

Act on Promoting Green Procurement

**The Act on Promotion of Procurement of Eco-Friendly Goods and Services
by the State and Other Entities**

(Act No.100 of May 31, 2000, promulgated on May 31, 2000 and enforced on April 1, 2001)



February 2017

Ministry of the Environment



Background

Environmental problems facing our country today such as climate change, air pollution, resource depletion, waste disposal, etc. are caused by mass production, mass consumption, mass disposal type of economic activities. In order to sustainably utilize limited resources and hand them down to future generations, it is essential to reform the ideal way of economic society and transform it into something that enables sustainable development. To that end, it is necessary to strive to reduce the environmental load in all sectors, and we must encourage the shift of demand to eco-friendly goods, etc. in the procurement practice of organizations as well.


The Act on Promoting Green Procurement was enacted in the year 2000. The concept and practices have been disseminated with the enforcement of the Act among government agencies, local governments, and businesses, etc., achieving certain results.¹

The international community also emphasizes the importance of sustainable consumption and production (SCP). The 2030 Agenda for Sustainable Development,² along with the Sustainable Development Goals (SDGs), was adopted at the United Nations Sustainable Development Summit in September 2015, and the assurance of the SCP was appointed as one of the Goals. Based on this, the State has decided to further promote green procurement to reach the Target 12.7³ of the SDGs, and adopt the procurement rate of designated procurement goods by the Government and Incorporated Administrative Agencies as an indicator. The importance of green procurement is recognized again as a way to build a sustainable society.



Objective

- ① To stimulate public procurement of
- ② To provide information, etc. on goods and services that contribute to the reduction of environmental loads (eco-friendly goods)



Building a sustainable society with low environmental loads



Target Institutions

- **The State and Incorporated Administrative Agencies (Article 3)**

In procuring goods and services (hereinafter referred to as "goods, etc."), the State and Incorporated Administrative Agencies, etc. must endeavor to select Eco-Friendly Goods, etc., for the purpose of promoting a shift of demand to Eco-Friendly Goods, etc., while giving consideration to the proper use of the budget.

- **Local Governments and Local Incorporated Administrative Agencies (Article 4)**

(1) Local governments are to endeavor to implement measures aimed at a shift of demand to Eco-Friendly Goods, etc., in accordance with the natural and social conditions of their local areas.

(2) Local incorporated administrative agencies are to endeavor to implement measures aimed at a shift of demand to Eco-Friendly Goods, etc., with regard to the administration and undertakings of the Local Incorporated Administrative Agencies.

- **Business Operators and Citizens (Article 5)**

In the case of purchasing or leasing goods, or receiving the provision of services, business operators and citizens are to endeavor to select Eco-Friendly Goods, etc., to the extent possible.

1 <http://www.env.go.jp/policy/hozen/green/g-law/index.html>

2 <http://www.un.org/sustainabledevelopment/development-agenda/>

3 Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

**Overview of
the Act on
Promoting Green
Procurement**



<Article 1> Objective: To establish a society which can enjoy sustainable development with a smaller environmental impact

1. To encourage the State, independent administrative institutions to procure eco-friendly goods, etc.
2. To provide information on eco-friendly goods, etc.

Ministries and Agencies, etc.

**< Article 6 >
Basic Policy for the Procurement of Eco-Friendly Goods, etc.**

- ◆ The guidance for each organization to prepare the procurement policy for eco-friendly goods, etc.

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**< Article 7 and 8 >
The Diet, courts, ministries and agencies, etc.**

- ◆ Each organization makes and publicizes the procurement policy based on the Basic Policy every year.
- ◆ Procures goods, etc. based on the procurement policy. Announces the result of green procurement and
- ◆ reports it to the Minister of the Environment at the end of every fiscal year.

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**< Article 9 >
The Minister of the Environment requests each ministry, etc. to take necessary measures.**

Local governments and local independent administrative institutions

< Article 10 >
Endeavor to draw up a policy every year for the promotion of eco-friendly goods, etc.

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Not to increase the total procurement amount for the reason of implementing this law.

Business and citizens


< Article 5 >
Endeavor to choose eco-friendly goods, etc. as much as possible when purchasing goods or services.

Provision of appropriate information on eco-friendly goods, etc.

**< Article 12 >
Manufacturers, importers, etc.** should provide environmental information on their products.

**< Article 13 >
Eco-labeling bodies, etc.** should promote eco-labeling programs on scientific basis and in compliance with international standards.

**< Article 14 >
The State** considers appropriate information providing systems on eco-friendly goods, etc.



What is Green Procurement?

Green procurement is defined as a practice whereby purchasers seek to procure goods and services with **reduced environmental loads** throughout their life cycle with **consideration of their necessity**, from **suppliers who make constant efforts to be environmentally conscious**.

