# Sustainable public procurement policies that use ecolabels and environmental certifications

Cases from China, the United States, Korea, Japan, Thailand, the European Union, Brazil, Ecuador, and Argentina

GOOD PRACTICES IN THE USE OF ECOLABELLING AND SUSTAINABLE PUBLIC PROCUREMENT







#### Good practices in the use of ecolabelling and sustainable public procurement

This series of good practices reflects experiences on ecolabelling, sustainable public procurement, or the joint use of ecolabelling and sustainable public procurement that have demonstrated positive impacts on fostering sustainable consumption and production — for this reason, they are called "good practices." They focus on ecolabels and environmental certifications:

- Ecolabels: formerly known as Type 1 ecolabels and defined by ISO 14024. They are voluntary programs based on multiple criteria and lifecycle considerations, with thirdparty verification. These ecolabels indicate the overall environmental preferability of a product or a service within a particular category. Examples include the members of the Global Ecolabelling Networking, such as the Blue Angel, the China Environmental Labelling, TCO Certified, and EPEAT.
- Environmental certifications: they are also voluntary programs, with third-party verification and based on life cycle considerations. The main difference is that they focus on specific aspects (single attributes), like sustainable fishing, sustainable forest management, or organic farming. Examples include members of the ISEAL Alliance, such as the Forest Stewardship Council (FSC), the Marine Stewardship Council (MSC), and the Global Organic Textile Standard (GOTS).

These good practices aim to promote global exchange by providing information and examples of various approaches that entities from different countries and contexts can apply to strengthen the use of ecolabels and sustainable public procurement. They were developed as an outcome of the Working Group on Ecolabelling from the Consumer Information Programme, under the One Planet network, and the EcoAdvance project.

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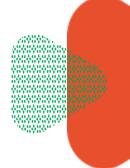
#### **About the Eco-Advance project**

The project <u>EcoAdvance</u>: <u>Ecolabels and Sustainable Public Procurement</u> is jointly implemented by the German Cooperation for Development (GIZ), the United Nations Environment Programme (UNEP) and Öko-Institut, receiving financial support from the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and Consumer Protection (BMUV) through the International Climate Initiative (IKI). The project aims to increase the use of sustainable public procurement and ecolabels (ISO 14024) as tools to improve climate mitigation, biodiversity, and resource protection. By supporting ecolabels and sustainable public procurement the project helps to create incentives for cleaner production focusing on high-impact sectors, addressing a major barrier to changing consumption and production patterns: the complexity of communicating the environmental impacts of products and services to consumers and public authorities.



## About the One Planet network and the Consumer Information Programme

The One Planet network (OPN) is a multistakeholder community working to engage in dialogue and collaborate on innovative solutions to achieve SDG 12 through global thematic and sectoral programmes. The Consumer Information Programme of the OPN holds projects, resources, and expertise to inspire a global movement for sustainable consumption and production. Its Working Group on Ecolabeling is led by the Global Ecolabelling Network and UNEP and focuses on supporting collaboration among ecolabels (ISO 14024) programs, facilitating their mutual recognition and providing education, capacity building, and consultation to developing countries and emerging economies to develop and strengthened ecolabels schemes.





# Sustainable public procurement policies that use ecolabels and environmental certifications

#### What is it about?

Ecolabels and credible environmental certifications provide a scientific, technical, and transparent basis for establishing sustainable criteria in public procurement tenders. They also define test methods and verification processes to ensure compliance with these criteria. This document outlines the experiences of countries where public procurement entities have aligned their sustainability criteria with existing ecolabels or certifications.

There are various approaches to promoting such alignment: some countries have strong institutional policies that actively encourage or require the use of ecolabel-aligned criteria, while others take an ad-hoc approach, depending on the willingness of the procurers. In a few cases, it is mandatory to purchase certified products. This document focuses on institutionalized approaches that aim to promote ecolabels and certifications.



