

“Connecting Green Asia with the Global Market” , 6th  
November 2006 at the Hilton Petaling Jaya Hotel, Malaysia.



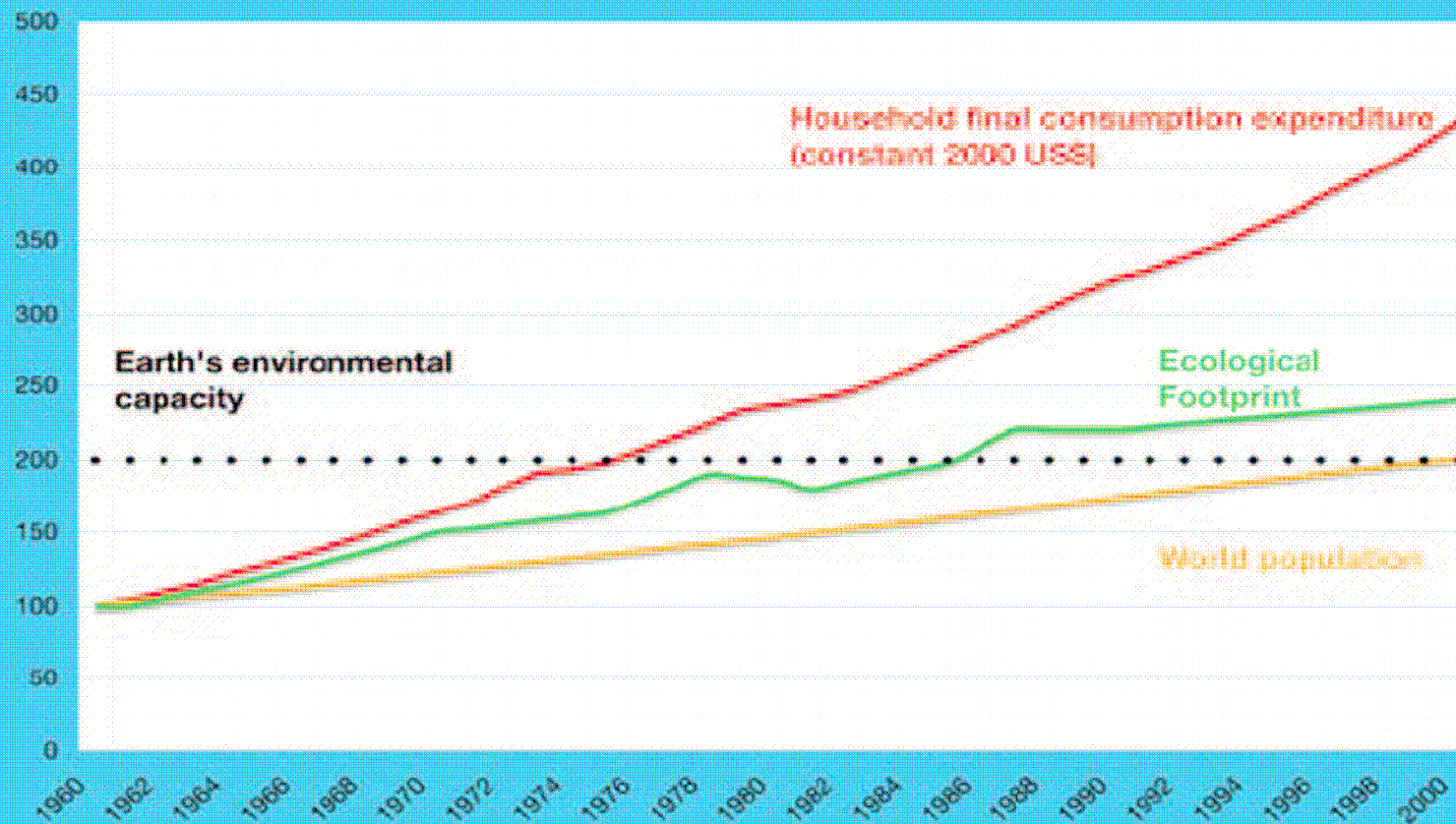
# **Green Purchasing as an essential component for attaining eco circulation and sustainability**

