

Introduction to Green Purchasing Legislation in Japan



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Ministry of the Environment, Japan

Introduction to Green Public Procurement in Japan

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This booklet aims at introducing an overview of the legislation of green purchasing in Japan, including the framework, implementation status, and key factors to promote green purchasing practices. It is our pleasure if this booklet helps policymakers and organizations develop and implement their green purchasing practices.

1 Practices of Green Purchasing in Japan

- Practices of green purchasing in Japan go back to the late 1980s with the launch of the Eco Mark Program,¹ which is a Type I environmental labelling scheme.²
- The Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Act on Promoting Green Purchasing) was put in force in 2001 to promote institutional green public procurement (GPP).

The movement of green purchasing in Japan goes back to the late 1980s (Figure 1). In 1989, the Eco Mark Program was launched as a Type I environmental labelling scheme. In 1994, a local government started promoting its institutional green purchasing. Then a non-profit organization, Green Purchasing Network,³ was established in 1996 to support nationwide green purchasing activities. The Government of Japan put the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Act on Promoting Green Purchasing) in force in 2001 to expand the market for environmentally friendly products. The Law Concerning the Promotion of Contracts Considering Reduction of GHG Emissions by the State and Other Entities (Green Contract Law) was also enacted in 2007. This Law stipulates the green contracting requirements for government agencies and public institutions in the purchasing contracts for electric power, automobiles, energy service company projects, and building designs. Even though the Green Contract Law focuses more on the GHG reduction aspect of specific products and services, it complements the Act on Promoting Green Purchasing in establishing the Japanese legal framework for green public procurement.

1989	Eco Mark Program was launched
1996	Green Purchasing Network was established
2001	The Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Act on Promoting Green Purchasing) was put in force
2007	The Law concerning the Promotion of Contracts Considering Reduction of Greenhouse Gases and Others Emissions by the State and Other Entities (Green Contract Law) was put in force

Figure 1. Development of green purchasing in Japan

¹ Type I environmental labelling refers to the multi-criteria, third party certified environmental labelling programmes run in compliance with ISO 14024.

² Eco Mark Program is the only Type I environmental labelling in Japan. 5,563 products in 62 categories are certified under Eco Mark Program at the end of January 2016.

³ Green Purchasing Network (GPN) is a non-profit organization which has taken the leading role in promoting the concept and practices of green purchasing across Japan. GPN consists of businesses, local governments, and other organizations as its members.

2 Overview of the Act on Promoting Green Purchasing

- **Ministry of the Environment develops the Act on Promoting Green Purchasing.**
- **The Act requires that government agencies and public institutions implement green public procurement.**
- **Different stakeholders play important roles under the Act.**
 - **Ministry of the Environment: develops the basic policy of the Act including designated procurement items and evaluation criteria.**
 - **Each government agency and public institution: develops and implements its own procurement policy, assesses the implementation, and discloses the achievement by reporting it to the Minister of the Environment.**
 - **Suppliers: provide environmentally friendly products and services as well as information about them.**
 - **Certification bodies and NPOs/NGOs: provide information about certification criteria and environmentally friendly products and services for both consumers and suppliers.**

See Appendix I, II, and III.

The Act on Promoting Green Purchasing also aims at building a sustainable society with less environmental impacts. All government agencies and public institutions shall implement green public procurement (GPP) for designated procurement items under the Act (Figure 2).

The Ministry of the Environment is responsible for the development of the basic policy of the Act, including evaluation criteria for every designated procurement item. Each government agency and public institution shall set its own procurement policy and target in reference to the basic policy and to report its achievement to the Minister of the Environment once every year (Figure 3). Local governments, businesses, and citizens are expected to promote green purchasing.



Figure 2. Roles of stakeholders in green purchasing in Japan

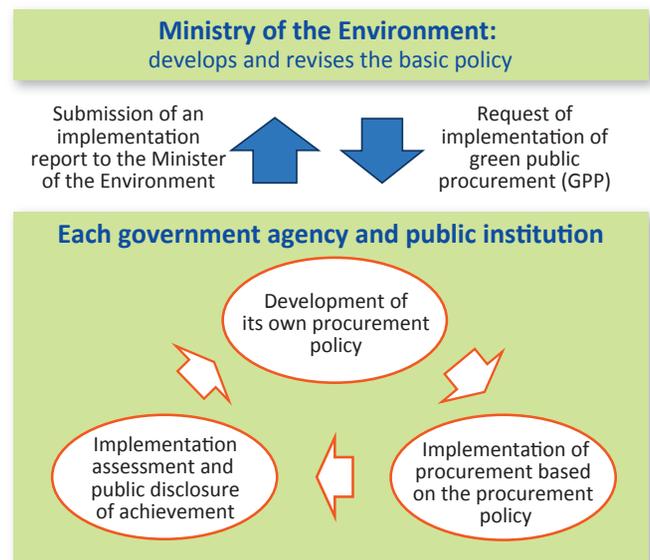


Figure 3. Implementation of green public procurement in Japan

3 Development Framework of the Basic Policy

- The Ministry of the Environment develops and revises the basic policy.
- The Ministry of the Environment deliberates the basic policy with other Ministries and asks the Cabinet for approval.
- When developing the basic policy, the Ministry of the Environment forms committees and cooperates with other Ministries and experts.

The Ministry of the Environment develops and revises the basic policy in cooperation with other Ministries and experts (Figure 4). The basic policy will be annually reviewed. The Ministry of the Environment also forms committees to review the evaluation criteria and other relevant topics. The Reviewing Committee consists of academics, while the technical committees include experts and different stakeholders such as industry associations.

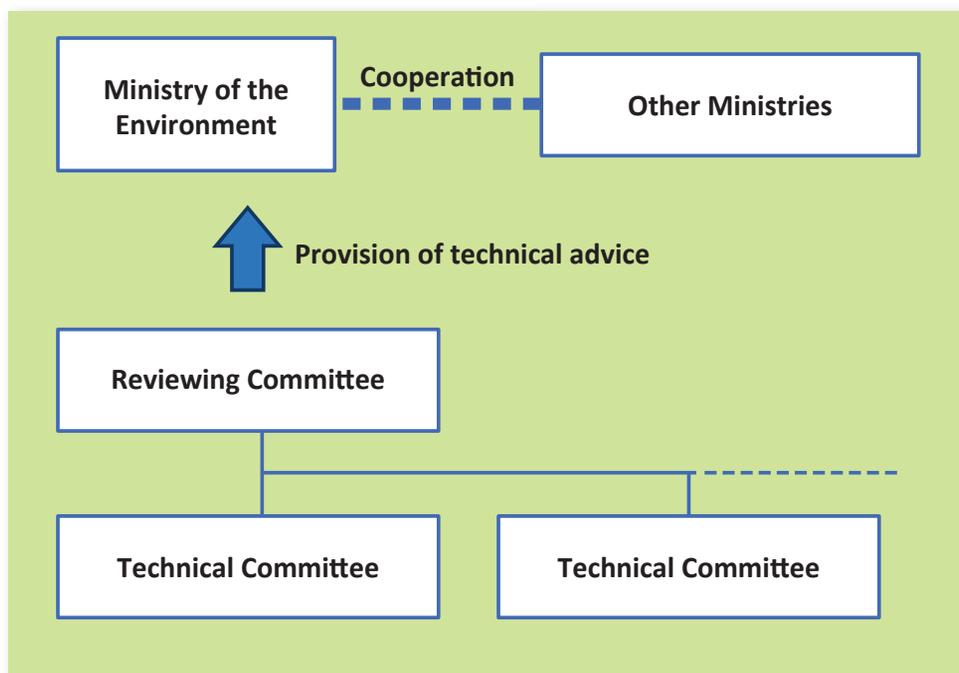


Figure 4. Development framework of the basic policy

4 Development Workflow of the Basic Policy

- The Ministry of the Environment reviews the basic policy every year.
- When revising the basic policy, the Ministry of the Environment invites public comments.

