

Green Purchasing Activities in Korea

: Focusing on the Green Procurement Law

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Republic of Korea

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Profile of Rep. of Korea

Physical Profile

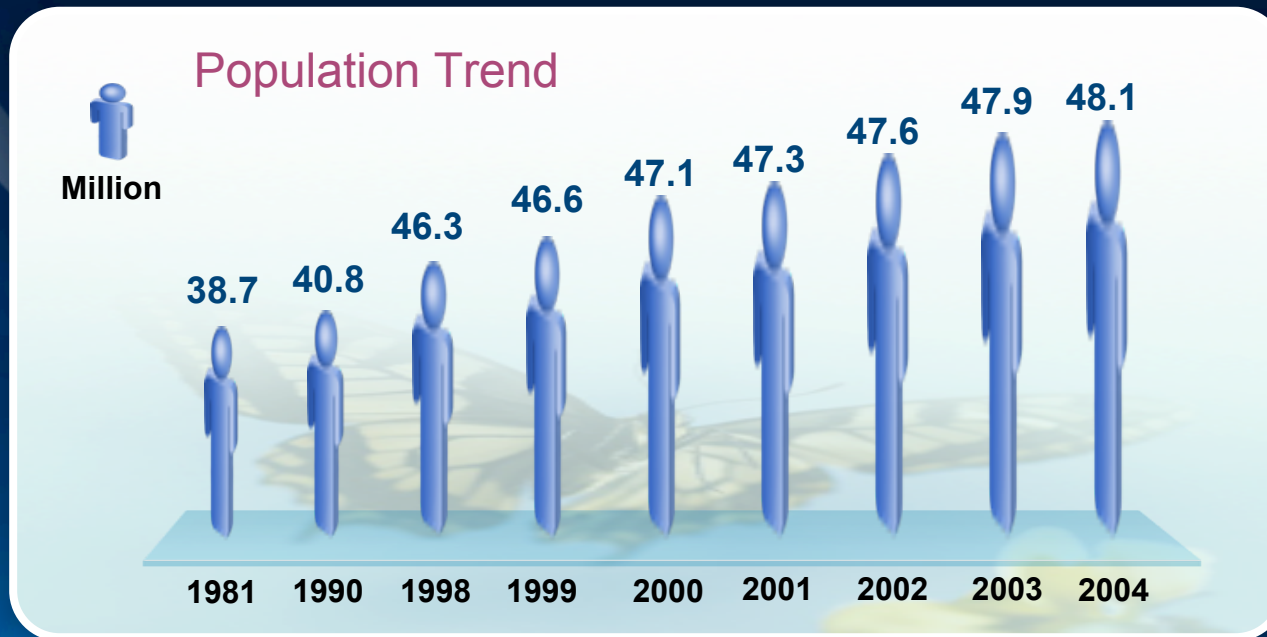
- The Republic of Korea is situated on the Korean Peninsula, which spans 1,100 km from north to south.
- Area : 99,585km² (45% of Korean Peninsula)
 - 70% of total area is mountainous
 - 61% of agricultural land (18,460 km²) is designated for rice production
- Capital : Seoul (10 million inhabitants)
- Temperature : -15°C ~ 35°C
- Annual rainfall : 1,276 mm



(Source : Korean Government homepage
(www.korea.net))

Population Profile

- **Population of the Republic of Korea (2004): 48 million**
- **Population Density (2004): 492 persons/km²**
- **Annual Growth Rate (2004): 0.49 %**



Economic Profile

<GNI Trend>

Year	1997	1998	1999	2000	2001	2002	2003	2004
GNI (USD billion)	514	340	440	510	481	548	609	681
GDP (USD billion)	516	346	445	512	482	547	608	680
Economic Growth Rate	4.7	-6.9	9.5	8.5	3.8	7.0	3.1	4.6

<Korea's Economy Ranks in the World>

	Unit	S. Korea	Rank
GDP (2004)	\$ Bil.	667.4	10
Trade (2003)	\$ Bil.	372.6	12
Ship Orders (2003)	1000 CGT	18,810	1
Sales of Semiconductor (2004)	\$ Bil.	15.9 (Samsung)	2
Companies on fortune 500 List (2003)	No.	11	10
Service Trade (2003)	\$ Bil.	70.3	14
World's Top 1,000 Banks (2003)	No.	12	18