By making consumer behavior environmentally conscious, green procurement can encourage suppliers to develop products with low environmental loads, and convert the entire economic activities to more eco-minded ones.



Basic Concept of Green Procurement

The basic policy of the Act on Promoting Green Procurement describes the following **three concepts** for promoting procurement of goods and services that contribute to reducing environmental loads. These goods and services are called “eco-friendly goods, etc.”

1. Select goods and services from always environmentally conscious suppliers

Purchasers should consider the environmental loads of products besides the products’ price and quality. Not only environmental loads of the products, but also environmental management and information disclosure by manufacturers, distributors, etc. should be kept in mind when procuring eco-friendly goods.

2. Consider the life-cycle of goods and services

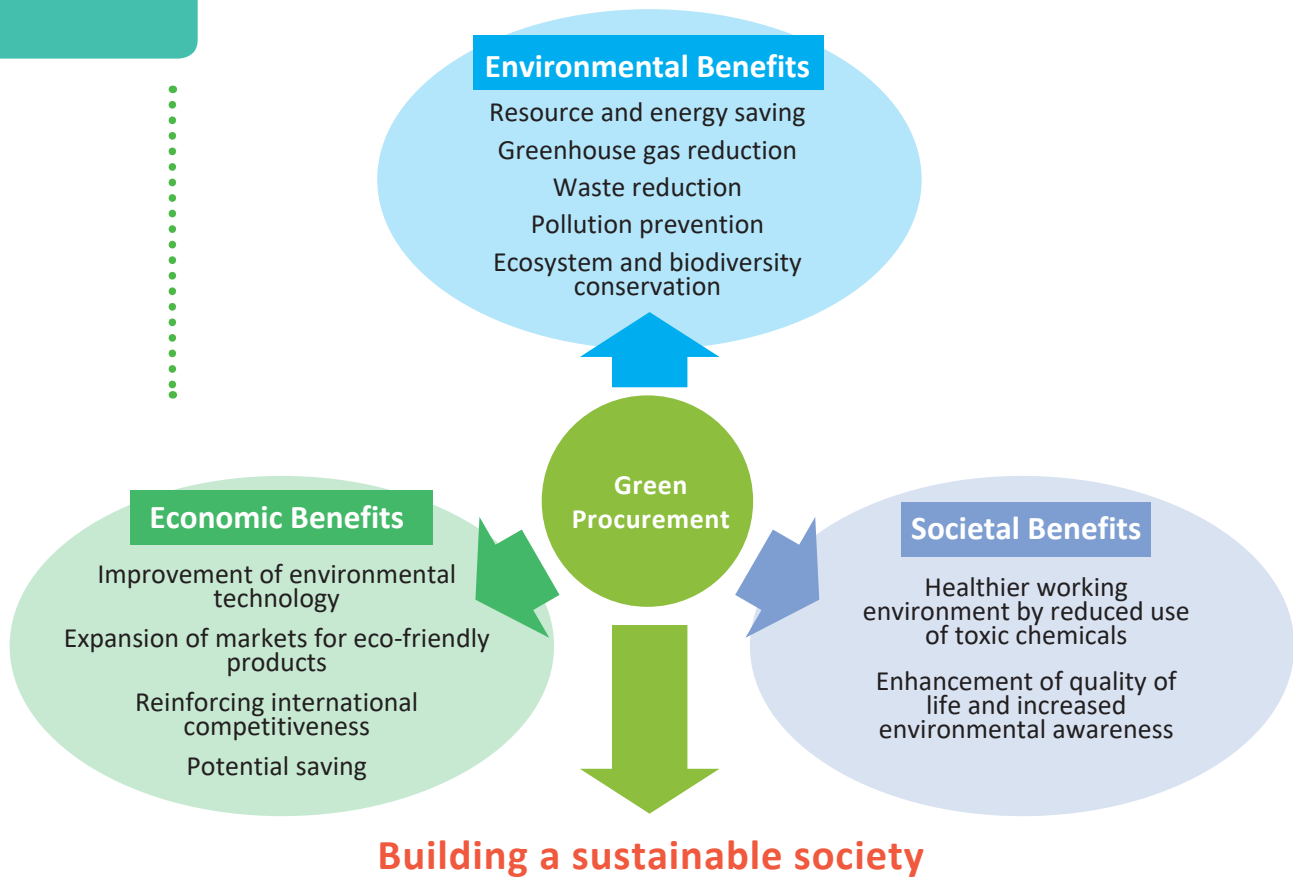
When selecting goods etc., it is necessary to consider reducing the environmental loads of the entire life cycle, extending from resource extraction to disposal. Local governments may have different environmental issues. In such cases, they may need to procure goods and services to address the particular issues.

