

### United States

- EPA's Final Guidance on Environmentally Preferable Purchasing

#### Circular Economy Promotion Law of People's Republic of China

(Date Issued: 29-08-2008; Effective Date: 01-01-2009)

This Law is formulated to promote development of the circular economy, improve resource utilisation efficiency, protect and improve the environment and realize sustainable development.

- "Circular Economy" refers to activities of decrement, recycling and resource recovery in production, circulation and consumption.
- "Decrement" refers to reduction in resource consumption and waste generation in production, circulation and consumption.
- "Recycling" refers to the direct use of wastes as products, or the use of wastes as products after repair, renovation or reproduction, or the incorporation of wastes, in whole or in part, into other products.
- "Resource recovery" refers to the direct use of wastes as raw materials or waste regeneration.

A comprehensive policy and law/regulation system exists for promoting development of the circular economy; China's 12th Five-Year-Plan on national economic and social development also incorporates the circular economy.

## 08 Conclusion

Promotion of the 3Rs requires a market for green and recycled products and materials be established. To bring this about, green purchasing and procurement policy could be mainstreamed to promote the 3Rs in an economically viable manner by highlighting its contribution to the green economy. Cross-border sharing of information on the framework, content and implementation of green procurement would enhance and expand economic incentives for promoting 3R-related goods and services in Asia.

### References

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# The structure, content and implementation of green procurement

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## 01 Outline of indicator

Agenda 21, which was adopted at the 1992 United Nations Conference on Environment and Development (UNCED Earth Summit), placed Green Purchasing as a key tool to both reduce environmental load and raise levels of sustainable consumption and production. Further, Goal 22 of the HaNoi 3R Declaration (Sustainable 3R Goals or Asia for 2013-2023) is to Promote green procurement at all levels, thereby creating and expanding 3R industries and markets for environment-friendly goods and products.

Along with the growing severity in global environmental issues over recent years is the awareness among the international community for societal development based on a sound, sustainable economy. This can be realized through developing environmentally friendly goods and services via support from governmental administrative organizations, NPOs and businesses.

Green Purchasing, which places priority on environmentally preferable goods and services, is a key measure for developing environmentally friendly goods for the market through environmental management, and placing environmental consciousness into the mindset of consumers. It also embraces the issues of social policy, such as inclusiveness, equality and diversity targets, regeneration and integration. On the macroeconomic level, economic benefits can be realized in the form of efficiency gains from incorporating whole-life costing into decision making. The creation of sustainable markets is essential for long-term growth, and sustainable development itself fosters innovation. On the microeconomic level, green procurement can also aid in economic redistribution—with potential targets including job and wealth creation and aid for small businesses, including those owned by ethnic minorities.



### Factsheets Series on 3R Policy Indicators

This project is conducted by the Asia Resource Circulation Policy Research Group, a collaborative research group focused on policy research on 3R promotion in Asia; coordinated by IGES with input from researchers from IGES, IDE-JETRO, NIES, University of Malaya, Asia Institute of Technology, Bandung Institute of Technology, Tokyo Institute of Technology and UNCRD.

## 02 Type of indicator

Qualitative Indicator, Response Indicator

## 03 Policy goals to be monitored by this indicator

This indicator enables monitoring of the life-cycle policy principle via “decrease, re-use, recycle and innocuous-treatment” in production and re-production, to improve eco-efficiency, maximize economic output from the minimum energy and resource inputs, and reduce pollution. Impacts span the entire product life cycle—manufacturing, transportation, use and recycling or disposal—instilling sustainable production and consumption practices and unifying the economy, environment and society. Also important in green procurement are the tools used and the means of implementing laws and policies.

### *Institutional arrangement and policy development*

- Central government needs to initiate a framework to efficiently promote green procurement as a tool for fostering social inclusion, equality and environmental objectives throughout society.
- Policies could take the form of laws, regulations or guidelines.

### *Application*

- Central government: In the field of spending and investment, sustainable procurement typically follows the needs within sustainable development. In this respect, and in light of dominant socio-economic and environmental concerns such as globalisation and climate change, governments are increasingly concerned that actions meet the needs of the present without compromising the needs of the future.
- At the market level, sustainable procurement is typically instrumental: authorities seek to address policy through procurement. Green procurement can help local governments save money, create local green jobs and improve their environmental sustainability; however, support—as well as the provision of toolkits—must be extended to local governments, especially when revenue concerns differ between central and local government, in the development of localized green procurement policy.
- Sustainable procurement is mutually applicable to private and public sectors, and proponents aim to extend application thereof across all facets of the economy.

### *Approach*

- The basic mode of selection is Life-cycle analysis, as used in, e.g., eco-labeling of certificated products and services. Efficiency, waste, recyclability and material composition must be included in the analysis. Services need to account for the total environmental impact of the equipment utilized in performing such services, as well as any impact of the services themselves.

## 04 The list below provides an example form of reporting on the status of preparation, development and implementation of green purchasing

### **Example report template on status of green purchasing policy**

- |  |  |
|--|--|
| • Policy name and issue date   | • Selection criteria   |
| • Policy category  | • List of target product/services                              |
| • Leading authority of the policy  | • Update status of the product/services list for selection     |
| • Main/supporting authority(ies) of the policy, including central and local government | • Economic scale of product and services for green procurement |
| • Selection approach   |  |

## 05 Supporting indicators

- Green procurement evaluation system
- Green procurement training system

## 06 International practices

In the EU, Germany was the first country to embrace green public procurement (1980s), followed by Denmark (1994), France (1995), UK and Austria (1997) and Sweden (1998).

In Asia, Japan issued the Green Purchasing Law in May 2000 to promote domestic green procurement, which requires all central government bodies to practice green purchasing and make records of such public.

In China, central and provincial governments are required to prioritize environment-friendly products according to a green product inventory as of 2007. The list includes products approved by the China Certification Committee for Environmental Labeling and Energy Efficiency Certification Labeling bodies. Products must meet the specified environmental protection and energy saving standards.

In Korea, the Promotion of the Purchase of Environment-Friendly Products Act of 2005 requires public agencies at national and local levels to publish and enact green procurement policies and implementing plans and to report the results.

In Thailand, the “Government Management Plan” endorsed by the Cabinet in January 2008 required all agencies to buy green products within four years. All government agencies (department level) were obliged to purchase green products before 2011 (increasing in participation from one quarter of agencies in 2008 to all in 2011).

## 07 Laws and guidelines in selected countries and organisations

### *United Nations*

- UN sustainable procurement guideline

### *European Union*

- Public Procurement Legislation

### *Japan*

- Green Purchasing Law (May, 2000)
- Basic Policy on Promoting Green Purchasing (Updated annually, last updated Feb., 2012)

### *Korea*

- Act on the Promotion of the Purchase of Environment-Friendly Products (July, 2005)

### *China*

- Government Procurement Law (Jan., 2003)
- Cleaner Production Promotion Law (2002 issued; 2012 revised)
- Circular Economy Promotion Law (Aug., 2008)
- Notice of State Council on Printing and Distributing the Comprehensive Work Scheme of Energy Conservation and Reducing the Discharge of Pollutants (May, 2006)
- GPP has been adopted into China’s 12th five-year plan on national economic and social development