



Public Procurement & Circular Economy in Japan

Wednesday June 30th,
10:30-11:30 (CET)

Today's programme

- Introduction
- **"Circular Economy in Japan: - Recent developments concerning circular use of plastics"**
 - *Mr. Toru NISHIYAMA*, principal visiting researcher, Institute for Global Environmental Strategies (IGES)
- **"Green procurement policies in Japan"**
 - *Ms. Mizuki KATO*, policy researcher, Institute for Global Environmental Strategies (IGES)
- **"Public Procurement and Circular Economy" - Introducing JTPP Helpdesk's Thematic Report"**
 - *Mr. Lyckle Griek*, Project Manager, JTPP Helpdesk EU-Japan Centre for Industrial Cooperation
- Q&A

- **"Green procurement policies in Japan"**
 - *Ms. Mizuki KATO*, policy researcher, Institute for Global Environmental Strategies (IGES)
- **"Circular Economy in Japan: - Recent developments concerning circular use of plastics"**
 - *Mr. Toru NISHIYAMA*, principal visiting researcher, Institute for Global Environmental Strategies (IGES)

Circular Economy and green public procurement policies in Japan

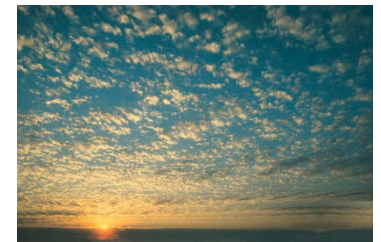
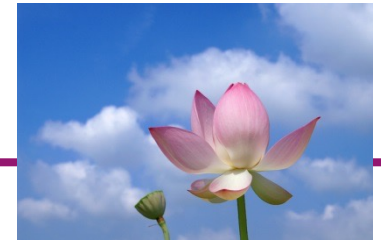
Toru Nishiyama

Principal visiting researcher, Sustainable Production and Consumption

Mizuki Kato

Policy Researcher, Sustainable Production and Consumption

**JTPP HELPDESK WEBINAR: PUBLIC PROCUREMENT
& CIRCULAR ECONOMY
30 JUNE, 2021**



Part I

Overview of Circular Economy Policies in Japan

- Framework of circular economy policies in Japan
- Recent topics for plastics policies
- Public/private initiatives for the circular economy

Policy framework for Sound Material-Cycle Society

Circular Economy Vision (1999, 2020)

Basic Act for Establishing a Sound Material-Cycle Society(2001)

Fundamental Plan for Establishing a Sound Material-Cycle Society (2003, 2008, 2013, 2018)

Preventing natural resources consumption and the negative environment impact as much as possible

1. Plastic resource circulation strategy, 2. Biomass (food loss and waste), 3. Metal, 4. Construction (long life construction), 5. emerging topics (solar power generation, diaper)

Plastic Resource Circulation Strategy (2019)

Design
Production

Act on the Promotion of Effective Utilization of Resources (2001-)

Design and manufacturing based on the 3Rs, Labeling for sorted collection, Promotion of effective utilization of by-products

Consumption

Green Purchasing Act(Government's initiative to promote the procurement of recycled items) (2001-)

Recycling

Containers and Packaging (2000-)

Home Appliances (2001-)

Food (2001-)

Construction Material (2002-)

End-of-Life Vehicles (2005-)

Small Home Appliance (2013-)

Act on the Promotion of Effective Utilization of Resources (2001-)