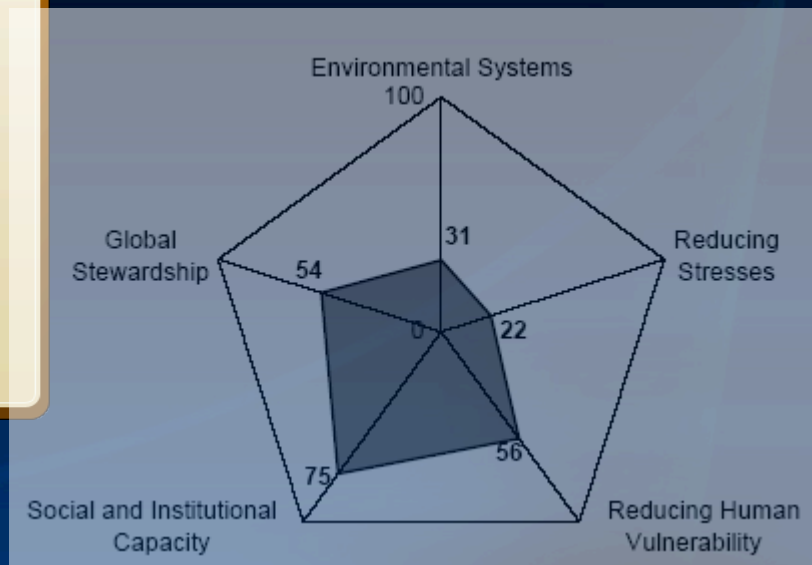
2005 ESI

1	Finland
2	Norway
...	...
30	Japan
45	U.S.A
66	U.K.
122	South Korea
136	China
145	Taiwan
146	North Korea

※ 2002 : 136/142

South Korea

- ESI 43.0
- Ranking 122
- CDP/Capita 15,574
- Peer group ESI 55.4
- Variable coverage 73
- Missing variables inputed 1







Poor system, High stresses



Environmental Labels

Environmental Labels for activating G/P

	Korea Eco-Label	Good Recycled Mark	Environmental Declarations of Product	Energy Saving Mark
Year Created	1992	1997	2002	1998
Regulatory Framework	Development of and Support for the Environmental Technology Act	Act on Promotion of Saving and Recycling of Resources	Development of and Support for the Environmental Technology Act	Act on Energy use Rationalization
Lead Government Agency	Ministry of Environment	Ministry of Environment, Ministry of Commerce, Industry and Energy	Ministry of Environment	Ministry of Commerce, Industry and Energy
Operating Body	Korea Eco-products Institute (KOEKO)	Korean Agency for Technology and Standards	KOECO, Environmental Management Corporation	Korea Energy Management Corporation
Targeted Items	107 items: Office items, construction materials, living goods, industrial goods, etc.	211 items: Waste paper, waste plastic products, waste fibers, waste rubber products, etc.	24 items: Refrigerators, TFT-LCD, digital cameras, etc.	48 items: Energy (electricity)-saving office and home appliances, etc.
Logos				

Korea Eco-Label Program (1)

- Launched in April, 1992
- Governed by MoE & operated by KOECO
- Regulatory Framework
 - : Development of and Support for the Environmental Technology Act
- Parties involved and responsibilities:

Ministry of Environment (MoE)	Korea Eco-Products Institute (KOECO)
<ul style="list-style-type: none">• Development/amendment of relevant regulation• Public notification	<ul style="list-style-type: none">• Product group selection & criteria development• Certification and surveillance check• Promotion of green procurement• International cooperation, etc.

