

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

(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.