Collection, Recovery and Recycling of Used Products

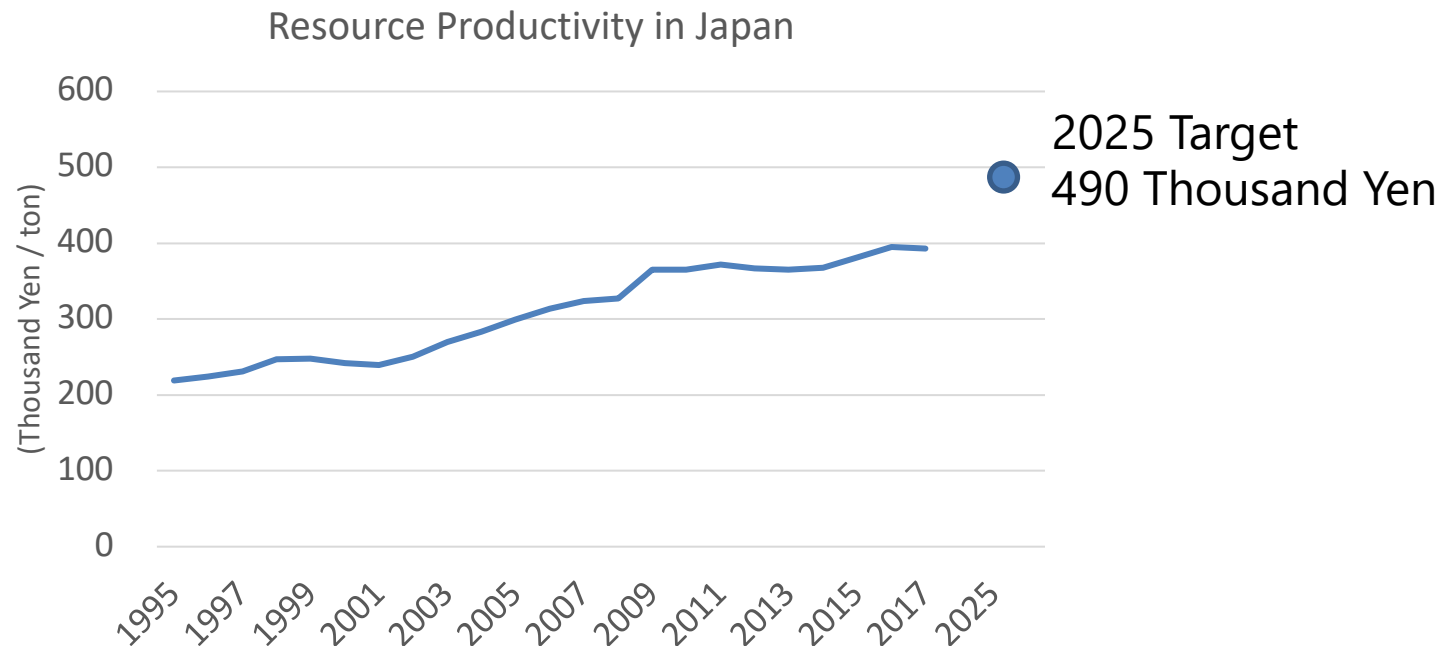
Treatment
Disposal

Waste Management and Public Cleansing Act (1971-)

Reduction of waste generation, Proper treatment of waste (including recycling), Regulation for establishment of waste treatment facilities, Regulation for waste treatment operators, Establishment of waste treatment standards, etc.

Fundamental Plan for Establishing a Sound Material-Cycle Society (4th, 2018)

- Integrated Measures toward a Sustainable Society
- Regional Circular and Ecological Sphere (Decentralization)
- Resource Circulation throughout the Entire Lifecycle
- Proper Waste Management and Environmental Restoration etc.



Data from http://www.env.go.jp/policy/hakusyo/r02/excel/fd2_3_1_02.xlsx

Individual Acts for Recycling and Waste Management

Title	Year	Outline
Waste Management	1970	Collection and treatment of municipal/industrial wastes
Establishing a Sound Material-Cycle Society	2000	Definition of 3Rs (Reuse, Reduce, Recycle)
Effective Resource Utilization	2001 (amended)	To promote recycling in individual industries. Recycling PCs and small rechargeable batteries.
Containers and Packaging	1995	EPR (Extended Producers Responsibility) system for containers and packaging
	2020	Mandatory charge for plastic shopping bags
Home Appliances	1998	Mandatory collection and recycling by manufacturers, paid by consumers for disposal.
Construction Materials	2000	Appropriate management and recycling of construction and demolition waste
Food	2001	Reduce food waste from manufacturers and processors, distributors, retail stores, and restaurants.
End-of-Life Vehicles	2002	Additional recycling fee on car price.
Small home appliances	2013	Collection by municipalities
Plastic	2021	Design for environment More efficient collection and recycling