**Professor Hideki Nakahara**

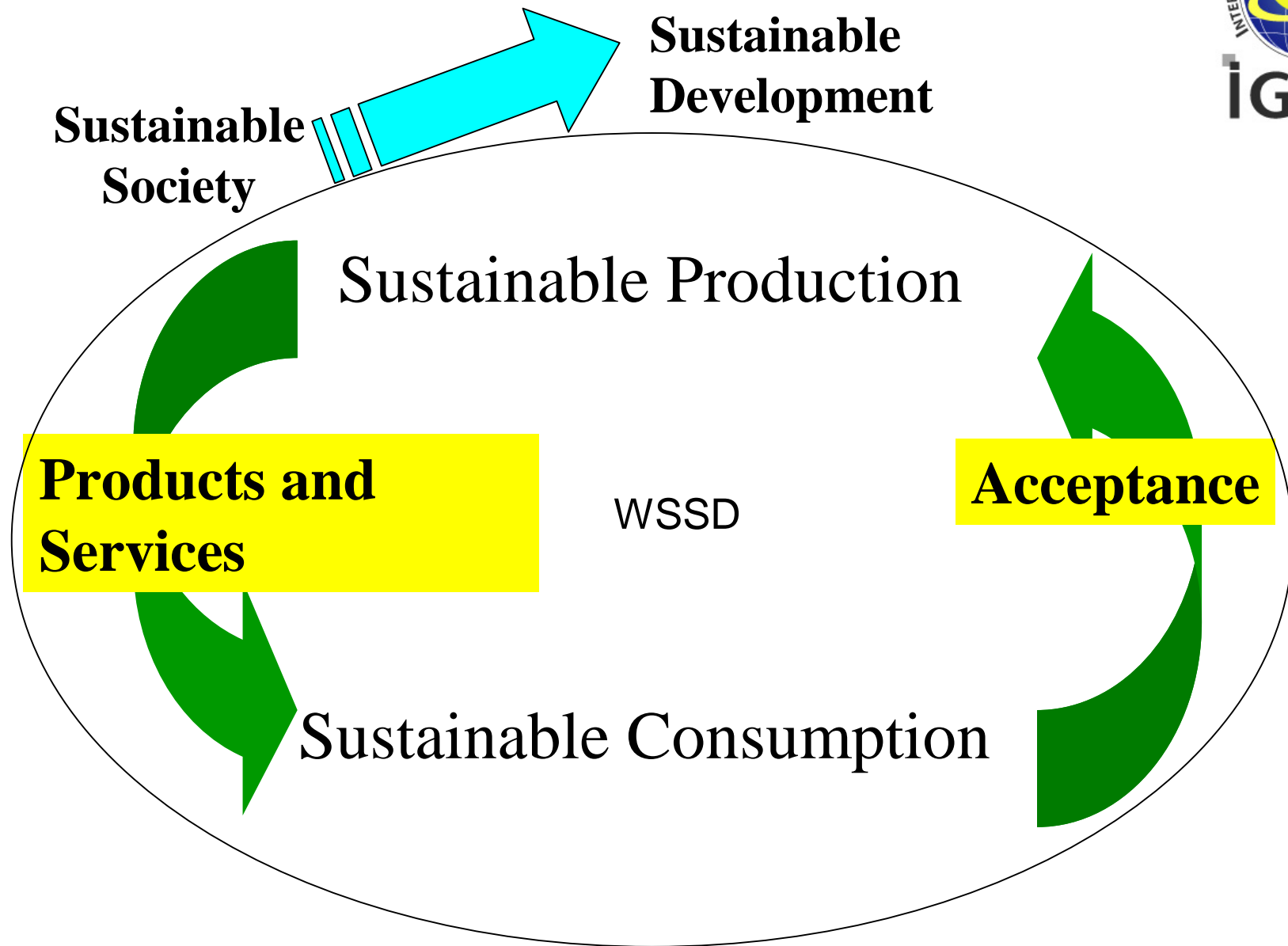
**Chairman, Japan Green Purchasing Network**

