

People's Republic of China¹

Context

On 24 October 2006, the Ministry of Finance (MOF) and the former State Environmental Protection Administration (now the Ministry of Environmental Protection, MEP) jointly issued Recommendations on the Implementation of Environmental Labelling Products in Government Procurement and the first government procurement “List for Environmental Labelling Products”, which included 14 categories of products meeting environmental standards. These two documents mark the launch of the Chinese Governmental Green Procurement (GGP). They define government procurement, product categories, processes and regulations and provide support for carrying out government procurement on Environmental Labelling Products.

The government procurement “List for Environmental Labelling Products” is jointly managed by the MOF and the MEP. All products on the list have been granted Environmental Labelling certified by certification bodies, also taking other factors into consideration, such as environmental performance, technology levels and the market capacity. The “List for Environmental Labelling Products” is published through certain channels, in particular by the Ministry of Finance (MOF) at www.mof.gov.cn, the Ministry of Environmental Protection (MEP) at www.mep.gov.cn, the Centre of China Government Procurement at www.ccgpc.gov.cn and the China Green Procurement Net at www.cgpn.org. Lists can be downloaded by the public and any purchasing entity.

Chinese GGP documents require all levels of state bodies, institutions and organisations to give priority to purchasing Environmental Labelling products and prohibit them from purchasing any products which harm the environment or human health. Products with similar performance, technology and service attributes but less environmental impact should be preferred over other products. If a purchasing agency does not meet the above requirement, this will be made public by responsible departments in accordance with relevant laws, rules and regulations and financial sectors can refuse to pay. This requirement came into effect on 1 January 2007 in the budget departments at the central and provincial level, then implemented across other levels of government.

Objectives

- Actively promote the construction of an environmentally friendly society through Environmental Labelling products in government procurement.
- Implement a green policy for government procurement to improve environmental quality.

Implementation

During the seven years following the implementation of the Chinese GPP programme, 11 government procurement “Lists for Environmental Labelling Products” have been issued. Product categories have increased from 14 to 66; the number of participating companies has grown from 81 to 426; and the number of models of products has increased from 800 to 37 953.

Examples of the list’s product categories include: computer equipment and software, printers, display devices, duplicators, multifunction printers (MFP), passenger cars (sedans), buses, household appliances, faxes and digital communications equipment, television equipment, furniture, copy paper

1. Case study submitted by the China Environmental United Certification Centre, People’s Republic of China.

(including recycled copy paper), cartridges (including renewable cartridges), wood-based panels, secondary processing materials, sheets, cement concrete products, fibre-reinforced cement products, lightweight construction materials and products, building ceramics, building waterproofing roll material and products, heat insulation, man-made mineral material and products, functional architectural coatings, wall coating, waterproof coating, other architectural coatings, doors, windows, coating (excluding architectural coatings), sealing fillers, plastic products.

Impact and monitoring

The financial budgets and expenditure on GPP have been increasing annually. Statistics from the MOF show that in 2009, expenditure on government procurement of products with Environmental Labelling reached RMB 14.49 billion, which accounted for 74% of products purchased by the government through a competitive procedure. An updated statistic indicated that in 2011, government expenditure on products with Environmental Labelling reached RMB 73.98 billion, amounting to 60% of goods purchased by the government through a competitive procedure. Public procurement of goods with the Energy Efficiency Labelling reached RMB 91.06 billion, accounting for 82% of products purchased by the government through open competition.

The experience of China shows that Environmental Labelling is an effective tool for carrying out GPP. China's "Lists for Environmental Labelling Products" actively promotes the development of environmental awareness.

China does not have a full-fledged monitoring system.

Challenges and risks

Although the Chinese government gives green procurement priority, it lacks specific, comprehensive regulations to directly support it. There are certain legal bases such as the Government Procurement Law, the Cleaner Production Promotion Law and the Circular Economy Promotion Law as well as relevant policies such as the Decision on Implementing the Scientific Concept of Development and Stepping up Environmental Protection, several Opinions of the State Council on Speeding up the Development of Circular Economy, the Notice of the State Council on Printing and Distributing the Comprehensive Work Scheme of Energy Conservation and Reducing the Discharge of Pollutants, the Decision on Speeding up the Cultivation and Development of Strategic Emerging Industries which have existed for a few years. They all advocate resource conservation and environmental protection and encourage purchasing and using products with Environmental Labelling and Energy Efficiency Labelling, products with water conservation certification and green food. However, China lacks specific consolidated legislation to develop green public procurement.

GPP is part of China's 12th Five-year Plan on National Economic and Social Development, the framework document for the medium- and long-term planning of China's economic and social development. This will promote the development of the Chinese government's green procurement.

It is necessary to improve the environmental awareness of procurement agencies and purchasers, as evidence shows that purchasing agencies with more environmental awareness achieve better GPP results.

The lack of monitoring and evaluation mechanisms hinders the effectiveness of GPP. The main obstacles to building GPP monitoring and evaluation mechanisms are the decentralised management of GPP and the ensuing difficulty of accessing purchasing data.

As the world's largest developing country, the Chinese government's spending increases every year and impacts the environment as well as economic development. The implementation of GPP plays an important role in building a resource-conserving and environmentally friendly society.

Key lessons learnt

- Environmental Labelling is an effective tool for carrying out GPP.
- Relevant laws and regulations provide support for GPP.
- The establishment and implementation of a monitoring system will support the development of GPP.
- The eco-labelled products list is an effective tool for implementing GPP.
- Environmental awareness raising of purchasers is one of the driving forces for the development of GPP.