Figure 5 shows the development workflow of the basic policy. The Ministry of the Environment discloses the proposal for revision on its website to invite public comments. Suggestions and comments about new categories and evaluation criteria are also invited for the revision.



Figure 5. Development workflow of the basic policy

5 Evaluation Criteria of the Act on Promoting Green Purchasing

- **Characteristics of the evaluation criteria of the Act;**
 - **Defining evaluation criteria for designated procurement items,**
 - **Considering the volume of green public procurement (GPP) as well as environmental issues,**
 - **Being deliberated at committee meetings to ask for the Cabinet approval after hearing public comments, and**
 - **Having no certification scheme.**

The basic policy of the Act on Promoting Green Purchasing sets the evaluation criteria for the designated procurement items that include numerical values to secure objectivity. Besides the evaluation criteria, the value of products as well as the quality and performance should be secured.

Online databases and product catalogues made by environmental labelling organizations or NPOs are available for purchasers to look for products that meet the evaluation criteria.

6 Designated Procurement Items of Green Public Procurement

- **The basic policy indicates evaluation criteria for 270 items in 21 categories as of February 2016 (Table 1).**

See Appendix IV

The number of the designated procurement items increases depending on the product development and distribution, dissemination of scientific knowledge, and proposals for the basic policy. New designated procurement items will be added after the committee deliberation and the approval of the Cabinet. The designated procurement items numbered 101 items in 14 categories in 2001 and increased to 270 items in 21 categories in 2016.

Table 1. List of categories for designated procurement items as of February 2016

1	Paper	8	Home electronic appliances (TVs, microwave ovens, etc.)	15	Interior fixtures and bedding (carpets, curtains, etc.)
2	Stationery	9	Air conditioners, etc.	16	Work gloves
3	Office furniture, etc.	10	Water heaters, etc. (electric water supply system, gas water heaters, etc.)	17	Other fiber products
4	Imaging equipment, etc.	11	Lighting (lamps, LEDs, etc.)	18	Facilities (solar panels, solar thermal appliances, etc.)
5	Computers, etc.	12	Vehicles, etc. (vehicles, tires, engine oil)	19	Stockpiles for disaster
6	Office equipment, etc.	13	Fire extinguishers	20	Public works projects
7	Mobile telephones, etc.	14	Uniforms and work clothes	21	Services (printing, transportation and delivery, etc.)

7 Implementation Status of Green Public Procurement

- The Japanese government implemented green public procurement (GPP) for 95 percent of designated procurement items in 2013.
- Implementation of the Act on Promoting Green Purchasing resulted in an increase of market share of environmentally friendly products.
- The estimated CO₂ emission reduction from GPP is 210,000 tons of CO₂ equivalent.

A survey carried out by the Ministry of the Environment in 2013 revealed that the Japanese government implemented GPP for 189 designated procurement items out of 199 in that year, which was 95% of the total, in accordance with its criteria, while its achievement in 2001 was only 44% (Figure 6). This indicates that the government has strongly promoted green purchasing since the enforcement of the Act. The survey results also demonstrated that the market share of environmentally friendly products for all six items under review increased because of the implementation of the Act (Figure 7).

The Ministry of the Environment discloses estimates of greenhouse gas reduction caused by GPP in Japan. The estimate in 2013 was 210,787 ton of CO₂ equivalent considering the duration of use of products.

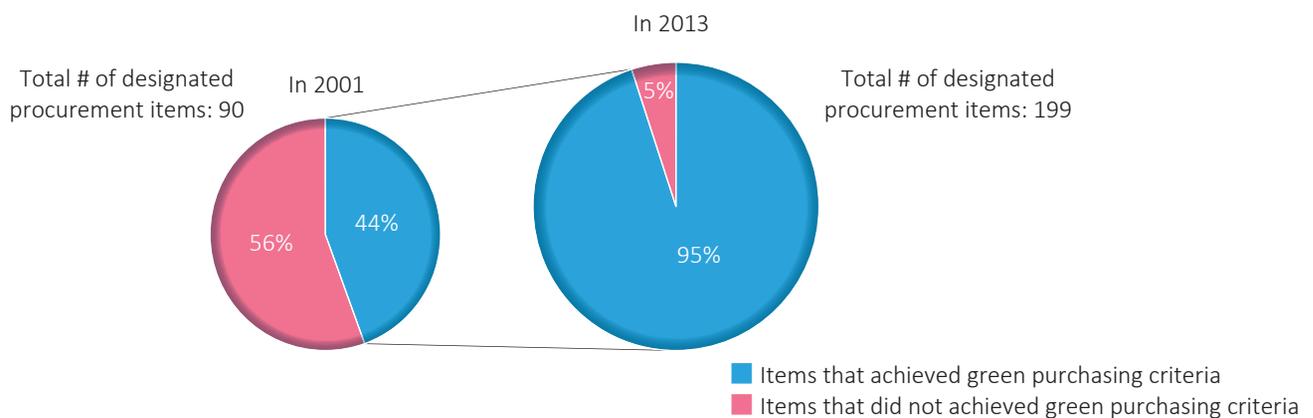


Figure 6. Implementation status of GPP except public works projects

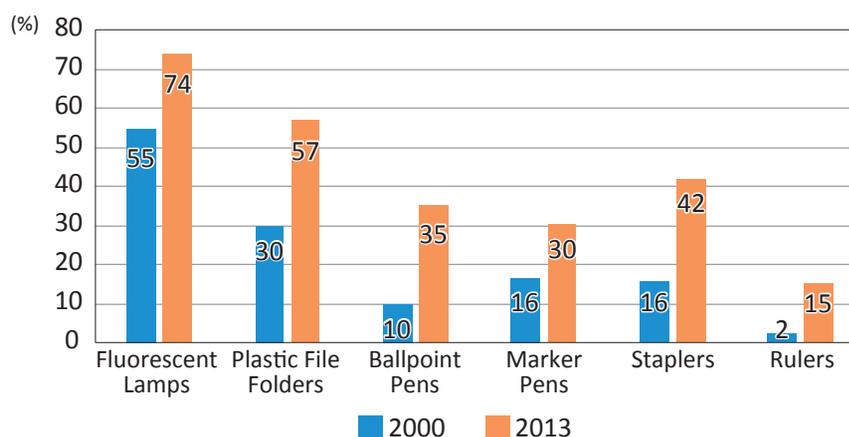


Figure 7. Market share of environmentally friendly products

8 Provision of Environmental Information

- **Suppliers may declare that their products meet evaluation criteria in the basic policy.**
- **The Ministry of the Environment has developed two guidelines to ensure credibility of environmental product information; the Guideline for Reliability Assurance and the Guideline for Environmental Performance Indicators.**

The Act on Promoting Green Purchasing has no certification or labelling schemes to indicate certain products meet the evaluation criteria. Instead, suppliers themselves may declare that their products meet the evaluation criteria of the basic policy.

The Ministry of the Environment has developed guidelines for environmental consideration for suppliers in order to ensure credibility of environmental product information (Figure 8). The Guideline for Reliability Assurance includes information of document preparation and assurance of credibility. Suppliers should obtain necessary information from their vendors in a supply chain to verify if their goods and services meet the evaluation criteria of the basic policy. They should also keep the compliance document to be accessible for the purchasers (Figure 9). The Guideline for Environmental Performance Indicators shows how to indicate the compliance and appropriate environmental performance based on Type II self-declared environmental claims in compliance with ISO14021.

Suppliers should be accountable for their declarations. They will be blamed if their claims are found inadequate.