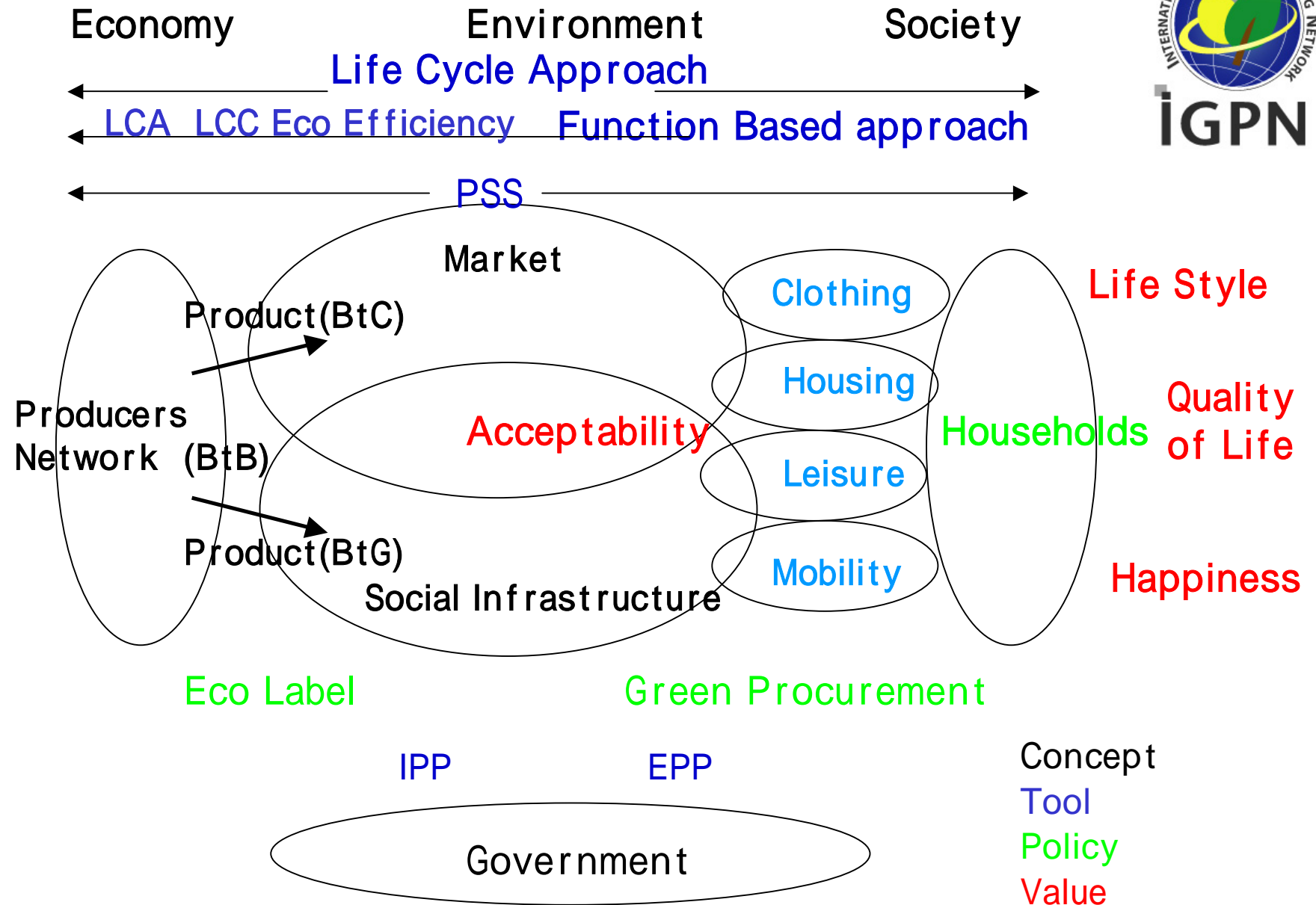
**INTERNATIONAL GREEN PURCHASING NETWORK**

