9541);
- l) Philippine Clean Air Act of 1999 (Republic Act No. 8749);
- m) Water Code of the Philippines (Presidential Decree No. 1067);
- n) National Water Crisis Act (Republic Act No. 8041);
- o) Philippine Clean Water Act of 2004 (Republic Act No. 9275);
- p) Department of Energy (DOE) Guidelines on Energy Conserving Designs of Buildings.

**SECTION 5. Fiscal Incentives.** - 1) Subject to Sections 6, 7, 8, and 9 of this Act, individuals, whether self-employed or earning compensation income, and juridical persons engaged in business who shall own, operate and maintain certified green buildings shall be entitled to an annual tax deduction of Two Thousand Five Hundred Pesos (PhP2,500.00) from their gross income.

2) Certified green buildings shall be entitled to a five percent (5%) discount of the base value of their annual real property tax assessments from the local government units in which they are located.

3) Applications for permits and certificates under National Building Code for the construction and renovation of green buildings shall be entitled to a five percent (5%) discount from the appropriate Office of Building Official.

**SECTION 6. Non-Fiscal Incentives.** - 1) Without prejudice to the foregoing section, registrations, issuances of permits and certificates, payments of taxes, fees and other assessments, and other related government transactions involving certified green buildings shall enjoy priority and shall be processed and handled in special or priority lanes made for the purpose in the appropriate government agencies and offices.

**SECTION 7. Substantiation Requirements.** - For purposes of this Act, the qualified persons, companies, institutions desiring to avail of the benefits of this Act shall substantiate their claim for incentives with sufficient evidence, such as compliance certifications, inspection reports, checklists, punchlists and the like, evaluation sheets, self-assessment affidavits, or other adequate records.

**SECTION 8. Philippine Green Building Committee; Green Building Rating and Certification System.** - For purposes of determining compliance with relevant green building laws, rules and regulations, there shall be adopted and implemented a Green Building Rating and Certification System that shall be administered by the Philippine Green Building Committee, which shall be an independent third-party monitoring and verification body to be composed of representatives from the Department of Energy, Department of Environment and Natural Resources, Department of Public Works and Highways, and from the private sector in the fields of business, architecture, engineering, construction, environment protection and climate change mitigation.

**SECTION 9. Implementing Rules and Regulations.** - Within sixty (60) days from effectivity of this Act, the Department of Environment and Natural Resources, Department of Energy, Department of Public Works and Highways shall jointly promulgate the rules and regulations to effectively implement and monitor the Green Building Rating and Certification System. Within the same period, the Bureau of Internal Revenue shall promulgate the rules and regulations to effectively implement and monitor the tax incentives under this Act.

**SECTION 10. Separability Clause.** - The provisions of this Act are hereby declared to be separable and if any clause, sentence, provision or section of this Act or its application thereof to any person or circumstance should, for any reason, be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or application of this Act which can be given force and effect.

**SECTION 11. Repealing Clause.** - All laws, decrees, charters, executive orders, administrative orders, proclamations, rules and regulations, or parts thereof insofar as they are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SECTION 12. Effectivity.** - This Act shall take effect fifteen (15) days after completion of publication in the Official Gazette or in a newspaper of general circulation.

Approved,