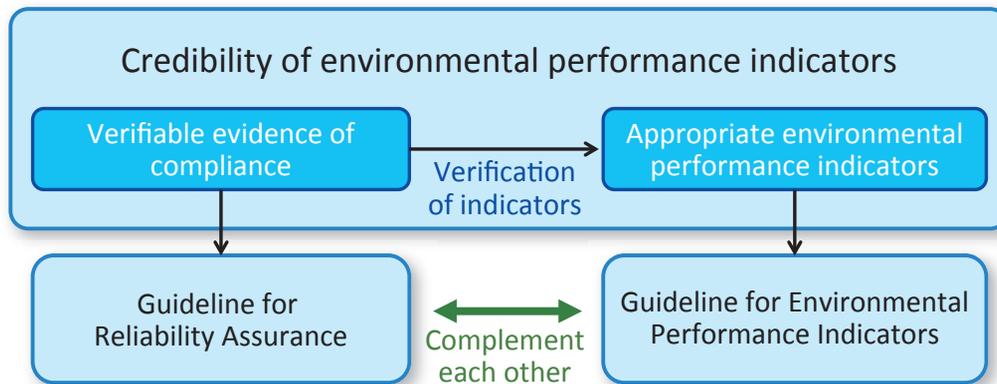


Figure 8. Two guidelines for reliability assurance

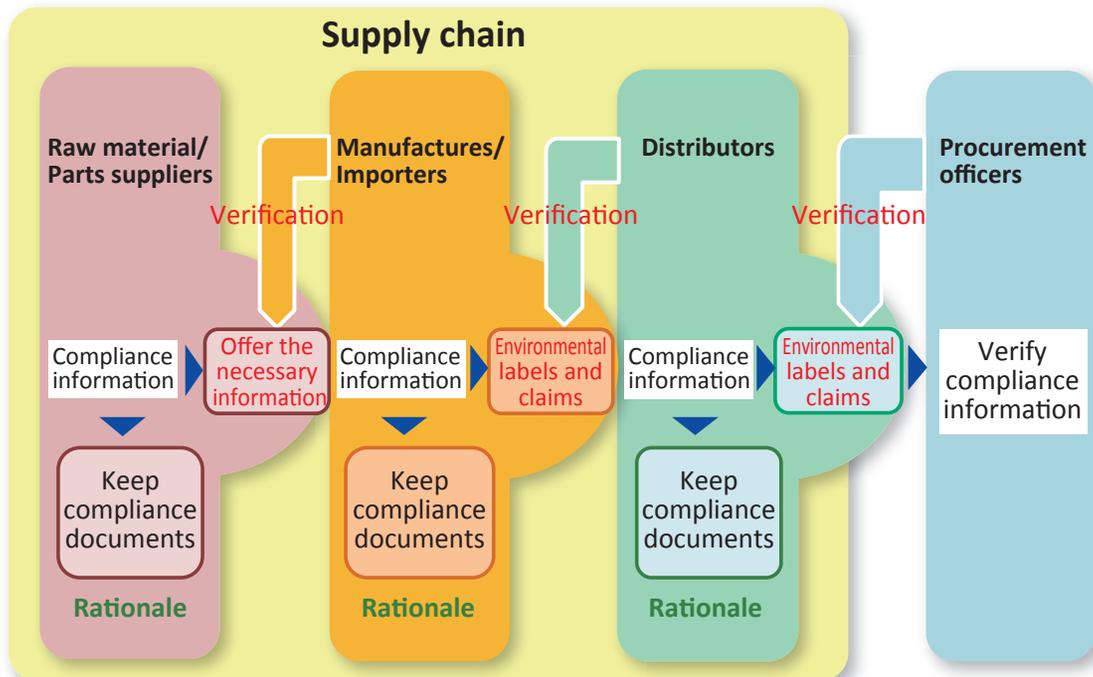


Figure 9. Framework for reliability assurance through the supply chain

9 Relationship between Evaluation Criteria of the Act on Promoting Green Purchasing and the Eco Mark Criteria

- **The certification criteria of the Eco Mark Program are different from the evaluation criteria of the Act on Promoting Green Purchasing.**
- **The Act sets the level of the evaluation criteria in consideration for the environment and the volume of green public procurement (GPP), whereas the Eco Mark Program sets the level of the certification criteria to lead the market and technological development regardless of the volume of GPP.**

The Act on Promoting Green Purchasing guides the central government to implement GPP by identifying designated procurement items with their evaluation criteria, whereas the Eco Mark Program, which is implemented by the Japan Environment Association, guides suppliers and consumers to implement green purchasing by setting the certification criteria in a different position from the government (Table 2).

In general, the Act sets the level of the evaluation criteria in consideration for the environment and the volume of GPP, whereas the Eco Mark Program sets the certification criteria to lead the market and technological development regardless of the volume of GPP of government agencies and public institutions (Figure 10).

In fact, the third party certification labels including Eco Mark Program, which are consistent with the Act, are considered to meet the evaluation criteria of the Act. Those labels can be confirmed when government procurement agencies purchase environmentally friendly products that meet the evaluation criteria of the Act.

Table 2. Comparison of the Act on Promoting Green Purchasing and Eco Mark Program

	Act on Promoting Green Purchasing	Eco Mark Program
Enactment / Launch	In 2000	In 1989
Operational entity	Ministry of the Environment	Japan Environment Association
Legal framework	Act	ISO14024
# of categories	21 as of February 2016	62 as of January 2016
Subject to the rules	Government agencies and public institutions: mandatory Local governments: encouraged Suppliers and consumers: encouraged	Suppliers and consumers: encouraged to promote Eco Mark certified products and services
Levels of criteria	Basic policy (evaluation criteria): adequate level in consideration for the environment and the volume of GPP	Certification criteria: aim to set criteria level as approximately that of the top 20% products of each category in the product market
Ways to meet evaluation / certification criteria	- No certification scheme (self-declaration by suppliers) - Procurement officers choose products and services in accordance with the evaluation criteria - Third party certification that meet the evaluation criteria can be referred	- Third party certification - Type I environmental labelling scheme

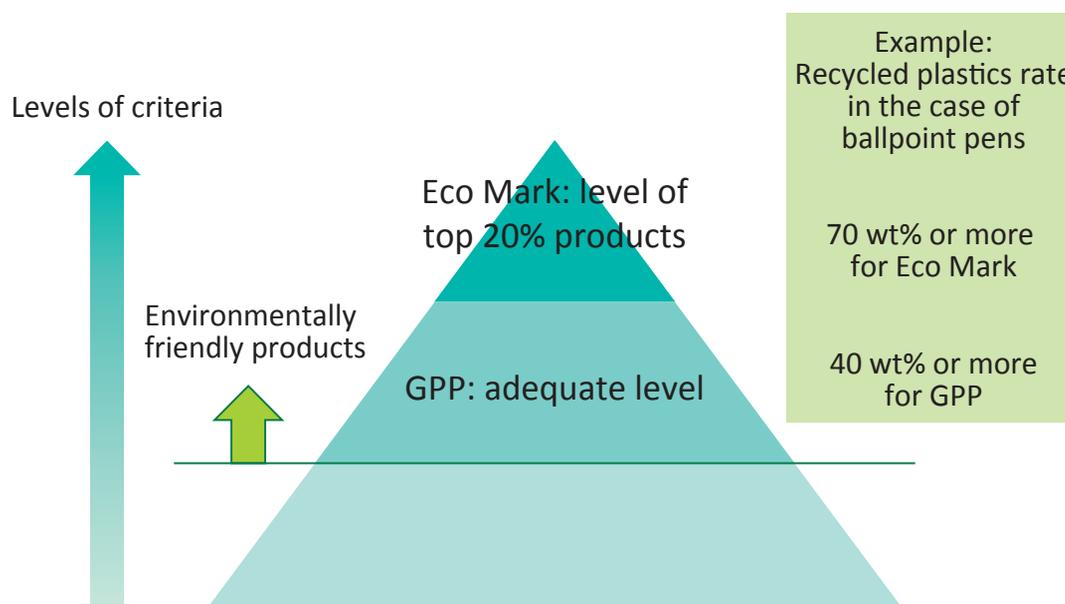


Figure 10. Levels of criteria of the Act on Promoting Green Purchasing and the Eco Mark Program

10 Dissemination of Green Purchasing

- Environmental labelling organizations and NPOs promote green purchasing.
- The Ministry of the Environment provides seminars for procurement officers.
- The Ministry of the Environment also makes manuals to support practices of green purchasing.
- Questions and answers about green purchasing are shared on the website.
- Central government, local governments, NPOs, and suppliers cooperate with each other to promote green purchasing.