**Fig. 1: Evolution of population, household consumption and ecological footprint, World (1960-2000)**



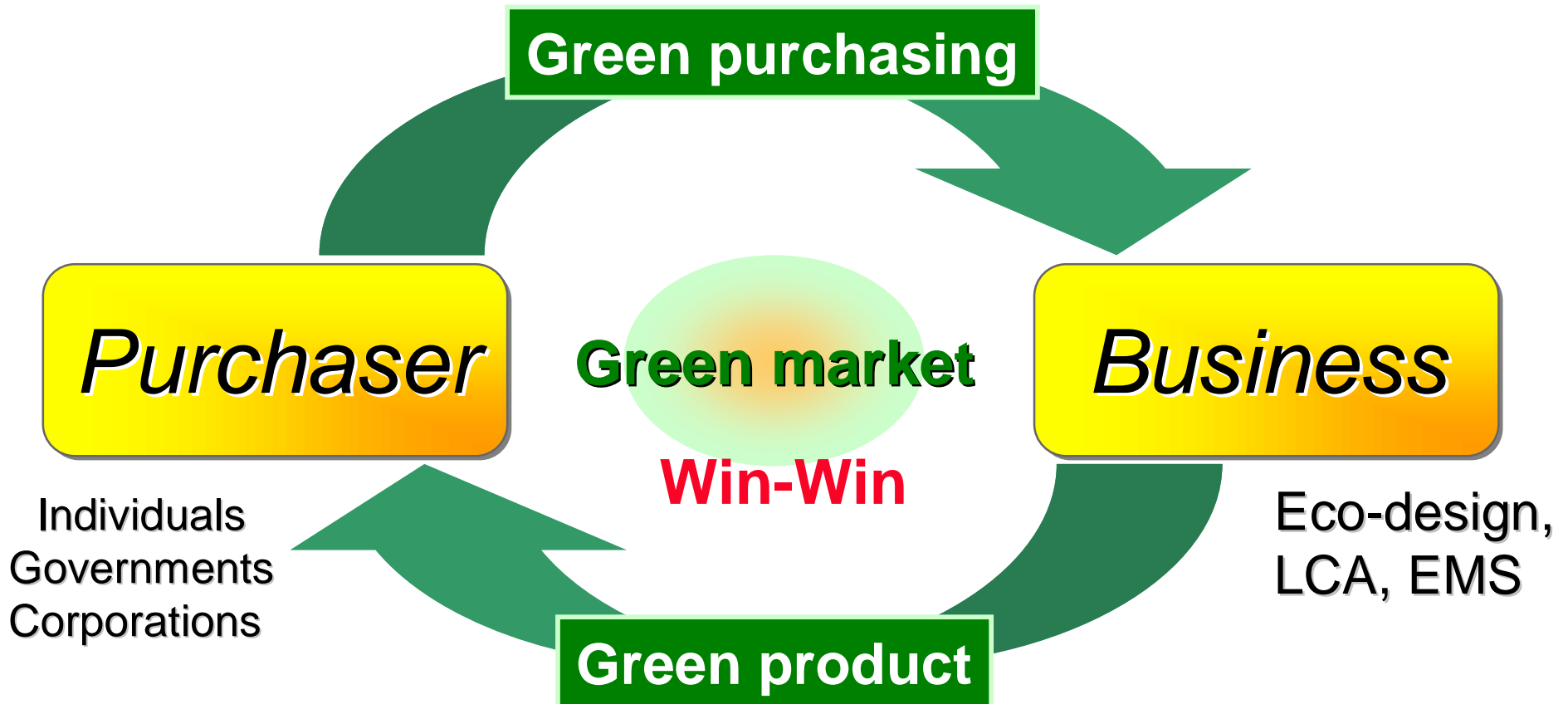
Sources: United Nations, WWF.







# Green purchasing & Green Business



*Green Purchasing encourage environmentally conscious Management and eco-product development through the market*

# Purchasing Power of Public Organizations



## ■ Europe:

- Public purchasing: 1 trillion EURO/year
- Over 14% of GDP

## ■ US:

- Federal government spends \$500 billion/year
- State/local governments spends \$400 billion/year

## ■ Japan:

- National government spending: ¥14 trillion/year
- Local governments spending: ¥44 trillion/year
- Totally 17.6% of GDP

## ■ UN: \$3 billion/year—value of business opportunities linked to UN direct/indirect spending: \$30 billion

# Green Purchasing Policies of Public Organizations

## Purposes – Why is it important?



- **Leveraging** own purchasing powers on the marketplace to stimulate businesses to develop greener products and technologies
- **Greening** governments to reduce environmental impact through their operations
- **Setting** good examples for other organizations, consumers



Then contribute towards sustainable patterns consumption and production.

# Benefits for Institutional Purchasers



*By introducing green purchasing,*

- Environmental impact generated by the organization can be reduced.
  - Energy saving(=CO2 reduction) by buying low-energy consumption products
  - Waste reduction by buying durable goods
- Cost can also be reduced when take account of Life Cycle Cost (LCC) - Save Money!-
  - Electricity charge, Water rate
  - Maintenance cost, Replacement cost, Waste disposal cost

And,.....

## Benefits for Institutional Purchasers 2)



*By introducing green purchasing,*

- Environmental **awareness** of the employees can be raised and enhanced.
  - All the employees can be users of green products, and get a chance to consider their own responsibility for the environment
  - That gives positive effect on product development, sales promotion of green products, recycling program, energy saving and other activities.
- The positive stance toward the environment can be visibly **appealed to the public**.
  - That contribute to their image-up showing themselves as environmentally responsible corporations.