#### What are the advantages?

- The government sends a strong message to the market about the importance of producing and consuming sustainable products.
- Public procurers can reduce costs and simplify processes for establishing sustainability criteria and verification methods by leveraging existing criteria and methods developed by ecolabels or certifications.
- The evaluation and verification process for determining which products and services meet procurement requirements is simplified, as no further assessment is needed.
- By examining the number of products and services certified, procurers can assess the market's readiness to provide sustainable products and services.
- The adoption of ecolabels and certifications is strengthened, as companies are incentivized to certify their products and services to participate in public procurement, particularly when purchasing certified goods is prioritized.



### How does it benefit sustainable public procurement?

First, this practice benefits sustainable public procurement by reducing the administrative and technical costs associated with developing requirements environmental for each procurement item. By using the criteria of an endorsed ecolabel or certification requirement, there is no need for detailed. customized procurement specifications, and the public sector avoids the ongoing burden of updating these requirements. Second. establishes a consistent standard for product performance in the marketplace.

Credible sustainable certifications offer a valuable alternative for countries that do not have their own ecolabels. Once a market for certified products is established, these countries can endorse the certification and

incorporate it into their sustainable public procurement practices.

Implementing sustainable public procurement in conjunction with endorsed ecolabels or certifications has the potential to significantly increase the number of businesses seeking certification. When certified products and services are prioritized in the procurement process, companies are incentivized to innovate and adopt more sustainable practices in order to obtain the certification. This approach can enhance market competition and provide public buyers with greater access to products and services with a lower environmental impact.





#### **Examples**

#### China

Since 2002, China has enacted policies and promote implement regulations to and sustainable public procurement. This effort is led at the national level by the National Development and Reform Commission and the Ministry of Ecology and Environment. with coordination and financial support from the Ministry of Commerce and the Ministry of Finance. The policy framework primarily relies on two labels: the China Environmental Labelling Scheme (a multi-criteria ecolabel defined by ISO 14024) and the Energy Conservation Label (a single-criteria energy efficiency rating label).

The Energy Conservation Products List and Environmental Labelling Products List play a crucial role in China's sustainable public procurement process. The Energy Conservation Products List defines nine product categories for which purchasing agencies — including state entities, institutions, and organizations at all levels

that use financial funds for procurement — are required to purchase products certified by the Energy Conservation Label.

In contrast, purchasing from the Environmental Labelling Products List is voluntary, although state agencies, institutions, and organizations are encouraged to prioritize certified products.

By the end of 2023, approximately 3,663,000 products were certified under the China Environmental Labelling Scheme, reflecting significant growth since the regulation was introduced in 1994. As the ecolabel criteria have been adopted as technical specifications in procurement processes, the demand for certified products has increased, thereby expanding the market for environmentally friendly products.





China Environmental Labelling and Energy Conservation Label



#### **United States**

In April 2024, the U.S. government <u>announced an update to the Federal Acquisition Regulation</u>, which guides federal procurement, including the purchase of sustainable products and services. The updated rule strengthens existing sustainable purchasing requirements by directing federal buyers to maximize their purchase of sustainable products and services through various U.S. Environmental Protection Agency (EPA) programs, such as:

- Recommendations of Specifications, Standards, and Ecolabels for Federal **Purchasing:** This list helps purchasers identify products and services that address environmental and human health issues, with a preference for multi-attribute/lifecycle-based standards and ecolabels. It includes 40 private environmental standards and ecolabels across 34 product and service categories.
- <u>WaterSense</u>: A voluntary partnership program that serves as both a label for water-efficient products and a resource for helping save water.

 Safer Choice: A program that helps consumers find nearly 2,000 Safer Choicecertified cleaning products, detergents, and other items made with safer chemical ingredients, without compromising quality or performance.

In addition, federal purchasers are required by law to use specific federal standards and ecolabels when appropriate. Examples include:

- <u>ENERGY STAR:</u> The government-backed label for energy-efficient products.
- Comprehensive Procurement Guideline
   Program: A list of designated products that are or can be made with recovered materials.
- <u>BioPreferred</u>: A list of biobased products that are to be purchased.