Environmental labelling organizations and NPOs have taken the initiative in implementing and promoting green purchasing in Japan. For example, Green Purchasing Network encourages other organizations to promote green purchasing by honoring them with best practices.

The Ministry of the Environment provides information sessions for government agencies, public institutions, local governments, and suppliers to explain the basic policy (Figure 11) and develops guidelines of the evaluation criteria and the scope of designated procurement items. The website of questions and answers is also an important tool of implementation of green purchasing.

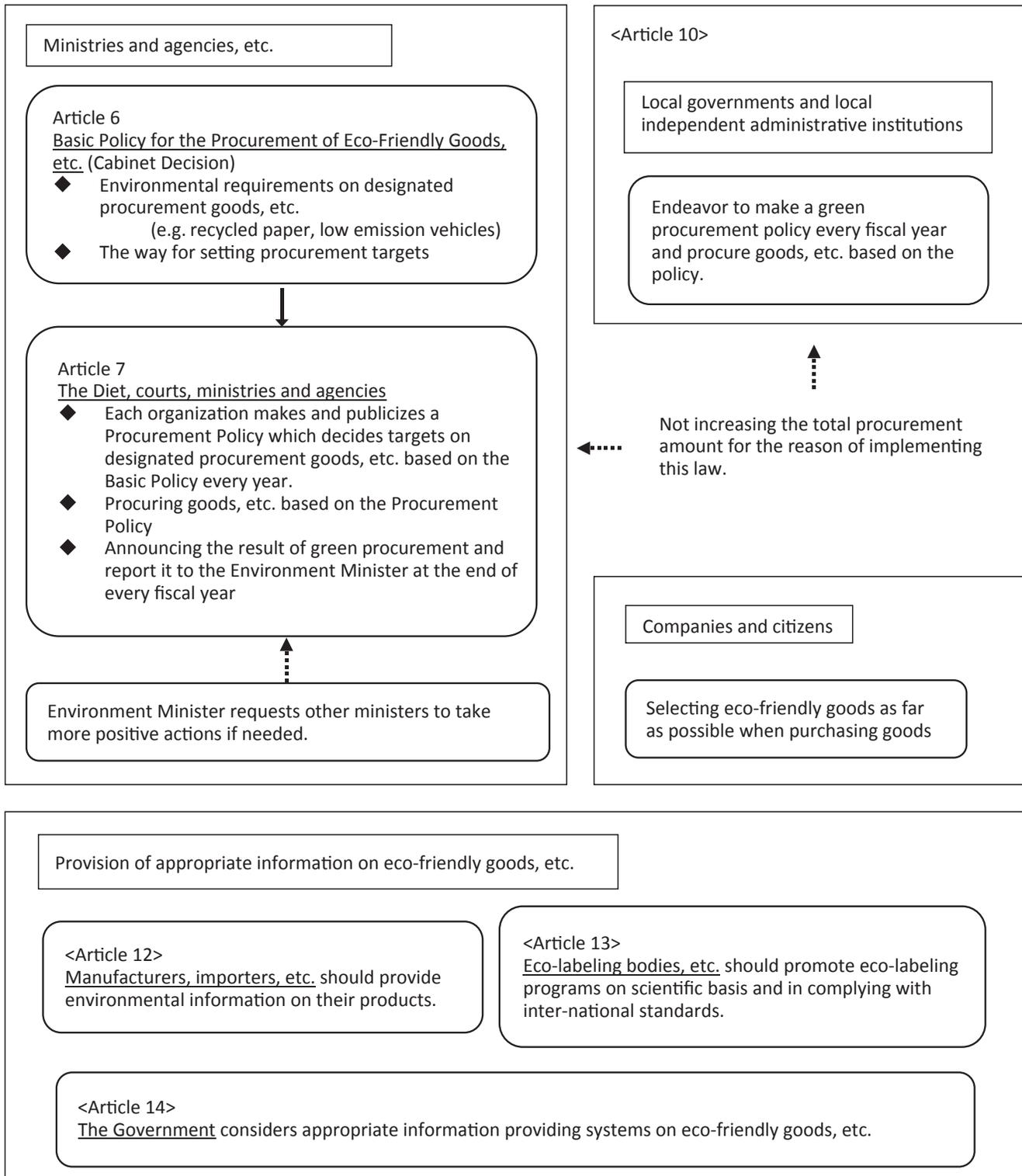


Figure 11. An information session by the Ministry of the Environment

Appendices

Image of Act on Promoting Green Purchasing

Law concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities
(Law on Promoting Green Purchasing)



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

(Act No. 100 of May 31, 2000)

(Purpose)

Article 1 The purpose of this Act is to establish a society that can develop sustainably with reduced environmental loads, by providing for necessary matters and for promoting a shift of demand to eco-friendly goods, etc., including the promotion of the procurement of eco-friendly goods, etc. by the State, incorporated administrative agencies, etc., local governments, and local incorporated administrative agencies, and the provision of information concerning eco-friendly goods, etc., thereby contributing to ensuring healthy and cultured living of both the present and future generations of the citizens.

(Definition)

Article 2 (1) The term “eco-friendly goods, etc.” as used in this Act means goods or services falling under any of the following items:

- (i) Recyclable resources and other raw materials or parts that contribute to the reduction of environmental loads (referring to environmental loads as prescribed in Article 2, paragraph (1) of the Basic Environment Act (Act No. 91 of 1993); the same applies hereinafter);
 - (ii) Products that contribute to the reduction of environmental loads due to reasons including the use of raw materials or parts contributing to the reduction of environmental loads, reduced environmental loads caused by greenhouse gas emissions, etc. accompanied by use, and waste reduction through easy reuse or recycling after use in whole or part;
 - (iii) Services that contribute to the reduction of environmental loads including those provided through the use of products contributing to the reduction of environmental loads.
- (2) The term “incorporated administrative agencies, etc.” as used in this Act means incorporated administrative agencies (referring to incorporated administrative agencies prescribed in Article 2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999)) or special public corporations (referring to juridical persons directly incorporated by an act or juridical persons incorporated by special juristic act for establishment by a special act, to which the provision of Article 4, item (xv) of the Act for Establishment of the Ministry of Internal Affairs and Communications (Act No.91 of 1999) is applicable; the same applies hereinafter), which are corporations, all or the majority of whose capital is funded by the State or corporations which mainly obtain financial resources for expenses necessary for operating projects from the State-issued grants or subsidies, as specified by Cabinet Order.
- (3) The term “local incorporated administrative agencies” as used in this Act means local incorporated administrative agencies as prescribed in Article 2, paragraph (1) of the Local Independent Administrative Agency Act (Act No. 118 of 2003).
- (4) The term “heads of ministries and agencies” as used in this Act means the heads of ministries and agencies as prescribed in Article 20, paragraph (2) of the Public Finance Act (Act No. 34 of 1947).

(Responsibility of the State and Incorporated Administrative Agency)

Article 3 (1) In procuring goods and services (hereinafter referred to as the “goods, etc.”), the State and incorporated administrative agencies, etc. must, for the purpose of promoting a shift of demand to eco-friendly goods, etc., endeavor to select eco-friendly goods, etc., while giving consideration to the proper use of the budget.

(2) While deepening the understanding of the significance of promoting a shift of demand to eco-friendly goods, etc., among business operators and citizens through educational activities and public relations activities, the State must endeavor to implement necessary measures for promoting activities aimed at a shift of demand to eco-friendly goods, etc., through mutual coordination among the State, local governments, business operators and citizens.

(Responsibility of Local Government and Local Incorporated Administrative Agency)

Article 4 (1) Local governments shall 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 shall endeavor to implement measures aimed at a shift of demand to eco-friendly goods, etc., with regard to the administration and undertakings of said local incorporated administrative agencies.