# Green Purchasing Network



- Founded in February 1996 to promote green purchasing in Japan by the initiative of Environment Agency
- The mission of GPN
  - to promote the concept and practices of green purchasing
  - to provide guidelines and information necessary for practicing green purchasing.
- Since then GPN has taken a leading role in promoting green purchasing in Japan.





# Activities of GPN



- Conferences, Seminars, Exhibitions
- “Green Purchasing Award”
- Training Course
- Case study on success stories
- Newsletter, Website
- Promotion pamphlet, posters
- Regional Networks
- Annual Surveys
- Principles of Green Purchasing
- Purchasing Guidelines
- Products Database
- Hotel Database
- Information Plaza

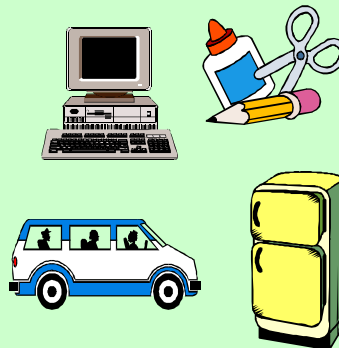


# Green Purchasing Guidelines for 15 Products and Service Areas + 1



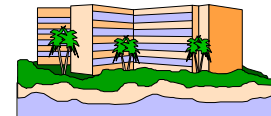
## Products

- Printing and Copying Paper
- Copiers, Printers, Facsimiles
- Personal Computers
- Stationery and Office Supplies
- Office Furniture
- Motor Vehicles
- Refrigerators
- Washing Machines
- TV Sets
- Air Conditioners
- Toilet and Tissue Paper
- Lighting Equipment
- Uniforms and Work Wear

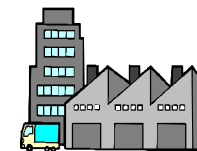


## Services

- Offset Printing Service
- Hotels and Inns



## Suppliers Evaluation Checklist



# Product Related Information Used by Green Institutional Purchasers



Eco Mark (ISO Type Label)	88%
GPN Guidelines/Database	48%
Symbols from Third Parties	43%
Criteria of Green Purchasing Law	33%
Self Declaration Label	23%
ISO Type Label	7%

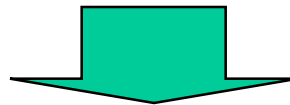
*From GPN survey 2003*

# Japanese Government Approach



Action Plan for Greening Government Operations (1994)

- **Encourage** all national administrations to buy greener products



## Green Purchasing Law (2000)

- ▣ Enacted as one of six laws for establishing a recycling-based society
- ▣ **Oblige** all the national ministries/agencies to draw up green procurement policy annually, to practice it, and to report the result to Environmental Minister.
- ▣ **Oblige** local authorities to endeavor to draw up annual policy and to practice it.

# Information for Selecting Environmentally Friendly Products and Services : Key Points



Learning from various experiences of diverse organizations promoting green purchasing around the world;

- *It is necessary to communicate environmental value of selecting the products to consumers*
- *Credibility is crucial to any kind of environmental information including eco labels*
- *Concept of Life Cycle Costing (LCC) should be disseminated among consumers.*

# Key Factors for success in Japan



- Green Purchasing Network (GPN) has made efforts to involve wide range of businesses and public sectors.
  - Major companies and local governments became the pioneers, and stimulated competitors and neighbors.
  - The Ministry of the Environment backed up the establishment and activities of GPN.
- GPN succeeded to make a big social trend.
  - Green purchasing is indispensable items to corporate environmental reports as well as pollution control, recycling, and energy saving.



# Key Factors for success in Japan

## - 2



- Unique and diverse voluntary initiatives was created, and success stories were introduced by the Award and seminars by GPN.
- Suppliers sensitively responded, and made efforts to increased line-up of green products.
- It became much easier to get product environmental information form GPN data base, eco-mark, suppliers catalog, etc.
- The movement was concurrent with big trend of getting certificate of ISO14001.
- The Law on Promoting Green Purchasing dramatically accelerated the activities.