Recent topics for plastics policies

Plastic Resource Circulation Strategy (2019)

プラスチック資源循環戦略 Plastic Resource Circulation Strategy

Reiwa year 1 (year 2019), May 31

令和元年 5月 31日

消費者庁	Consumer Affairs Agency
外務省	Ministry of Foreign Affairs
財務省	Ministry of Finance
文部科学省	Ministry of Education, Culture, Sports, Science and Technology
厚生労働省	Ministry of Health, Labour and Welfare
農林水産省	Ministry of Agriculture, Forestry and Fisheries
経済産業省	Ministry of Economy, Trade and Industry
国土交通省	Ministry of Land, Infrastructure, Transport and Tourism
環境省	Ministry of the Environment

Source: Ministry of the Environment, Japan (MOEJ)

- Cumulative 25% reduction in one-way plastic emissions by 2030
- Achieve design for plastic packaging and containers to be recyclable and reusable by 2025
- Recycle, reuse etc. covering 60% of plastic packaging by 2030
- 100% effective utilisation (reuse, recycle and recovery) of all used plastics by 2035
- Double the use of recycled plastic by 2030
- Increase domestic shipping of biomass plastic to 2 million tonnes/year by 2030

Basic Principles: 3R + Renewable

Reduce; Recycle; Recycled material and bioplastic; Measures for marine plastic; International collaboration/cooperation; and Developing basis for action

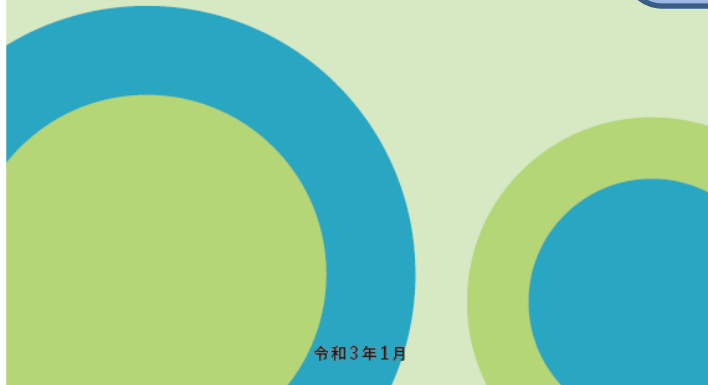
Roadmap for Bioplastics Introduction (2021)

Roadmap for Bioplastics
Introduction
(January 2021)

バイオプラスチック導入ロードマップ

- 持続可能なプラスチックの利用に向けて -

Ministry of the Environment
Ministry of Economy, Trade and Industry
Ministry of Agriculture, Forestry and Fisheries
Ministry of Education, Culture, Sports, Science
and Technology



**2 million tons of bio-based plastics
by 2030 (41 thousand tons in 2018)**

(Target in the Plan for Global Warming
Countermeasure)

Application of biodegradable plastics
(Compostable, agricultural and fishing
purposes)



https://www.env.go.jp/recycle/mat21030210_1.pdf

Photo from <https://www.maff.go.jp/j/seisan/pura-jun/pdf/pura-jirei.pdf>

Plastic Resource Circulation Act (2021)

- To **comprehensively and systematically** implement the promotion of resource circulation for plastics
- Improvement of the environment for the advancement of resource recycling and shift to a circular economy