3. Reducing has NO.1 priority

Total procurement volume should not increase under the pretext of promoting procurement of eco-friendly goods, etc. In other words, reduction of the procurement volume should be firstly considered. It is essential to the environmental loads will steadily decrease by proper and long-term use of procured eco-friendly goods, etc. and the waste separation.

Benefits of Green Procurement

Green procurement will bring us not only environmental, but also societal and economic benefits.



Advanced Environmental Consideration by Complying with the Green Contract Act⁴

| | Act on Promoting Green Procurement | Green Contract Act |
|-------------------------------|---|--|
| Feature | <ul style="list-style-type: none"> Regulates environmental performance of goods and services | <ul style="list-style-type: none"> Defines recommended contracting methods such as comprehensive evaluation method and proposal method for each type of contract |
| Purpose | <ul style="list-style-type: none"> Procurement of goods and services which satisfy a certain level of environmental performance | <ul style="list-style-type: none"> Procurement of goods and services with the best environmental performance after comprehensive evaluation of factors including price, etc. |
| Target items/Contracts | <ul style="list-style-type: none"> 274 items in 21 categories, including paper, stationery, office equipment, home electronic appliances, vehicles, uniforms and work clothes, facilities, stockpiles for disaster, public work projects, and services (Cabinet Decision in February 2017) | <ul style="list-style-type: none"> Six types of contracts: procurement of electricity, procurement and leasing of automobiles, procurement of ships, ESCO projects, architectural design, and industrial waste management (Cabinet Decision in February 2017) |
| Target institutions | <ul style="list-style-type: none"> Applied to government agencies and public institutions such as ministries, Independent Administrative Agencies, and national university corporations, etc. Local governments and local independent administrative institutions are asked to make efforts. | <ul style="list-style-type: none"> Applied to government agencies and public institutions such as ministries, Independent Administrative Agencies, and national university corporations, etc. Local governments and local independent administrative institutions are asked to make efforts. |
| Others | <ul style="list-style-type: none"> Cabinet decision on evaluation criteria for eco-friendly goods and services Procurement of eco-friendly goods and services in accordance with the Basic Policy Publication of the summary of procurement track record by the target organizations | <ul style="list-style-type: none"> Cabinet decision on the methods, etc. of green contracts Applying green contracts in accordance with the Basic Policy Publication of the conclusion record of the contracts by the target organizations |

⁴ Act on Promotion of Contracts of the State and Other Entities, Which Show Consideration for Reduction of Emissions of Greenhouse Gases, etc.



Movement toward Green Procurement

Initiatives in Japan

The initial systematic implementation of green procurement
A local government worked out a comprehensive guideline on green procurement.

1994

“The Action Plan for Greening Government Operations” by the Government
“Environmental consideration when procuring and using goods and services” was mentioned in the action plan.

1995

Establishment of the Green Purchasing Network (GPN)
The non-profit organization, composed of private enterprises, local governments, and NGOs/NPOs, etc. who were proactive in green purchasing, started dissemination activities.

1996

Enactment of the Act on Promoting Green Procurement (enforcement in 2001)
Six legislations including the Basic Act on Establishing a Sound Material-Cycle Society were integrally enacted.

2000

Formulation of the Fundamental Plan for Establishing a Sound Material-Cycle Society
Improvement of awareness and particular activities of green procurement were included as the objective of the plan.

2003

Enactment and enforcement of the Green Contract Act

2007

The Second Fundamental Plan for Establishing a Sound Material-Cycle Society
Consumer behaviour based on green procurement was described in the image of the recycling-based society in 2025.

2008

The Third Fundamental Plan for Establishing a Sound Material-Cycle Society

2013



International Initiatives

The World Summit on Sustainable Development (Johannesburg Summit)
The Johannesburg Summit noted that fundamental changes in the way societies produce and consume are indispensable for achieving global sustainable development and agreed that all countries should promote sustainable consumption and production.

2002

Marrakech Task Force on Sustainable Public Procurement (until 2011)

2005

The United Nations Conference on Sustainable Development (Rio+20)
The 10-Years Framework Programme on Sustainable Consumption and Production (10YFP) was adopted, and the Sustainable Public Procurement (SPP) Programme was recognized as one of the priority programmes.

2012

Sustainable Public Procurement Initiative (SPPI)
The Initiative was launched to aim worldwide promotion of implementation of SPP through increased cooperation between the key stakeholders and a better understanding of SPP's potential benefits and influence.

2013

Sustainable Public Procurement (SPP) Programme of the 10-Year Framework Programmes on Sustainable Consumption and Production (10YFP)
The Programme was launched to disseminate the knowledge of SPP and support the implementation of SPP through increased collaboration, and better access to capacity building tools and support through SPP experts.

2014

The 2030 Agenda for Sustainable Development
Ensuring sustainable consumption and production patterns is included in the Sustainable Development Goals (SDGs).

2015