# The Future Tasks



- Expand the scope of green purchasing
  - ▣ food and beverage, mobile phone, dishwasher, electricity, transportation, cleaning service, construction, catering service, financial services, stores, etc.
- Encourage voluntary activities exceeding the level of Green Purchasing Law
  - ▣ Most of local governments are satisfied with imitating central government way of practice.
  - ▣ Further diverse actions to explore new product area and raise the level of criteria is expected
  - ▣ Capacity building is necessary for that.
- Challenge to change individual consumers' behaviors
  - ▣ Create a new effective information system?

# The 1<sup>st</sup> International Conference on Green Purchasing in Sendai



October 6 (Wed) - 7 (Thu), 2004  
Sendai International Center, Japan



## ➤ Objective

- ❑ To promote international collaboration and advance the practice of Green Purchasing for sustainable development.

- **Hosted by** : Sendai City  
Green Purchasing Network (GPN)
- **Supported by** : Ministry of the Environment (MOE)
- **In cooperation with** : ICLEI, GEN, Nippon Keidanren
- **In collaboration with** : UNDESA, UNEP

The 1st International Conference on Green Purchasing in Sendai

第1回グリーン購入世界会議in仙台



# SENDAI DECLARATION on Green Purchasing

- Expansion of Green Purchasing  
towards sustainable development -

October 7, 2004

# A New Framework for Promoting Green Purchasing Globally



In order to enhance Green Purchasing activities worldwide, we will organize the **International Green Purchasing Network (IGPN)**. This will aim to share information on purchasing principles, product guidelines, good practice and know-how amongst its participant members. IGPN will also aim to evolve the approach to embrace sustainable development, thereby ensuring that the wider needs of sustainability are addressed.

# IGPN Implementation Plan



We will:

1. Encourage all relevant organizations **to join the IGPN**.
2. Encourage the IGPN **to collaborate** in promoting Green Purchasing globally with various International Organizations, such as the United Nations - including UNEP – as well as ICLEI, the World Bank, the European Union and the Asian Productivity Organization, etc.
3. Initially accept the offer of the **Green Purchasing Network, Japan**, to assume the role of secretariat for this network.
4. Encourage the IGPN to develop its own **web-site** in English with links to various relevant organizations,



# EcoProcura 2006 and The 2<sup>nd</sup> International Green Purchasing Conference in Barcelona



**20-22 September 2006**  
**Barcelona, Spain**  
**360 participants from 53 countries**

## EcoProcura 2006 and The 2<sup>nd</sup> International Green Purchasing Conference in Barcelona



# IGPN Council & Advisory Board Meeting in Barcelona (Sep. 2006)



## Summary/Resolution

- The main goals for the next 5 years
  - to support the establishment of GPNs in the Asia-Pacific region and all over the world
  - to develop green purchasing database on the global scale
- High level of interest was expressed in developing the global green purchasing database.
- Japan would host the Secretariat for the next 5 years.
- 'Mega Actions' to create momentum by calling actions at G8 summit and World Economic Forum need to be considered.
- IGPN and ICLEI would need to cooperate closely with each other to disseminate green purchasing worldwide.

# IGPN Implementation Plan



5. Encourage the IGPN to investigate and pursue constructively the development of widely usable Green Purchasing **principles**. This will include **guidelines, product databases, measurement/evaluation methodologies, training materials** and other tools and techniques to ensure the effectiveness of Green Purchasing.
6. Encourage the IGPN to initiate Green Purchasing **Workshops** in various parts of the world. This will ensure the expansion of the Network, involving as many stakeholders as possible
7. Encourage the IGPN to examine the feasibility of organizing a **2<sup>nd</sup> International Conference** on Green Purchasing and urge any organization to volunteer to organize it.

