

(Provisional Translation)

Act on Promotion of Procurement of Eco-friendly Goods and Services by the State and  
Other Entities

(Objective)

Article 1

(1) The objective of this law shall be:

-to establish the necessary provisions a) to encourage the State, independent administrative institutions, etc. local governments, and local independent administrative institutions to procure eco-friendly goods, etc., b) to provide information on eco-friendly goods, etc. and c) to encourage a shift in demand towards eco-friendly goods, etc.;

-to establish society which can enjoy sustainable development with a lower environmental impact; and

-to contribute to a sound and cultural lifestyle for citizens today and in the future.

(Definitions)

Article 2

(1) The “eco-friendly goods, etc.” mentioned in this law shall mean the goods or services which satisfy any one of the following criteria:

(a) Recycled resources including materials or parts/components which contribute to the reduction of “environmental impact” (as provided in Article 2 (1) of the Basic Environmental Law (Law No. 91, 1993); the same shall apply hereinafter)

(b) Products which contribute to the reduction of environmental impact on one of the following grounds:

-materials or parts/components used in the aforementioned goods contribute to the reduction of environmental impact;

-greenhouse gas, etc. emitted as a result of the use of the aforementioned goods do not cause a large environmental impact;

-the whole or part of the aforementioned goods can be easily reused or recycled, so that generation of waste can be limited; and

-others.

(c) Services which contribute to the reduction of environmental impact, for example, services provided by utilizing products that contribute to the reduction of environmental impact.

(2) The “independent administrative institutions, etc.” mentioned in this law shall mean legal entities which meet the following criteria and are determined by the government ordinance(s) for this law:

independent administrative institutions (as provided in Article 2 (1) of the Law for the General Rules on Independent Administrative Institutions (Law No. 103, 1999)) or special legal entities (legal entities that are established according to laws or with special purposes of establishment according to special laws and are subject to Article 4 (15) of the Law for the Establishment of the Ministry of Public Management, Home Affairs, Posts and Telecommunications (Law No. 91, 1999); the same shall apply hereinafter); and those capitals are entirely or mostly provided by the State or those expenses needed for the operation of business are derived mainly from grants or subsidies by the State.

(3) The “local independent administrative institutions” mentioned in this law shall mean legal entities which are determined by the government ordinance(s) for this law:

Local independent administrative institutions (as provided in Article 2(1) of the Law for the General Rules on Local Independent Administrative Institutions (Law No.118, 2003)

(4) “The head of each ministry or agency” mentioned in this law shall mean the head of each ministry or agency as provided in Article 20(2) of the Public Finance Law (Law No. 34, 1947).

(Duties of the State and independent administrative institutions, etc.)

Article 3

(1) As for the procurement of goods and services (referred to as “goods, etc.” hereinafter), in order to encourage a shift in demand towards eco-friendly goods, etc., the State and independent administrative institutions, etc. shall endeavor to choose eco-friendly goods, etc. while giving consideration to the appropriate use of the budget.

(2) The State shall, through educational and public relations activities, etc., encourage businesses and citizens to deepen their understanding of the significance of a shift in demand towards eco-friendly goods, etc., and also take the necessary measures to expedite cooperation between the State, local governments, businesses and citizens to convert demand toward eco-friendly goods, etc.

(Duties of local governments and local independent administrative institutions)

Article 4

(1) Local governments shall endeavor to take the necessary measures to convert demand toward eco-friendly goods, etc. in accordance with the natural and social conditions of each area.

(2) Local independent administrative institutions shall endeavor to take the necessary measure to convert demand toward eco-friendly goods, etc. in accordance with each local independent administrative institution's affairs and operations.

(Duties of businesses and citizens)

#### Article 5

(1) Businesses and citizens shall endeavor to choose eco-friendly goods, etc. as much as possible when buying or renting goods or receiving services.

(Basic policy for the procurement of eco-friendly goods, etc.)

#### Article 6

(1) In order to comprehensively and systematically promote the procurement of eco-friendly goods, etc. by the State and independent administrative institutions, etc., the State shall determine the basic policy for the promotion of procurement of eco-friendly goods, etc. (referred to as "the basic policy" hereinafter).

(2) The basic policy shall stipulate the following:

(a) a basic direction to be followed for the promotion of procurement of eco-friendly goods, etc. by the State and independent administrative institutions, etc.;

(b) basic matters with regard to "the kinds of eco-friendly goods, etc., for which the State and independent administrative institutions, etc. should put an emphasis on procuring" (referred to as "designated procurement items" hereinafter); the evaluation criteria for the designated procurement items; and the promotion of "procurement of goods, etc. that meet the said criteria" (referred to as "designated procurement goods, etc." hereinafter); and

(c) other important matters on the promotion of procurement of eco-friendly goods, etc.

(3) The Minister of the Environment shall discuss with the head of each ministry or agency, etc. (the head of each ministry or agency in the case of the State, the competent minister in the case of independent administrative institutions, etc.; the same shall apply hereinafter) in advance of drafting the basic policy, and obtain an approval of the cabinet decision.

(4) With regard to the criteria for the designated procurement items, in light of the necessity of considering the trends, etc. of technology and demand relating to the manufacture of goods, etc. that correspond to the said designated procurement items, the Minister of the Environment shall discuss with the head of each ministry or agency, etc. as provided in the preceding paragraph, based on the draft which the Minister of the Environment has drawn up in cooperation with the minister(s) in charge of businesses, including manufacture, import and sale, etc., of the said designated procurement items.

(5) When an approval of the cabinet decision was obtained as mentioned in paragraph (3) of this Article, the Minister of the Environment shall publish the basic policy without delay.

(6) The provisions of the preceding three paragraphs shall be applied mutatis mutandis to revisions of the basic policy.