(Responsibility of Business Operators and Citizens)

Article 5 In the case of purchasing or leasing goods, or receiving the provision of services, business operators and citizens shall endeavor to select eco-friendly goods, etc., to whatever the extent possible.

(Basic Policy for Procurement of Eco-Friendly Goods, etc.)

Article 6 (1) The State must, for the purpose of comprehensively and systematically promoting the procurement of eco-friendly goods, etc. of the State and incorporated administrative agencies, etc., provide for a Basic Policy for promoting the procurement of eco-friendly goods, etc. (hereinafter referred to as the “Basic Policy”).

(2) The Basic Policy shall provide for the following matters:

(i) Basic orientation for promoting the procurement of eco-friendly goods, etc. of the State and incorporated administrative agencies, etc.;

(ii) Types of eco-friendly goods, etc. on which priority should be placed in procurement by the State and incorporated administrative agencies, etc.(hereinafter referred to as the “designated procurement items”) and judgment criteria therefore as well as basic matters concerning the promotion of the procurement of goods, etc. meeting said criteria (hereinafter referred to as the “designated procured goods, etc.”);

(iii) Other important matters concerning the promotion of the procurement of eco-friendly goods, etc.

(3) The Minister of the Environment must, upon consultation with the heads of ministries and agencies, etc. in advance (the heads of ministries and agencies in the case of the State and its competent minister in the case of incorporated administrative agencies, etc.; the same applies hereinafter), prepare a draft of the Basic Policy and seek a cabinet decision.

(4) In consulting with the heads of ministries and agencies, etc. under the preceding paragraph with regard to judgment criteria for the designated procurement items, such consultation shall be conducted in accordance with the draft prepared jointly by the Minister of the Environment and the ministers with jurisdiction over the projects including manufacturing, import and sale of said goods, etc., in light of the necessity for considering technology concerning the manufacturing of goods, etc. falling under said designated procurement items and the trends, etc. of demand and supply.

(5) When a cabinet decision under paragraph (3) is made, the Minister of the Environment must make public the Basic Policy without delay.

(6) The provisions of the preceding three paragraphs apply mutatis mutandis to any revision of the Basic Policy.

(Procurement Policy for Eco-Friendly Goods, etc.)

Article 7 (1) Every fiscal year, the heads of ministries and agencies and the heads of incorporated administrative agencies, etc. (if said incorporated administrative agencies, etc. are special public corporations, the representatives

thereof; the same applies hereinafter) must, in accordance with the Basic Policy and in consideration of the budget and the schedule of administration or undertakings, etc. for the fiscal year concerned, prepare the policy for promoting the procurement of eco-friendly goods, etc., with regard to the procurement of goods, etc.

(2) The policy referred to in the preceding paragraph shall provide for the following matters:

(i) Procurement target of the designated procured goods, etc. for the fiscal year concerned;

(ii) Eco-friendly goods, etc. whose procurement is to be promoted for the fiscal year concerned other than the designated procured goods, etc. and the procurement target thereof;

(iii) Other matters concerning the promotion of the procurement of eco-friendly goods, etc.

(3) When the policy referred to in paragraph (1) is made, the heads of ministries and agencies and the heads of incorporated administrative agencies, etc. must make public that fact without delay.

(4) The heads of ministries and agencies and the heads of incorporated administrative agencies, etc. shall procure the goods, etc. for the fiscal year concerned in accordance with the policy referred to in paragraph (1).

(Publication of Outline of Procurement Result)

Article 8 (1) At the end of each fiscal year or each business year, the heads of ministries and agencies and the heads of incorporated administrative agencies, etc. shall without delay prepare and make public the outline of the procurement results of eco-friendly goods, etc., and notify the Minister of Environment to that effect.

(2) The heads of incorporated administrative agencies, etc. shall notify the Minister of Environment pursuant to the provision of the preceding paragraph through the competent minister of said incorporated administrative agencies, etc.

(Request of the Minister of the Environment)

Article 9 The Minister of Environment may request the heads of ministries and agencies, etc. to implement measures considered especially necessary for promoting the procurement of eco-friendly goods, etc.

(Promotion of Procurement of Eco-Friendly Goods, etc. by Local Government and Local Incorporated Administrative Agency)

Article 10 (1) Every fiscal year, prefectures, municipalities and local incorporated administrative agencies shall, in consideration of the budget and the schedule of administration or undertakings, etc., of said prefectures and municipalities for the fiscal year concerned, endeavor to prepare the policy for promoting the procurement of eco-friendly goods, etc., with regard to the procurement of the goods, etc.

(2) The policy referred to in the preceding paragraph shall be provided for eco-friendly goods, etc. whose procurement is to be promoted for the fiscal year concerned and the procurement target thereof, in accordance with the natural and social conditions of the areas in the prefectures and municipalities concerned in the case of prefectures and municipalities, and in accordance with the administration and undertakings of the local incorporated administrative agencies concerned in the case of local incorporated administrative agencies. In this case, prefectures, municipalities and local incorporated administrative agencies shall endeavor to specify goods, etc. falling under the designated procurement items as eco-friendly goods, etc. whose procurement is to be promoted.

(3) When the policy referred to in paragraph (1) is made, prefectures, municipalities, and local incorporated administrative agencies shall procure the goods, etc. for the fiscal year concerned in accordance with said policy.

(Consideration for Promoting the Procurement of Eco-Friendly Goods, etc.)

Article 11 The State, incorporated administrative agencies, etc., prefectures, municipalities, and local incorporated administrative agencies shall endeavor to use eco-friendly goods, etc. in a proper and reasonable manner, and shall pay due consideration so as not to cause an increase in the procurement volumes by reason of promotion of the

procurement of eco-friendly goods, etc. pursuant to this Act.

(Provision of Information Concerning Eco-Friendly Goods, etc.)

Article 12 A person who conducts business of manufacturing, import, sales, or the provision of services shall endeavor to provide purchasers, etc. of said goods, etc. with information necessary for understanding environmental loads pertaining to said goods, etc. by an appropriate method.

Article 13 A person who certifies the fact that goods manufactured, imported or sold by, or services provided by other business operators contribute to the reduction of environmental loads, or who provides information concerning eco-friendly goods, etc. by conducting acts including indicating information concerning environmental loads pertaining to such goods and services shall, in light of scientific knowledge and in consideration of the consistency with international agreements, endeavor to provide information effective and appropriate for contributing to a shift of demand to eco-friendly goods, etc.

(Arrangement of Information by the State)

Article 14 In order to contribute to a shift of demand to eco-friendly goods, etc., the State shall arrange and analyze the status of the provision of information conducted by persons prescribed in the preceding two Articles, and provide the results thereof.

(Transitional Measure)

Article 15 When an order is enacted, revised or abolished pursuant to the provisions of this Act, necessary transitional measures may be prescribed by such order to the extent considered reasonably necessary for enactment, revision or abolishment thereof.

Supplementary Provisions

(Effective Date)

(1) This Act comes into effect as of January 6, 2001; provided, however, that the provisions of Articles 7, 8, and 10 come into effect as of April 1 of the same year.

(Review)

(2) In view of promoting a shift of demand to eco-friendly goods, etc., the government shall, while respecting the content of information concerning eco-friendly goods, etc. to be provided and the method of provision, as well as the autonomy of a person providing information concerning eco-friendly goods, etc., review the roles of the system for providing information concerning eco-friendly goods, etc., including the measures for securing the provision of proper information etc., and implement necessary measures based on the results thereof.

Supplementary Provisions [Act No. 119 of July 16, 2003 Extract] [Extract]

(Effective Date)

Article 1 This Act comes into effect as of the date of enforcement of the Local Independent Administrative Agency Act (Act No. 118 of 2003).