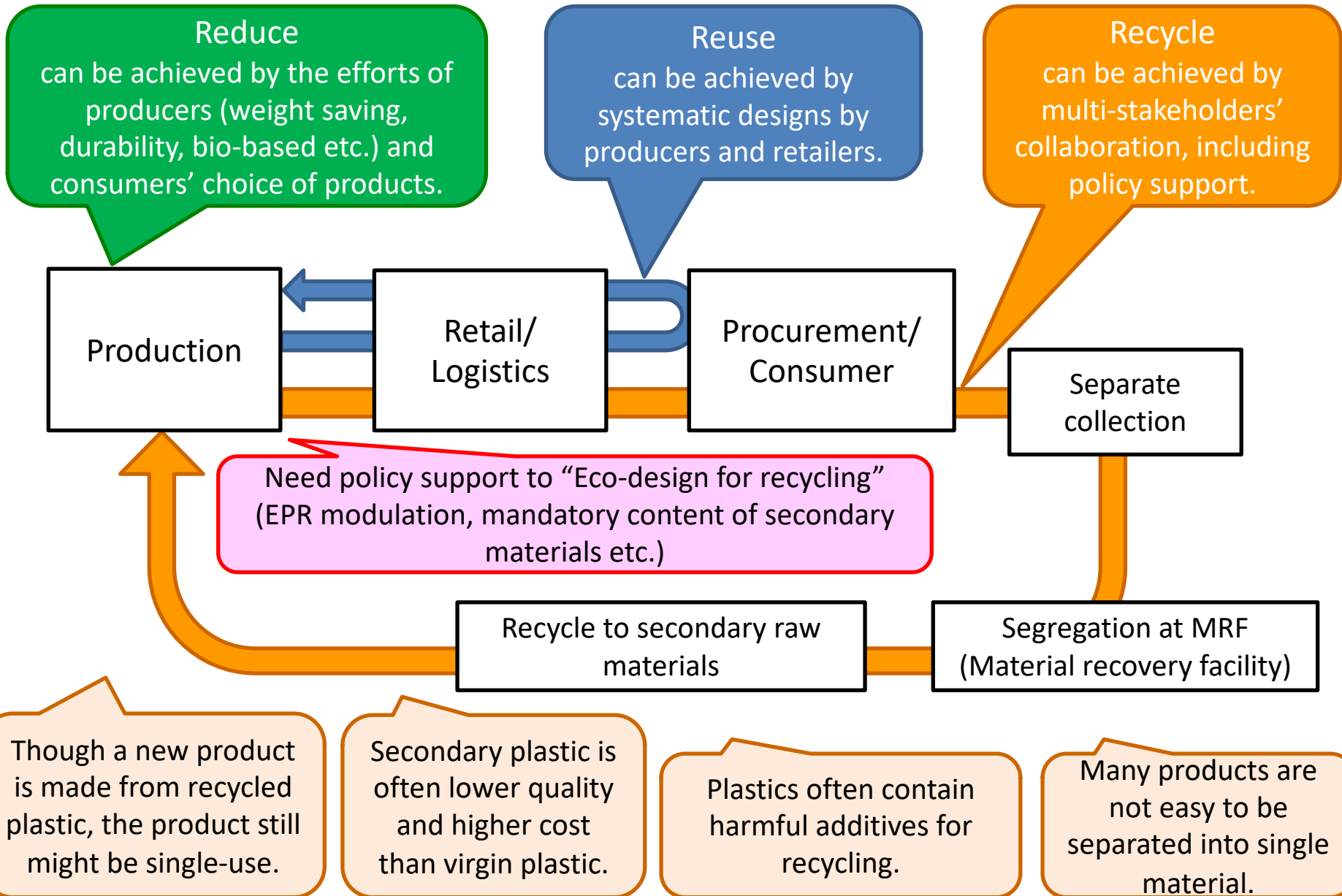
<p>Design</p> <ul style="list-style-type: none"> ▪ <p>Manufacturing</p>	<ul style="list-style-type: none"> • Guidelines for the Design for the Environment • Certification for products • Green public procurement
<p>Sale</p> <ul style="list-style-type: none"> ▪ <p>Provision</p> <p>(Rationalization of the use of single-use plastics and lifestyle)</p>	<ul style="list-style-type: none"> • Establish the criteria to be addressed by suppliers of single-use plastic (retailers and service providers). (point back etc..) • Provide guidance and advice, recommendations, announcements, and orders to businesses that produce excessive amounts of single-use plastics
<p>Discharge</p> <ul style="list-style-type: none"> ▪ <p>Collection</p> <ul style="list-style-type: none"> ▪ <p>Recycling</p>	<ul style="list-style-type: none"> • Promotion of collection of municipal non-packaging plastic waste • Promotion of voluntary plastic waste collection by manufacturers and sellers • Promotion of waste prevention and recycling by dischargers