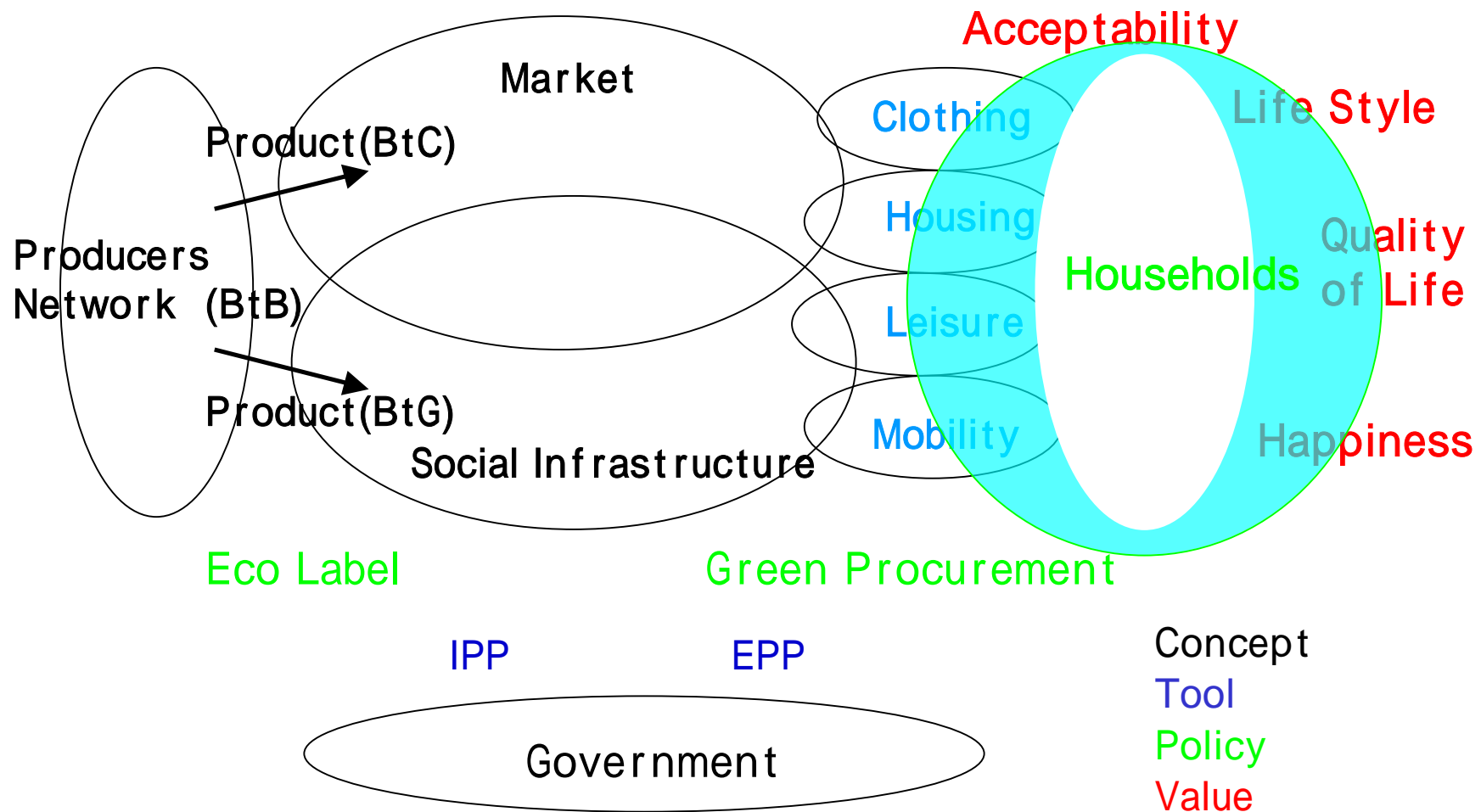
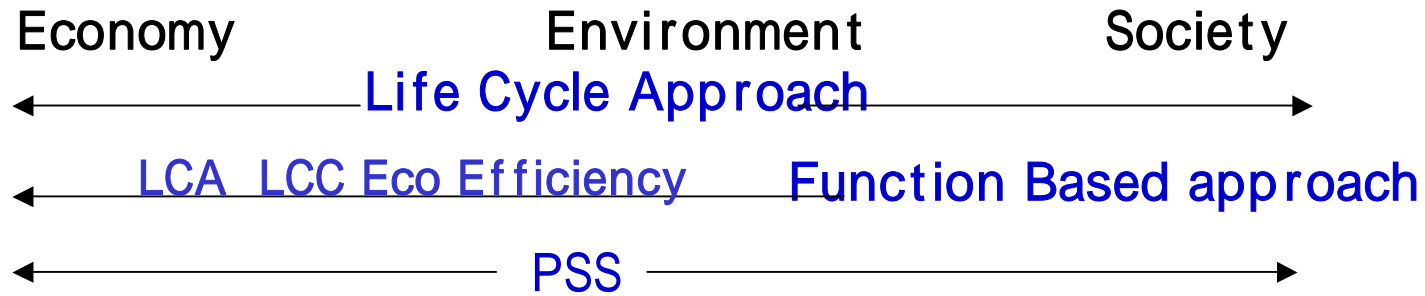




Fig. 8: What is Sustainable Lifestyles Marketing?