(Delegation to Cabinet Order of Other Transitional Measures)

Article 6 In addition to what is provided for in these Supplementary Provisions, other transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

Basic Policy on Promoting Green Purchasing

This document defines the basic policies for promoting comprehensive and planned procurement of materials, components, products and services with low environmental impact (hereinafter referred to as “eco-friendly goods”). This is the basic policy of the national government (e.g. the Diet, government ministries and agencies, and courts) and corporations defined by the government ordinance 556 of the year 2000 specifying corporations (hereinafter referred to as “Incorporated Administrative Agency”) in Article 2, Paragraph 2 of Act on Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities. It is hoped that local governments, enterprises, and citizens will also make a commitment to the procurement of eco-friendly goods by taking this basic policy into consideration.

The national government shall continue to work in existing dealings to promote environmental conservation in coordination with this basic policy.

1. Basic Direction for the Promotion of Green Purchasing by the Government and Incorporated Administrative Agencies

1.1 Background and Significance of the Promotion of Green Purchasing

Current concerns for global warming and waste management, among other environmental issues, are rooted in the system of production and consumption, which has promoted mass production, mass consumption, and mass waste. In order to address these issues, it is essential that we transform our economy and our societies into sustainable ones. This will require a commitment by all sectors to reduce environmental impact. We must immediately reduce the environmental impact of the goods and services that support our lifestyles and economic activities, and promote a shift in demand toward eco-friendly goods.

In order to shift demand toward eco-friendly goods and services, it is important to not only promote the supply of eco-friendly goods and services, but also to promote prioritizing the purchase of eco-friendly goods and services. Prioritizing the purchase of eco-friendly goods and services will help form markets for these goods and services, which in turn will promote their development and, as a result, increased purchase of eco-friendly goods and services. The resulting continuous improvement will create a ripple effect in the market. It is necessary for all persons to make a strong commitment to prioritize the purchase of eco-friendly goods and services as an integral part of their lives. This is the first step toward wider environmental conservation activities by the procurement entities.

The Government and Incorporated Administrative Agencies (hereinafter referred to as “the Government”) play a major role in the national economy and have huge influence on the other entities. Their role is very important in promoting a ripple effect in the market, by prioritizing and popularizing the purchase of eco-friendly goods and services.

That is to say, the Government’s initiative promoting the planned purchase of eco-friendly goods and services will have a priming effect; expanding this commitment to local governments and the private sector, promoting the shift in demand toward eco-friendly goods and services in Japan as a whole. The promotion of green purchasing based on this basic policy conforms to Article 24, “Promotion of Use of Products Contributing to Reduction of Environmental Load,” of the Basic Environment Act (Law No.91, 1992), and Article 19, “Promotion of Use of Recycled Articles,” of The Basic Act for Establishing a Sound Material-Cycle Society (Law No. 110, 2000).

In consideration of the recent measures against global warming, the Government needs to take the leadership in green purchasing more than the equal in the past, based on “Immediate-Term Policy on the Countermeasures against Global Warming” (Global Warming Prevention Headquarters decision, March 15, 2013).

1.2 Basic Approach toward the Promotion of Green Purchasing

Each fiscal year, each institution of the government (hereinafter referred to as “each institution”) shall formulate and publish a green purchasing policy in conformance with this basic policy and based on Article 7, “Act on Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities” (Law No. 100, 2000; hereinafter referred to as “Act on Promoting Green Purchasing”) taking into consideration its budget and planned projects and activities for the fiscal year, and shall purchase goods and services during the fiscal year based on this green purchasing policy.

Specifically, each institution shall purchase and utilize goods and services based on the following philosophy:

- (1) In addition to conventional considerations such as price and quality, environmental conservation must be considered when making purchasing decisions. This will make the reduction of the environmental impact of goods and services an element for a successful procurement contract, along with price and quality. The resulting competition between enterprises will lead to the popularization of eco-friendly goods. In awareness of this, each institution shall consider the possibility to reduce environmental impact in its procurement for as wide a range of goods and services as possible, considering the business’s promotion for reduction of the environment impact not to mention the observance of regulations related to environment.
- (2) In view of the maximum reduction of environmental impact, a wide range of environmental factors, including global warming, air pollution, waste, and the decrease of biodiversity, need to be considered in as holistic a manner as possible. At the same time, goods and services must be selected in consideration of the reduction of the environmental impact throughout the product lifecycle from resource acquisition to disposal. With regards to areas with specific environmental issues such as local air pollution, such local environmental issues may be considered with priority in making purchasing decisions.
- (3) Respecting Article 11 of Act on Green Purchasing, each institution shall take care that the purchase of environmental goods and services based on Act on Green Purchasing does not increase the total purchasing amount of goods and services. Each institution shall strive to use goods and services reasonably in order to keep the total purchasing amount of goods and services to a minimum. Additionally, each institution shall strive to realize the expected reduction of environmental impact of the purchased environmental goods and services, considering their long-term use, proper use and separate disposal. Additionally, each institution shall carefully consider that green purchasing does not pose unnecessary impediment on international trade, taking compliance with the WTO Agreement on Government Procurement (particularly the stipulations of Article 10, Technical Specifications and Tender Documentation) into full account.

2. Designated Procurement Items, Evaluation Criteria, and Basic Matters Relating to the Promotion of the Procurement of Designated Procurement Goods

2.1 Basic Approach

2.1.a Setting Procurement Targets for Goods Meeting the Criteria

Each fiscal year, each institution shall establish targets of the procurement of goods and services meeting the evaluation criteria for each designated procurement item (hereinafter referred to as “designated procurement goods”).

2.1.b Character of Evaluation Criteria etc.

Though it is preferable to take into account the reduction of environmental impact over the entire product lifecycle

when making green purchasing decisions, evaluation criteria for each designated procurement item shall be established on clear matters including the use of numerical criteria, so as to use them as objective guideline for the actual purchase of eco-friendly goods and services.

Additionally, while each eco-friendly good makes a corresponding contribution toward reducing environmental impact, the evaluation criteria are established to clarify the goods and services included in the procurement targets set by each institution each fiscal year in its procurement policy, and to be used as one of the standard for the promotion of green purchasing. Therefore, goods and services meeting the evaluation criteria are neither the only ones that contribute to environmental conservation, nor the only ones recommended for purchase. It is preferable for each institution to strive to purchase goods and services not only meeting the evaluation criteria but also contributing to the reduction of environmental impact to the greatest extent possible, taking into account a variety of environmental factors over the entire product lifecycle in line with Basic Approach toward the Promotion of Green Purchasing.

Furthermore, factors which are important for reducing environmental impact but are not appropriate to be set as uniform evaluation criteria at the present time are specified as “factors for consideration” to be considered in addition to the evaluation criteria when making purchasing decisions. Each institution should specify the factors for consideration as concrete and explicit specifications for each procurement, when applying the factors for consideration to their procurement, in order to ensure transparency and fairness to the procurement process.

Because these evaluation criteria are set in terms of reduction of environmental impact, needless to say, it is necessary to separately ensure the general matters, such as quality, functionality etc., and appropriate price expected to purchased goods and services.

2.1.c Revising and Adding Designated Procurement Items and Evaluation Criteria

The designated procurement items and evaluation criteria shall be revised as appropriate, considering the progress of development and popularization of the designated procurement goods and accumulation of scientific knowledge.

Future revisions and additions to the designated procurement items and evaluation criteria shall be made in accordance with the appropriate procedures as stipulated in Act on Green Purchasing, and also incorporate the opinions of experts from the academic and business worlds, while ensuring transparency.

2.1.d Approach toward Public Works

Public works account for a large share of each institution’s procurement, and have a large impact on the national economy. Additionally, it is believed that the Government’s initiative to conduct public works by methods which contribute to reduce environmental impact promote effectively the same approaches conducted by local governments and private enterprise. Therefore, public works that contribute to reduction of environmental impact are included in designated procurement items relating to services, and this type of procurement shall be actively promoted in accordance with the following points.

As constructions (including architectural structures) as the aim of public works are directly linked to the lives of the people, long term safety and functionality of those constructions must be ensured. Therefore, special considerations to the strength, durability, and functionality of materials as the components of public works are needed, based on the specific characteristics of the project concerned. Additionally, it is also taken into account that minimizing the costs of public works projects is severely required from the point of the appropriate use of the institution’s budget. More appropriate procurement targets will be considered respecting the difference between types of usage of materials due to the objective of each project, the purpose of each structure, the difficulty of construction, etc., and the limitation of the areas and/or quantities of materials available for public works.