#### Environmental Programs in EPA's Procurement Requirements













#### Republic of Korea

In the Republic of Korea, the Act on Promotion of Purchase of Green Products mandates that central and local governments, as well as public organizations, purchase sustainable products and services for selected product categories. The criteria for sustainable public procurement are explicitly based on those set by the Korea Ecolabel (defined by ISO 14024), the Good Recycled Mark, and Low Carbon Products. The Korea Ecolabel and Low Carbon Footprint labels are managed by the Ministry of Environment and the Environmental Industry & Technology Institute (KEITI), while the Good Recycled Mark is overseen by the Ministry of Environment and the Ministry of Trade, Industry, and Energy. Additionally, the Act directs state agencies to purchase green products and services for which ecolabel criteria exist.

Korea has 158 product categories covered by ecolabels. The Act has been instrumental in stimulating the development of certified products, both in quantity and quality, by leveraging public demand. Moreover, the Korean Public Procurement Service prioritizes Korea Ecolabel certified products when reviewing bids for centralized procurements.



The Korea Ecolabel, Good Recycled Mark, and Low Carbon Label



Source: Review on Sustainable Public Procurement in Korea | Materials of GEN AGM | Oct.2023 Korea Environmental Industry & Technology Institute



#### Japan

In 2000, the Japanese government enacted the Act on Promoting Green Procurement, grounded in the belief that encouraging the supply of services products and with a reduced environmental impact is not enough — fostering demand for these products and services is also essential. When developing its Basic Policy on Promoting Green Procurement, Japan considered ecolabels such as the Eco Mark (defined by ISO 14024). The Eco Mark has stricter criteria than the green public procurement requirements, ensuring that any product or

service certified by Eco Mark is eligible to participate in tenders. By 2022, over 45,000 products and services had been certified under more than 70 criteria.

In Japan, green public procurement is mandatory for government agencies across a wide array of product and service categories. The Eco Mark criteria are widely used as a basis for green public procurement, and purchasing certified products is strongly recommended.

# Purchasing Law Specified items in the Green Purchasing Law Eco Mark Products and services compliant with the Green Purchasing Law

Source: Eco Mark

Covers approximately 70% of Green Purchasing Law's specified procurement items.



#### **Thailand**

In 2008, the Pollution Control Department (PCD) within the Ministry of Natural Resources and Environment introduced sustainable public procurement in Thailand through the Green Procurement Promotion Plan. The country developed an e-marketplace called the Thai Green Cart, which showcases products awarded the Thai Green Label (defined by ISO 14024). To increase the number of available products, PCD expanded the system to include non-certified products.

To be listed on the Thai Green Cart, suppliers must submit an online application, including a self-declaration that their products meet the technical requirements. The PCD does not verify these claims before admitting suppliers into the Thai Green Cart. However, companies may be randomly selected to verify their compliance with the criteria at any time. Uncertified products and services can also request to be added to the e-marketplace if they declare their intention to obtain the Thai Green Label. I be removed from the e-marketplace.

These products are eligible for a waiver of the certification application fee, and small and medium-sized enterprises (SMEs) receive a discount on annual fees. Products and services that do not meet the Thai Green Label criteria within three years will be removed from the emarketplace.

Allowing non-certified products with unverified claims into the Green Cart affects its suitability as a public procurement tool. However, Thai public procurement law requires that at least three bids be received to ensure legal compliance. Therefore, it was deemed necessary to increase the number of products and services in the Green Cart to facilitate its use by procurers.

Following the introduction of the sustainable public procurement program, the number of certified products increased rapidly from 191 to 622 between 2008 and 2013. As of May 2024, <u>884 goods and services from 32 product categories and 117 companies were certified with the Thai Green Label</u>.



The Thai Green Cart Product Category List



#### **European Union**

The European Union's public procurement policy has developed common criteria for sustainable public procurement that member states are encouraged to adopt. These criteria are aligned with the EU Ecolabel (defined by ISO 14024) and are intentionally easy to achieve to ensure a broad range of products can qualify. The EU Ecolabel aims to harmonize with other national and international ecolabels and certification schemes. such as Blue Angel, Nordic Swan, and TCO Certified. The green public procurement criteria are outlined in a framework presented in the Training Toolkit on Green Public Procurement. While certification by the EU Ecolabel is not mandatory for participation in tenders, holding the certification can enhance access to green public procurement opportunities within the European Union.