Korea Eco-Label Program (2)

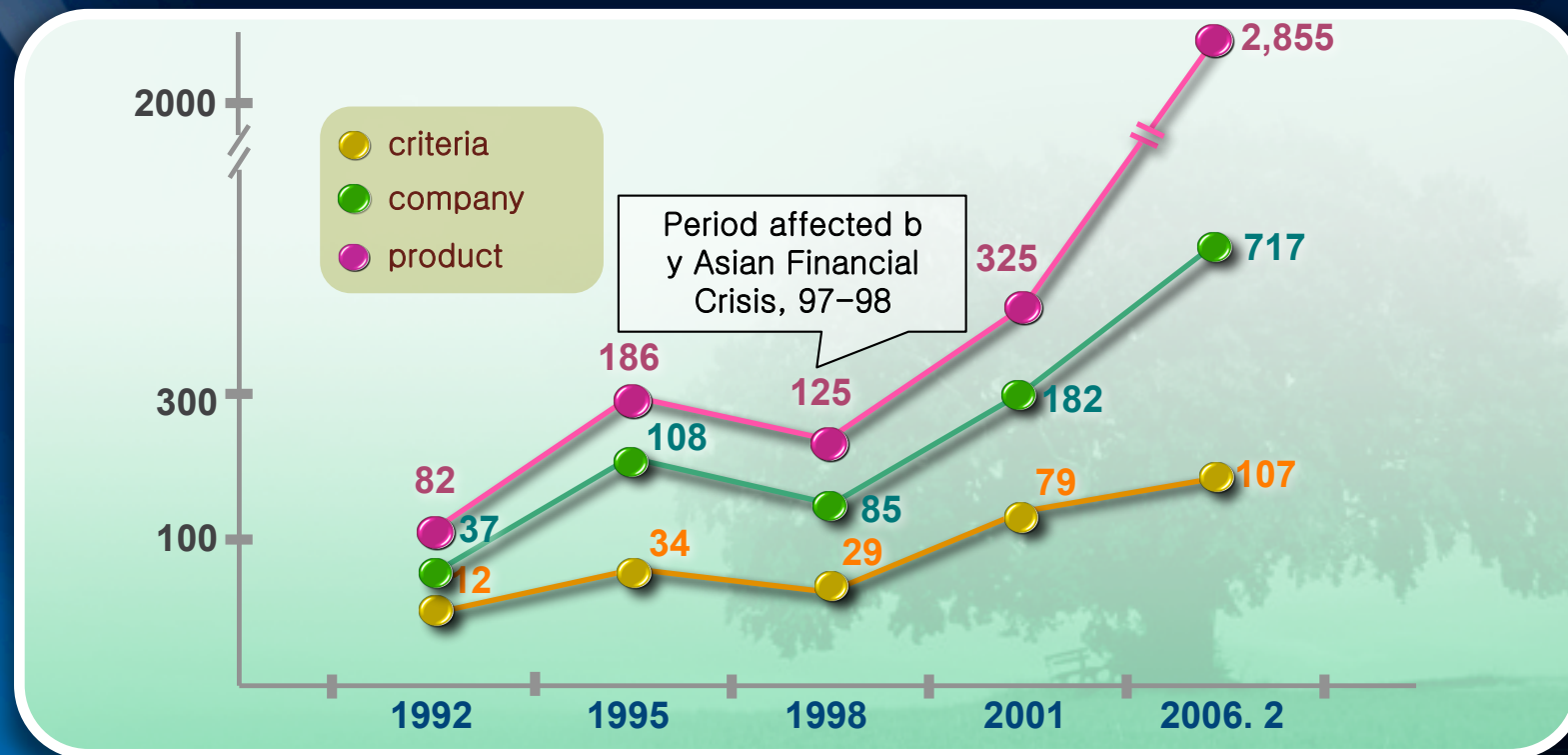
A total of 107 product-specific criteria are available (www.koeco.or.kr/eng)