There are many possible ways to reduce the environmental impact of public works in addition to material

utilization, such as the construction methods with low environmental impact. The issue shall be considered from a holistic viewpoint spanning the entire lifecycle of the public works project.

2.2 Designated Procurement Items and Evaluation Criteria

See Appendix IV for the list of the designated procurement items. The document for evaluation criteria is available online (<http://www.env.go.jp/en/laws/policy/green/2.pdf>)

2.3 Eco-friendly Goods Other than Designated Procurement Goods

The purchase of eco-friendly goods other than the designated procurement items shall also be promoted by specifying the matters about the wide range of those goods and setting concrete procurement targets as far as possible in the procurement policy, considering the status of the administrative task or project.

In particular, as to services category, each institution shall strive to take up services in which some of designated procurement goods are used in their own procurement policy even if the services are not listed in this basic policy as designated procurement items, because those services are thought to have a big potential to reduce environmental load.

It is also important for each institution to extend its efforts to reduce environmental impact to custom built or ordered goods and services beyond ordinary commercially available products and services. It is therefore preferable to incorporate those special goods and services into the procurement policy and study the possibility of reducing environmental impact at as early a stage as possible, including the planning stages.

In addition, each institution shall strive to decrease environmental load generated not only from the procured goods themselves but also from the procurement process as much as possible, requiring the use of fuel-efficient and/or low pollution vehicle, the use of an appropriate size vehicle according to the amount of procured goods, simplification of the documents to be submitted within the enforceable range.

3. Other Important Matters Regarding the Promotion of Green Purchasing

3.1 About Procurement Promotion System

Each institution shall establish a system for promoting green procurement. As a rule, this system shall be managed by a person with the ability to exercise control over all of the institution's internal green purchasing. (In the case of government ministries and agencies, the system shall be managed by the equivalent of a Director (Director-General), or higher). All organizations belonging to an institution shall participate in the system. Note that environmental departments and accounting/procurement departments must independently contribute to this process. Each institution shall clearly describe a concrete green purchasing promotion system in its purchasing policy.

3.2 Scope of Procurement Policy Application

As a rule, the procurement policy shall be applied to all organizations belonging to the institution. However, in the case of specific departments where it is not feasible to uniformly promote green purchasing, a separate procurements policy shall be created for those departments, after clearly noting the reasons in the procurement policy. Each institution shall clearly note the scope of its application in the procurement policy.

3.3 Publication of Procurement Policy, Summary of Procurement Track Record, and Methods Therein

Publication of procurement targets of environmental goods and services each fiscal year through publication of procurement policy assumed to lead the supply of eco-friendly goods and services by the enterprises from the

demand side. Additionally, in order to successfully promote green purchasing, it is necessary to accurately grasp the procurement track record, which will be reflected to procurement policy, and to show the summary of record in an easy-to-understand format to clarify the progress of green purchasing objectively.

3.4 Establishment of Committee of Related Government Ministries and Agencies, etc.

A committee of government ministries and agencies, etc. shall be formed to enhance communication between organizations and to study policies for the promotion of green purchasing so as to facilitate green purchasing effectively.

3.5 Employee Training and Other Educational Activities for the Promotion of Green Purchasing

Training, seminars, and other educational activities shall be actively implemented to give employees, especially those in charge of procurement, a greater awareness and practical knowledge concerning the promotion of green purchasing.

3.6 Utilization and Provision of Information about Eco-friendly Goods and Services

A wide variety of information about eco-friendly goods and services is already available, including various environmental labels and product environmental information database. Therefore, each institution shall try to utilize information from environmental labels provided by third-party organization, such as Eco-Mark and Eco-Leaf, while taking into account its appropriateness, including reliability of information and transparency of its procedures. And each institution shall strive to purchase goods and services which contribute to reduce environmental load to the greatest extent possible, referring to the Carbon Offset Attestation Label and the Carbon Footprint Mark, which are recent programs for the reduction of Greenhouse gas emission. The Government shall strive to provide and spread the appropriate information about eco-friendly goods and services as to promote the green purchasing by the governmental organizations, businesses and citizens. Moreover, the business, each institution and other concerned parties shall strive to ensure the reliability within the procurement of designated procurement goods.

List of Designated Procurement Items

1. Paper	12. Vehicles, etc.
2. Stationery	12-1 Vehicles
3. Office Furniture, etc.	12-2 ITS Adaptable Car Accessories
4. Imaging Equipment, etc.	12-3 Tires
4-1 Copiers, etc.	12-4 Engine Oil
4-2 Printers, etc.	13. Fire Extinguishers
4-3 Fax Machines	14. Uniforms and Work Clothes
4-4 Scanners	15. Interior Fixtures and Bedding
4-5 Projectors	15-1 Curtains, etc.
4-6 Cartridges	15-2 Carpets
5. Computers, etc.	15-3 Blankets, etc.
5-1 Computers	15-4 Beds
5-2 Magnetic Disc Drive Units	16. Work Gloves
5-3 Displays	17. Other Fiber Products
5-4 Recording Medias	17-1 Tents and Sheets
6. Office equipment, etc.	17-2 Safety Nets
6-1 Paper Shredders	17-3 Flags, Advertisement Flags, and Banners, etc.
6-2 Digital Duplicators	17-4 Mops
6-3 Clocks	18. Facilities
6-4 Electronic Table Calculators	19. Stockpiles for Disaster
6-5 Batteries	19-1 Stockpiles for Disaster (Potable Water)
7. Mobile Telephones, etc.	19-2 Stockpiles for Disaster (Food)
8. Home Electronic Appliances	19-3 Stockpiles for Disaster (Household Items and Materials, etc.)
8-1 Electric Refrigerators, etc.	20. Public Works Projects
8-2 Television Receivers	21. Services
8-3 Electric Toilet Seats	21-1 Energy Conservation Diagnosis
8-4 Microwave Ovens	21-2 Printing
9. Air Conditioners, etc.	21-3 Cafeteria
9-1 Air Conditioners	21-4 Recapped Automobile Tires
9-2 Gas Heat Pump Air Conditioners	21-5 Automobile Maintenance
9-3 Space Heaters	21-6 Management of Government Office Buildings, etc.
10. Water Heaters, etc.	21-7 Transportation and Delivery
10-1 Electric Hot Water Supply Systems	21-8 Passenger Transportation
10-2 Gas Water Heaters	21-9 Illumination Services
10-3 Oil Water Heaters	21-10 Retail Businesses
10-4 Gas Cooking Appliances	21-11 Laundry and Dry Cleaning
11. Lighting	21-12 Installation of Vending Machines
11-1 Lighting Equipment	21-13 Moving Transportation
11-2 Lamps	21-14 Meeting Operation

Eco Mark Program

The Eco Mark Program implemented by the Japan Environment Association (JEA) is managed according to the ISO 14020 standard of the International Organization for Standardization (Environmental labels and declarations- General principles) and ISO 14024 (Environmental labels and declarations- Type I environmental labelling- Principles and procedures). This system is specified as a “system in which the use of labels is approved by a third-party organization based on independent and varied criteria.”



Eco Mark criteria are taken into account regarding environment load in all the life stages of products (collection of resources, manufacturer, distribution, use and consumption, recycling and disposal) from environmental viewpoints, and are also considered in an additional 4 areas (resource saving and recycling, prevention of global warming, control of hazardous substances and conservation of diversity) to enhance credibility.

1. Purpose of the Eco Mark Program

The Eco Mark Program is a program implemented by the Japan Environment Association, which was started in 1989. It is intended to facilitate the selection of commodities by consumers who wish to lead environmentally friendly lives by providing information on products from the viewpoints of the environment through attaching the “Eco Mark” to products (goods or services) that are judged to be of help to environmental conservation.