Source: Ministry of the Environment, Japan (MOEJ)

Comparison of plastic strategies between Japan and EU

	Reduction of use	Creating a market for secondary plastics materials	Bio-plastics and other sustainable alternatives to petrochemical plastics
<p>Japan</p> <p>Resource Circulation Strategy For Plastics (2019)</p>	<p>Reduction measures consist of reducing single-use plastic through weight saving and reuse (doesn't mention to increase usage of recycled plastic).</p>	<p>A secondary plastics market requires an efficient recycling system (including thermal recovery and chemical recycling). Recycling is considered mainly as a waste management issue. Improving recyclability of packages and products is just mentioned.</p>	<p>Bio-based and biodegradable plastic (and alternatives such as paper) are promoted.</p>
<p>EU</p> <p>Plastic Strategy (2018)</p> <p>New Circular Economy Action Plan (2020)</p>	<p>Eco-design for plastic resource circulation.</p>		<p>Biomass and biodegradable plastic are still under evaluation and consideration.</p>
	<p>Use of secondary plastic materials to products. Improve durability, reparability, recyclability.</p>	<p>Changes in production and design enable higher plastics recycling rates.</p>	

Possible roles of GPP and other policies for promoting plastic CE / 3Rs



Barriers for recycling

Public/private initiatives for circular economy

Public Private Partnership

Plastic Smart

- dialogues and information exchange between companies and organisations
- a nationwide smart approach to plastics
 - reducing unnecessary one-way (single-use) plastic discharge, separation and collection
- variety of relevant information and opportunities for meetings, awards, symposiums

<http://plastics-smart.env.go.jp/en/>



Plastics
Smart

CLOMA: Japan Clean Ocean Material Alliance

- Dissemination and Promotion
- International collaboration
- Technology development
- 3Rs (Reduce, Reuse and Recycle) technologies
- plastics with excellent biodegradability
- Alternative materials



<https://cloma.net/english/>

Public Private Partnership

Japan partnership for Circular Economy (J4CE)

- Objectives: Fostering a better understanding of the circular economy among a wide range of stakeholders, including Japanese companies, and promoting initiatives in response to the accelerating global trend towards the circular economy.
- Founding organizations: **Ministry of the Environment, Ministry of Economy, Trade and Industry, Japan business Federation(Keidanren)**
- Secretariat: **Institute for Global Environmental Strategies (IGES)**
- Dissemination and sharing of best practices of Japan's circular economy
- Information sharing and networking
- Public-private dialogue
- 100 companies and industrial association have joined as of April,2021.



Source: MOEJ

Practices in Private sectors-examples

Kao and Lion (toiletry goods companies)

- The two companies' collaboration for Resource Circulation for Plastic Packaging
- 1) Development new approach for joint-sorting and collection film packaging in cooperation with consumers, government agencies and retailers.
- 2) Creating common recycled materials and packaging design across companies or industries.
- 3) Utilization of recycled materials that are jointly collected and recycled.
- 4) Awareness raising for consumers.

Source: <https://www.lion.co.jp/en/press/2020/3289>
<https://www.kao.com/global/en/news/sustainability/2020/20200929-002/>

UNIQLO

- UNIQLO Japan collects their down products at their stores and recycles them, then uses the recycled down as part of new products



Source: <https://www.uniqlo.com/en/re-uniqlo/product/>

Part II

Green public procurement and circular economy

Snapshot of GPP policy status

	EU	Japan
Public purchasing power	14% of GDP	25% of GDP
Basic Policy Framework	<ul style="list-style-type: none">• EU Directive on public procurement (2008/2014)<ul style="list-style-type: none">• Member States required to follow & develop NAPs (23 NAPs as of 2017)• Circular Economy Action Plan (2015/2020)<ul style="list-style-type: none">• Minimum mandatory GPP criteria• Targets in sectoral legislation• Phase-in of mandatory reporting	<ul style="list-style-type: none">• Act on Promoting Green Purchasing (2001)• Green Contract Law (2007)