#### Brazil

Brazil has some experience using ecolabel criteria in sustainable public procurement. The <u>ABNT ecolabel—Hummingbird</u> (defined by ISO 14024) has standards for 11 product categories.

For some of these categories, particularly furniture and IT products, the ecolabel is considered proof of compliance in government procurement policies, even though it is not a mandatory requirement. In some cases, criteria from both the ABNT ecolabel and a certification scheme are used as proof of compliance in the same bidding process to enhance competition.



#### **Ecuador**

In 2022, the Forest Stewardship Council (FSC) certification collaborated with Ecuador's National Public Procurement Service (SERCOP) to facilitate a workshop explaining FSC standards to state procurement stakeholders. This collaboration led to the recognition of FSC certification as a standard for verifying the sustainability of forest products within Ecuador's National Public Procurement Strategy. The strategy, detailed in a governmental document, highlights certification as a key component in ensuring the sustainability of public procurement processes in the country. This recognition has enhanced the credibility and demand for FSC-certified products in Ecuador's public sector.



#### **Argentina**

In Argentina, the government has recommended FSC certification as a standard for sustainable public procurement. The certification is included in Recommendation No. 5 for Sustainable Public Procurement, which endorses FSC certification as a guarantee of the sustainable origin of forest products. This recommendation serves as an important guideline for public agencies to prioritize FSC-certified products in their procurement processes.

In addition to Argentina and Ecuador, FSC certification has also been integrated into sustainable public procurement practices in other Latin American countries, including Bolivia, Mexico, and Peru. This reflects a broader commitment to sustainability and responsible forest management through the use of credible certifications.



#### **Context needed to replicate**

To replicate successful practices in sustainable public procurement, strong policies that require sustainable goods are essential. The national government must endorse at least one ecolabel or credible sustainable certification, recognizing it as proof that a product or service meets the sustainable procurement criteria.

A critical decision is whether to prioritize certified products and services. This decision should be based on 1) the ambition of the environmental goals of the public procurement policy and 2) the maturity of the market. Governments need to balance their goals with market readiness. Credible and international sustainable certifications can serve as good alternatives for countries without an ecolabel, as a certified product market may already be established.

In countries with ambitious environmental goals and mature markets, prioritizing certified products may be feasible. However, in markets that are not fully ready, a gradual approach is recommended. This should include clear communication with the private sector (both current and potential providers) and a well-defined public policy framework.

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As a first step, the certification can be mentioned in the tender. Procurers should inform suppliers that within two years, the criteria will become mandatory, or that certified businesses will receive additional points. This approach allows the government to increase stringency over time while giving the private sector time to adapt. Additional time may be granted to SMEs to ensure they are not excluded from the market.

It is advisable for the public procurement agency, the Ministry of Environment, the Ministry of Finance, and the ecolabel or certification program to engage with current and potential suppliers. This helps explain the policy and encourages them to become certified and participate in sustainable public procurement. Non-certified suppliers can begin to learn about certification processes and adapt their operations, while certified suppliers may be motivated to align their products with policy goals.

The public procurement policy should establish a clear framework for sustainable procurement, with the central government leading its implementation. This framework should outline the product categories and criteria required for inclusion in sustainable procurement. This information must be published on the implementing agency's website, ensuring that public procurers and stakeholders (companies, suppliers, oversight groups, public officers, auditors, etc.) have easy access.

Additionally, it is crucial to build the capacity of public procurers and engage them in the topic (check examples of strategies to engage the public procurement ecosystem here). The implementing agency should provide staff training to help them understand the sustainable procurement process and the role of ecolabels or certifications. Training could include guidelines, webinars, Q&A sessions, prerecorded videos, and tests to assess acquired knowledge.



Are you interested in replicating this good practice?