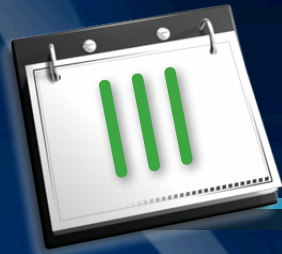
Office (15)	Printing paper, adhesive paper products, copiers, printers, PCs, toners, office furniture, gas cabinet heaters, water dispensers ...
Construction & Housing (29)	Paints, adhesives, wallpapers, thermal & acoustic insulating materials, windows, floor coverings, toilets, faucets, pipes, Lamps, decorative sheets ...
Living Necessities (11)	Soaps, detergents, cleaners, clothing, shoes, bag, toilet paper, aerosol products, imitation jewelry...
Home Appliances & Furniture(14)	Air conditioners, washing machines, refrigerators, vacuum cleaners, air cleaners, TVs, VCRs, mobile phones, furniture...
Transportation (11)	Tire for passenger car, bus & truck tires, engine oils, air filters, anti-freezing solutions, brake linings & pads ...
Industrial (12)	Hydraulic fluids, printing inks, industrial batteries, packaging materials, deodorants, soil improvers ...
Multipurposed (15)	Oil products, solar water heating, recycled plastic, batteries, biodegradable resin products, waste reducing machines ...

Korea Eco-Label Program (3)

Current Status

- 2,855 products from 717 companies have been licensed under 107 product groups as of Feb. 2006