Well-linked with CE?: GPP Act – Positioned as one of the separate laws of the Basic Act on Establishing a Sound Material-Cycle Society

Act on Promoting Green Purchasing (2001)



- Feature: Regulates environmental performance of goods and services
- Purpose: Procurement of goods and services **which satisfy a certain level of environmental performance**
- Target institutions:
 - **Mandatory** for national government agencies and public institutions
 - **Voluntary** for local governments and local independent administrative institutions

Reference:

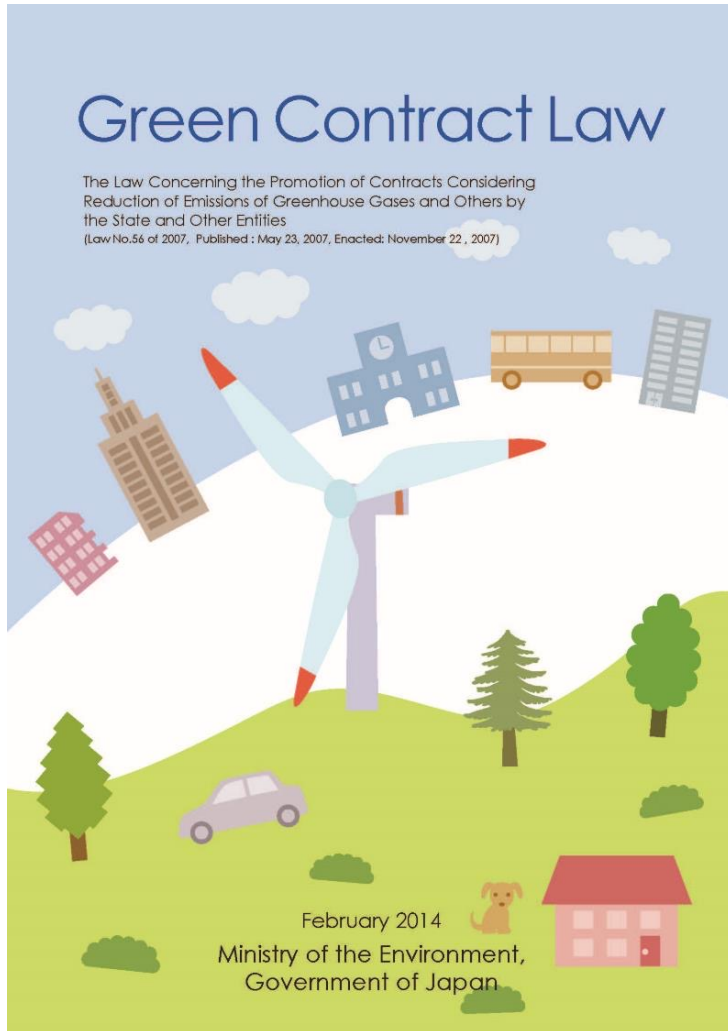
https://www.env.go.jp/policy/hozen/green/attach/gpp%20pamphlet_eng.pdf

Act on Promoting Green Purchasing (2001)

- Target items: 275 items in 22 categories (as of Feb 2020)

Paper	Air Conditioners	Other Textile Products
Stationery	Water Heaters	Facilities
Office Furniture	Lighting	Stockpiles for Disaster
Imaging Equipment	Vehicles	Public Work Projects
Computers	Fire Extinguishers	Services
Office Equipment	Uniforms and Work Clothes	Plastic bags
Mobile Telephones	Interior Fixtures and Bedding	
Home Electronic Appliances	Work Gloves	

Green Contract Law (2007)