Please contact <a href="mailto:ciscp@un.org">ciscp@un.org</a>

#### **ADITIONAL RESOURCES**



• Introduction to Green Purchasing Legislation in Japan https://www.env.go.jp/content/000064788.pdf

• Guidance for Eco Mark <a href="https://www.ecomark.jp/pdf/tebiki">https://www.ecomark.jp/pdf/tebiki</a> E.pdf

• Comparative Analysis of Green Public Procurement and Ecolabelling Programmes in China, Japan, Thailand and the Republic of Korea: Lessons Learned and Common Success Factors:

https://www.greenpolicyplatform.org/sites/default/files/downloads/resource/UNEP\_green\_public\_procure ment\_ecolabelling\_China\_Japan\_Korea\_Thailand\_report.pdf

- China Environmental Labelling Program https://certrip.org/celp/
- China Energy Label <a href="https://certrip.org/cecp/">https://certrip.org/cecp/</a>
- China Energy Conservation Products List https://certrip.org/24th-government-procurement-list-for-energy-conservation-products-released/
- GPP and Type I Ecolabeling in Japan https://www.oneplanetnetwork.org/sites/default/files/06 klworkshop gpp-ecolabelling japan.pdf
- Basic Policy on Promoting Green Procurement https://www.env.go.jp/content/000196355.pdf
- Korea's Green Public Procurement & Lessons Learned https://www.cepal.org/sites/default/files/events/files/korea\_green\_public\_procurement.pdf
- The Korea Ecolabel https://www.keiti.re.kr/site/eng/02/1022000000002020092205.jsp
- Thai Green Cart http://gp.pcd.go.th/home
- Thai Green Label <a href="https://www.tei.or.th/greenlabel/en/">https://www.tei.or.th/greenlabel/en/</a>
- Green Label Product Certification April 2024
   <a href="https://www.tei.or.th/greenlabel/en/download/2024-04-Name-GL-eng.pdf">https://www.tei.or.th/greenlabel/en/download/2024-04-Name-GL-eng.pdf</a>
- Green Public Procurement Toolkit https://green-business.ec.europa.eu/green-public-procurement/gpp-training-toolkit\_en
- Regulation (EC) No 1980/2000 of the European Parliament and of the Council of 17 July 2000 on a revised Community eco-label award scheme

https://op.europa.eu/en/publication-detail/-/publication/01da2838-9319-4052-927c-c6c5794e364e



- Public procurement for a better environment https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52008DC0400
- ABNT Ecolabel https://portaldasustentabilidade.abnt.org.br/
- USA Federal Acquisition Regulation https://www.whitehouse.gov/ceq/news-updates/2024/04/19/biden-harris-administration-finalizes-rule-to-maximize-federal-purchases-of-american-made-sustainable-products-and-services-using-epa-purchasing-recommendations/
- USA WaterSense https://www.epa.gov/watersense
- Recommendations of Specifications, Standards, and Ecolabels for Federal Purchasing <a href="https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing">https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing</a>
- USA Energy Star https://www.energystar.gov/
- Comprehensive Procurement Guideline (CPG) Program https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program
- BioPreferred https://www.biopreferred.gov/BioPreferred/
- The Use of E-catalogues in Sustainable Public Procurement (SPP) https://www.oeko.de/en/publications/use-of-e-catalogues-in-sustainable-public-procurement-spp/
- Green Purchasing Law and Eco Mark https://www.ecomark.jp/about/green/
- FSC Certification https://anz.fsc.org/what-is-fsc
- National Strategy for Sustainable Public Procurement of Ecuador
   <a href="https://portal.compraspublicas.gob.ec/sercop/wp-content/uploads/2022/12/Estrategia-Nacional-de-CPS.pdf">https://portal.compraspublicas.gob.ec/sercop/wp-content/uploads/2022/12/Estrategia-Nacional-de-CPS.pdf</a>
- Sustainable Public Procurement in Argentina <a href="https://www.argentina.gob.ar/jefatura/innovacion-publica/oficina-nacional-de-contrataciones-onc/compras-publicas-sustentables">https://www.argentina.gob.ar/jefatura/innovacion-publica/oficina-nacional-de-contrataciones-onc/compras-publicas-sustentables</a>



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