(Procurement policy for eco-friendly goods, etc.)

#### Article 7

(1) The head of each ministry or agency and the head of each independent administrative institution, etc. (or the representative in the case of a special legal entity; the same shall apply hereinafter) shall draw up every fiscal year a policy for the promotion of procurement of eco-friendly goods, etc. in relation to the procurement of goods, etc., while taking into account the budget, activities and planned projects for the fiscal year concerned.

(2) The policy mentioned in the preceding paragraph shall stipulate the following:

(a) procurement targets of the designated procurement goods, etc. for the said fiscal year

(b) eco-friendly goods, etc. (other than the designated procurement goods, etc.) for which procurement is to be promoted in the said fiscal year, as well as those procurement targets

(c) other matters on the promotion of procurement of eco-friendly goods, etc.

(3) When the policy mentioned in Paragraph (1) of this Article is drawn up, the head of each ministry or agency and the head of each independent administrative institution, etc. shall publish it without delay.

(4) Based on the policy mentioned in Paragraph (1) of this Article, the head of each ministry or agency and the head of each independent administrative institution, etc. shall procure goods, etc. during the fiscal year concerned.

(Publication, etc. of the summary of procurement track record)

#### Article 8

(1) The head of each ministry and agency and the head of each independent administrative institution, etc. shall prepare and publish, without delay after every fiscal or business year ends, a summary of its procurement track record of eco-friendly goods, etc. and submit it to the Minister of the Environment.

(2) The head of an independent administrative institution, etc. shall submit a summary of its procurement track record to the Minister of Environment as provided in the preceding paragraph, via the competent minister for the said independent administrative institution, etc.

(Request of the Minister of the Environment)

#### Article 9

(1) The Minister of the Environment may request the head of each ministry or agency, etc. to take measures which are deemed particularly necessary to promote the procurement of eco-friendly goods, etc.

(Promotion of the procurement of eco-friendly goods, etc. by local governments and local independent administrative institutions)

#### Article 10

(1) With regard to the procurement of goods, etc., prefectures, cities, towns, villages, and local independent administrative institutions shall endeavor to draw up a policy every year for the promotion of procurement of eco-friendly goods, etc., while taking into account the budget, activities and planned projects, etc. for the fiscal year concerned of the said prefectures, cities, towns and villages.

(2) The policy mentioned in the preceding paragraph shall, in accordance with the natural and social conditions of the areas of the said prefectures, cities, towns and villages, and in accordance with each local independent administrative institution's affairs and operations, provide for the eco-friendly goods, etc. for which procurement should be promoted in the fiscal year concerned, as well as those procurement targets. In this case, the necessary efforts shall be made to include the goods, etc. that are

designated procurement items in the eco-friendly goods, etc. for which procurement should be promoted.

(3) When the policy mentioned in Paragraph (1) of this Article is drawn up, prefectures, cities, towns, villages, and local independent administrative institutions shall procure goods, etc. based on it during the fiscal year concerned.

(Considerations to be given when promoting the procurement of eco-friendly goods, etc.)

#### Article 11

(1) The State, independent administrative institutions, etc., prefectures, cities, towns, villages, and local independent administrative institutions shall make efforts for the proper and reasonable use of even eco-friendly goods, etc., and also give due consideration so as not to increase the procurement amount of goods, etc. because of promotion of the procurement of eco-friendly goods, etc. based on this law.

(Provision of information on eco-friendly goods, etc.)

#### Article 12

Those who engage in the manufacture, import or sale of goods or provision of services shall endeavor to provide, in an appropriate manner, the necessary information to understand the environmental impact in relation to the said goods, etc to those who purchase or otherwise acquire the said goods, etc.

#### Article 13

Those who provide the information on eco-friendly goods, etc., for example, by means of granting an authorization to the effect that the goods manufactured, imported or sold or services provided by other businesses could contribute to the reduction of environmental impact, or indicating the information of environmental impact in relation to the aforementioned goods or services, shall endeavor to provide effective and appropriate information which could contribute to convert the demand toward eco-friendly goods, etc., based on the scientific knowledge and also by paying attention to conformity with international agreements.

(Consolidation, etc. of information by the State)

#### Article 14

In order to contribute to the conversion of demand toward eco-friendly goods, etc., the State shall consolidate and analyze the conditions in relation to the information provided by the persons stipulated in the preceding two articles, and subsequently

provide the results.

(Provisional measures)

Article 15

In the case where an order is issued, amended or abolished in accordance with the provisions of this law, the necessary provisional measures may be determined to the extent that such measures are deemed reasonably necessary as a result of the issuance, revision or abolishment of the said order.

Supplementary Provisions

(Enforcement date)

1. This law shall take effect from January 6, 2001, provided, however, that the provisions of Articles 7, 8 and 10 shall be effective from April 1 of the same year.

(Consideration)

2. From the aspect of promoting the conversion of demand toward eco-friendly goods, etc., the government shall, while respecting the content and method of provision of the information on eco-friendly goods, etc., and also the autonomy of those who provide the information on eco-friendly goods, etc., give due consideration to the necessary measures to ensure the provision of appropriate information, as well as the ideal status of information provision system on eco-friendly goods, etc., and subsequently, take the necessary measures based on the results of these considerations.

Supplementary Provisions (Law No. 119, 16 July 2003), Abstract

(Enforcement Date)

Article 1

This law shall take effect from the date as the effectuation date of the Law for the General Rules on Local Independent Administrative Institutions (Law No.118, 2003).

(Provisional measures)

Article 6

Should there be any additional provisional measures regarding the enactment of this law aside from what is constituted in the supplementary provisions, they shall be designated by a separate ordinance.