Commodities that are eligible to bear the Eco Mark must satisfy either of the following requirements.

- (1) The commodities shall impose less environmental load than similar commodities throughout the life cycle of such commodities from “production” to “disposal.”
- (2) The use of such commodities shall produce a great effect that contributes to environmental conservation such as enabling reduction of environmental load arising from any other causes.

Eco Mark Design

The Eco Mark is designed to represent our wish “to protect the Earth and the environment by ourselves,” presenting an image of the hands of a human that stand for “e,” the first letter of the “Earth” and also of the “environment,” embracing the Earth gently.

2. Organization of the Eco Mark Program

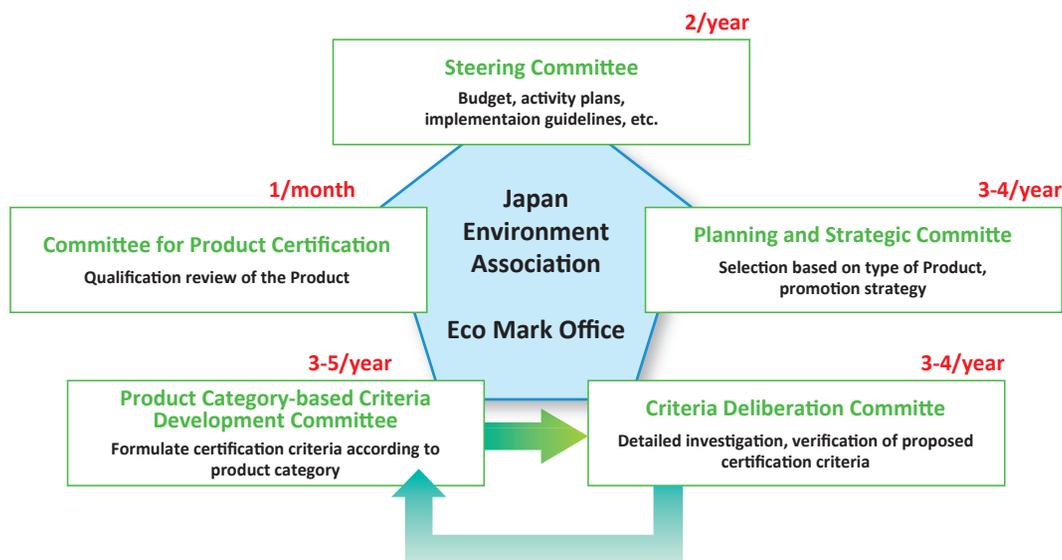


Figure 12. Operational structure of Eco Mark Program to ensure transparency

3. International activities of Eco Mark Program

The Eco Mark Office contributes to Sustainable Consumption and Production (SCP) with international cooperation with overseas organizations. The Eco Mark Office is a member of Global Ecolabelling Network (GEN: <http://www.globalecolabelling.net/>) which is an international non-profit organization established in 1994 in order to promote and disseminate Type1 Eco Labelling all over the world. The Mutual Recognition Agreement (MRA) with GEN members is one of international activities we focus on. The MRA brings opportunities to not only reduce administration costs and international trade barriers, but also disseminate eco-friendly products in the world.

[MRA cooperation]



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Regulation and Guideline for Eco Mark Applicants and Licensees

Regulations for Eco Mark Program Implementation:

http://www.ecomark.jp/english/pdf/jisshiyouryou_E.pdf

Eco Mark Fee Provision: http://www.ecomark.jp/english/pdf/ryoukinkitei_E.pdf

Criteria: <http://www.ecomark.jp/english/nintei.html>

Green Purchasing Network (GPN)

The Green Purchasing Network (GPN) is a non-profit organization whose mission is to promote the ideas and practices of green purchasing in Japan. The GPN is unique because private sector, local governments, and other NPOs/NGOs have been engaged in its establishment and activities. Since its establishment in 1996, the GPN has taken a leading role through its activities.

The Network's objectives are:

- To disseminate the concept of, and promote the practice of green purchasing among the central and local governments, businesses, and consumers.
- To provide guidelines and information necessary for practicing green purchasing.



Green Purchasing Principles

The GPN established the Principles of Green Purchasing.

1. Consider Necessity

Consider whether a product is needed before purchasing it.

2. Consider the Life-Cycle of Products and Services

Consider environmental impacts from the overall life cycle of a product, including those incurred through a service provided – from extraction of raw materials to disposal.

3. Consider Supplier Efforts

Select products and services offered by suppliers who make a conscious effort to care for the environment.

4. Collect and Use Environmental Information

Gather information on products, services, and their respective suppliers, and employ that information when purchasing them.

Activities of the GPN

Support for promoting of green purchasing

The GPN provides training sessions and seminars for both newly appointed and experienced personnel of local governments to promote green purchasing in their municipalities. The GPN also helps local governments with developing their own procurement policy, manual, and training materials.



Figure 13. Green purchasing seminar held by GPN

Green Purchasing Guidelines and Eco-products Database

Among its activities, the GPN draws up purchasing guidelines for a variety of product categories and updates an online database of environmentally friendly products and services.

Green Purchasing Guidelines

Green Purchasing Guidelines are the list of the important environmental aspects that shall be considered when purchasing a product. As of March 2016, the GPN has drawn up Green Purchasing Guidelines in 19 products and service categories.

Eco-products Database

The Eco-products Database is the largest database that discloses environmental information about products and services along the Green Purchasing Guidelines. A number of local governments use this database because more than 15,000 products are listed as of March 2016. The database also indicates which products meet the evaluation criteria of the Basic Policy of the Act on Promoting Green Purchasing.

Green Purchasing Award

Since 1998, the GPN has conducted the “Green Purchasing Award” to honor the best practices of green purchasing. This Award has successfully disseminated green purchasing to and encouraged practices of both manufactures and consumers.



Figure 14. Website of Eco-products Database



Figure 15. Representatives of honored practices at the 17th Green Purchasing Award ceremony

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International Framework for Green and Sustainable Public Procurement

Year/Period	Initiatives/Programmes/Events	
2002	Marrakech Process	A global effort to promote progress on the implementation of Sustainable Consumption and Production (SCP) patterns.
2005-2011	Marrakech Task Force on Sustainable Public Procurement (MTF on SPP)	One of the important and active mechanisms of the Marrakech Process building North-South cooperation and implementing concrete projects at national and regional levels. Led by the government of Switzerland.
2012	The United Nations Conference on Sustainable Development (Rio+20)	Reaffirmed that promoting sustainable patterns of consumption and production is one of the three overarching objectives of, and essential requirements for sustainable development. At Rio+20, 10YFP was adopted in paragraph 226 of the Outcome Document “The Future We Want.”
2012-2013	Sustainable Public Procurement Initiative (SPPI)	Launched at the Rio+20 Conference based on the work of MTF on SPP aiming at: <ul style="list-style-type: none"> - Building the case for SPP: improve the knowledge on SPP and its effectiveness as a tool to promote sustainable consumption and production, support greener economies and sustainable development; - Supporting the implementation of SPP on the ground through increased collaboration and better access to capacity building tools.
2013-	Asia-Pacific GPPEL (former ASEAN+3 GPPEL)	One of the programmes of Sustainable Public Procurement and Eco-labelling (SPPEL) Project with the objective of: <ul style="list-style-type: none"> - Providing capacity development and technical assistance to public and private sectors on the development and implementation of SPP policies and use of eco-labelling; - Promoting the use of eco-labelling and achieve synergies with SPP.
2015	2030 Agenda	A new global framework to help eradicate poverty and achieve sustainable development, which includes a set of 17 Sustainable Development Goals (SDGs) ⁴ . Ensuring sustainable consumption and production patterns is one of the SDGs (Goal 12).

⁴ The 2030 Agenda for Sustainable Development, adopted in September 2015 at the UN Summit, includes 17 Sustainable Development Goals (SDGs) and 169 targets. SDGs officially came into force on 1 January 2016, and governments are expected to take ownership and establish national frameworks for the achievement of the 17 Goals.

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