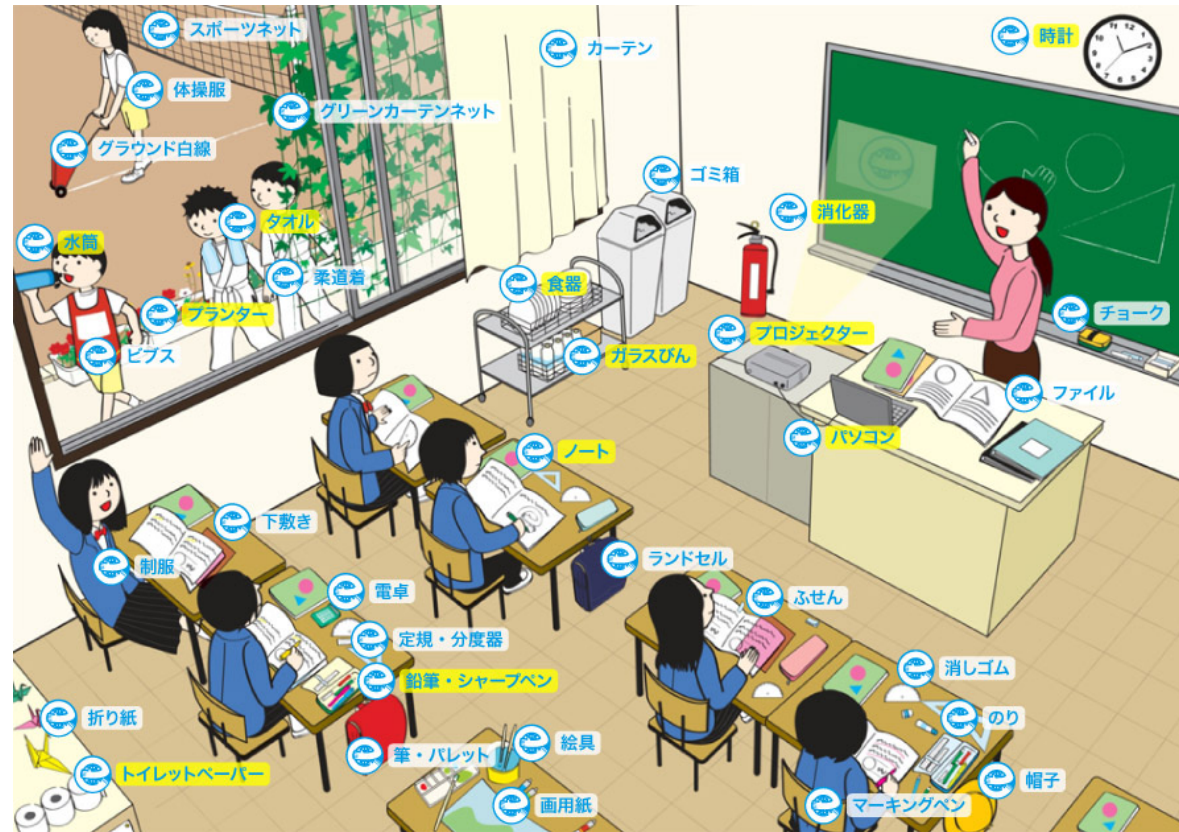


- Feature: Defines **recommended contracting methods** such as comprehensive evaluation method and proposal method for each type of contract
- Purpose: Procurement of goods and services with the best environmental performance after comprehensive evaluation of factors including price
- Target Contracts: **Six types of contracts** (procurement of electricity, procurement and leasing of automobiles, procurement of ships, ESCO projects, architectural design, and industrial waste management)
- Target institutions:
 - **Mandatory** for national government agencies and public institutions
 - **Voluntary** for local governments and local independent administrative institutions

Role of Eco Mark

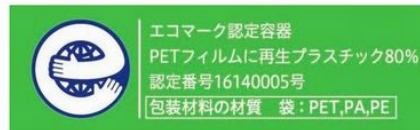


- Only one Type I eco-labelling in Japan in accordance with ISO14020 and ISO14024
- 43,874 Eco Mark awarded products (as of June 2021)



Role of Eco Mark

- Published a **policy for plastics resource circulation** in Feb 2020
 - ✓ Aiming to expand the use of **bio-based** plastics and **recycled** plastics
 - ✓ Clarify the certification criteria of “**biodegradable**” plastics
 - limited to those used in the soil and difficult to recover
 - ✓ Also aiming to expand **product-service systems** (e.g. sharing services)



Summary of GPP in Japan

- **High implementation rate by national agencies**, but **gap still exists between national and local**
 - Number of items with a 95% green procurement rate is about 85% by national; while 60% by local on average
- Leading green procurement not only by policies, also by **ecolabels**, i.e. Eco Mark
- Compared with the EU criteria, Japan has a **large number and more specific criteria**
 - e.g.) Requirement of minimum 40% of recycled/bio-based plastic (20% of recycled plastic made from post-consumer materials)
 - e.g.) Eco Mark criteria of “biodegradable” plastics: must be made only with biodegradable materials, 60% of which must be biodegradable within 6 months, and have a low impact on the environment when they do.





Conclusion

- Japan's circular economy policy is in **turning point**.
 - New policies – e.g.) Plastic Resource Circulation Strategy, the recent Plastic Resource Circulation Bill and the Circular Economy Vision 2020, CE Finance engagement
 - **Integration of CE in Climate policy** has been under development
- Japan's GPP policy
 - High rate of GPP implementation and so high potential to accelerate the expansion of CE products/services in the marketplace
 - **Need to integrate GPP policies/practices into the CE strategy** in Japan
 - Need to monitor CE procurement - CO2 reduction by GPP is regularly monitored, but **GPP contribution to CE** is not done yet



Thank you!

For any inquiries, please contact @:
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Japanese Public Procurement and Circular Economy JTPP Helpdesk Thematic Report

Lyckle Griek

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EU-Japan Centre for Industrial Cooperation

JTPP Thematic Reports

- Focus on industrial ecosystems
- Highlight concrete opportunities and challenges for EU SMEs in Japanese public procurement



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- Sophisticated regulatory framework
- However, implementation challenges
 - Lack of adequate information
 - Lack of personnel
 - Worries about cost

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Points of attention in the Japanese public procurement context

- Green procurement regulations should not create barriers to WTO regulated international procurement
- Green procurement may not lead to higher spending
- National government have obligation to follow GP laws, others have obligation to make an effort.

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- **Merits of obtaining an Eco-label**

- Local recognition
- Less paperwork at time of tender



- **Green contracting**

- Barrier: focus on lowest price instead of Overall Greatest Value
- Barrier: procurement costs should not increase



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Internationally regulated procurement related to circular economy

- Waste collection, processing and recycling
 - Small specialized companies
 - Contracts often delimited by type of waste or activity in the process
 - Limited to specific areas or one institution
 - Mostly annual contracts
 - Contracts contain little incentives to innovate



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Internationally regulated procurement related to circular economy

- Management of waste(water) processing facilities
 - Sludge processing into fertilizer, building materials
 - One or two-year (sometime 4-year) contracts
 - Focus on maintaining status-quo and lowest costs
 - Tender season: October-January

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City	Recent ESCO project activities during past year
Yokohama City	Yokohama International Pool Project (May 2021)
Kawasaki City	Invitation for proposals for LED lighting project in Takatsu Ward Office (December 2020)
Kyoto City	Simplified ESCO Project for LED-transformation of lighting equipment at Kyoto City's ward offices and support offices
Osaka Prefecture	ESCO project for Osaka Prefectural Police HQ building (Announcement 18 June 2021)
Kobe City	ESCO Project for LED transformation of Kobe City's Harbor street lighting (April 2021)
Okayama City	ESCO Project for LED transformation of Okayama streetlights (January 2021)
Kumamoto city	Feasibility study on using ESCO for renovation of air-conditioning facilities in Kumamoto City Gymnasium, Youth Hall (February 2021)



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Our advice for EU SMEs

- Focus on regional and local initiatives
 - Look at ambition levels of individual governments

お住いの地域をお選びください

都道府県

東京都



区市町村



第3回「みんなでいっしょに自然の電気」キャンペーン登録期間は2月15日をもって終了しました。



第3回キャンペーンの登録世帯数
6,864世帯

グループ切替のメリット

1. 集まれば集まるほど電気料金がオトクに！
2. 登録が無料。切替義務はありません！
3. 切替が簡単。面倒な手続きはキャンペーン事務局がサポート！



Q&A



Thank you for your kind attention

& please take some time to complete the post-webinar survey

<https://www.eu-japan.eu/government-procurement-thematic-reports>