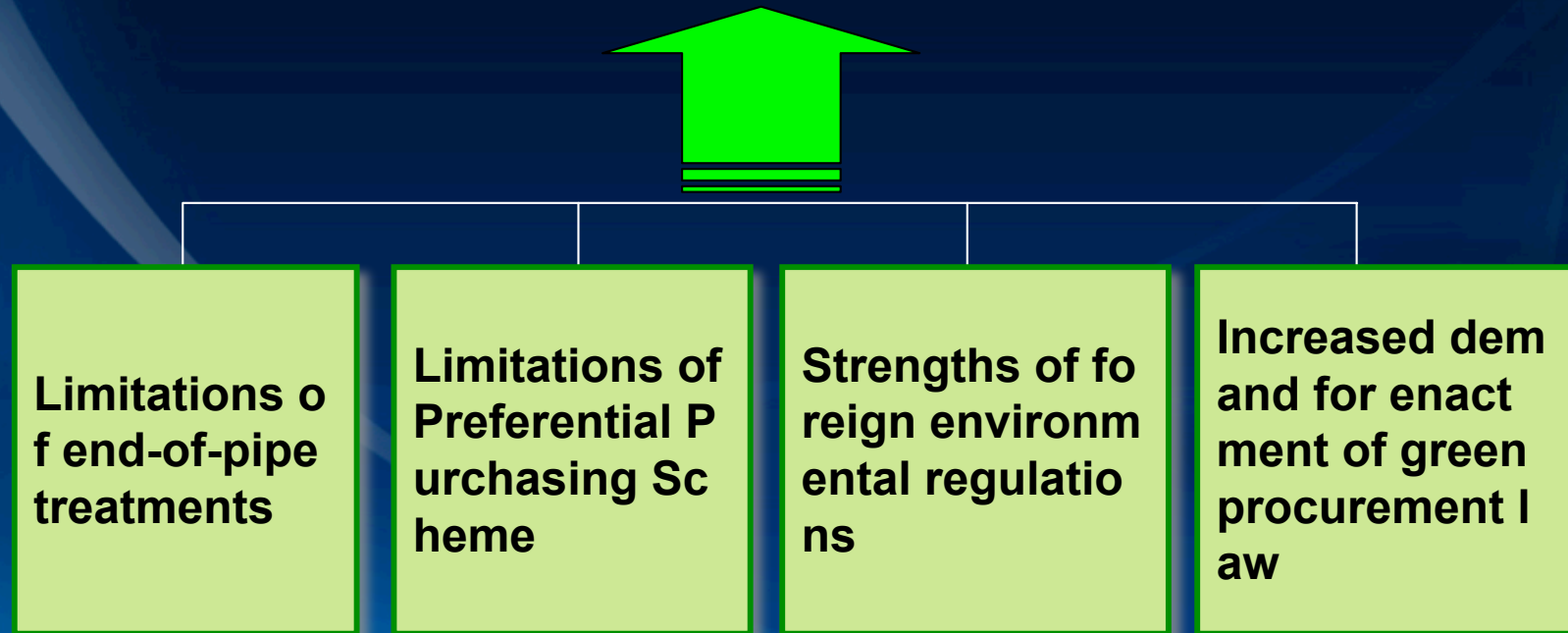
Green Procurement Law



1. Green Procurement Law

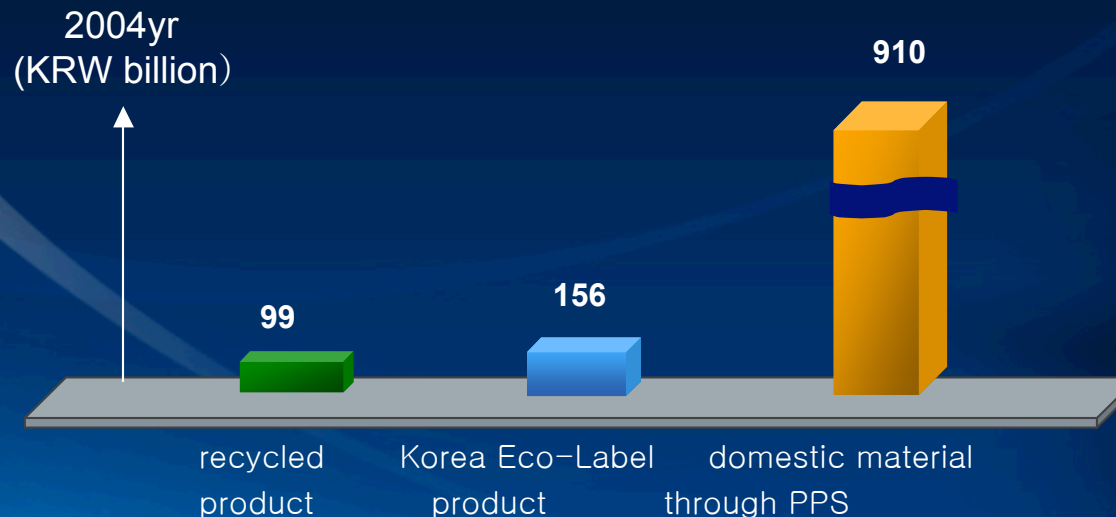
Background

Necessity of systematic changes for facilitating dissemination of environment-friendly products



Limitations of Preferential Purchasing Scheme

- Korea has implemented the preferential purchasing scheme to invigorate green purchasing in the public sector without great successes.
 - Purchase amount of Korea Eco-Label Products: KRW 156 billion
 - Purchase amount of recycled Products: KRW 99 billion



⇒ The MoE has thus decided to enact the “Act on the Promotion of the Purchase of Environment-Friendly Products (Green Procurement Law).”

Green Procurement Law

Upon the enactment of the “Act on the Promotion of the Purchase of Eco-Products”, Korea became only the second country in the world to mandate public agencies to purchase eco-products

※ The full text of law is available at
<http://www.koeco.or.kr> > Data room > Data

- Promulgated in December 2004
- enforced from July 2005

Purpose

- To expand the eco-product market through a mandatory public green purchasing scheme
- To prevent wasteful use of resources and environmental pollution, and to contribute to sustainable development in the domestic economy

Main Provisions of the Green Procurement Law

☐ To whom?

- National and local governmental agencies, government-invested institutions, etc.
 - Large scale, public-sector organizations

☐ Definition of Eco-products

- Korea Eco-Label-certified products or products satisfying certification criteria
- Korea Good Recycled Mark-certified products or products satisfying certification criteria
- Other eco-products satisfying criteria deliberated upon and notified by the MoE

Main Provisions of the Green Procurement Law

□ Obligation of public agencies to purchase Eco-products

- Public agencies should purchase environment-friendly products for all purposes, except in any of the following cases:
 - When an environment-friendly product is not available
 - When a stable supply of an environment-friendly product is not available
 - When an environment-friendly product is of low quality
 - When an agency intends to purchase products other than environment-friendly types to perform preferential purchase regulations under other laws such as the Welfare Law for the Disabled
 - When given any other unavoidable reasons such as urgent demand, that makes the purchasing of environment-friendly products difficult
- The obligation is applied to not only **direct purchasing** but **indirect purchasing** through service contracts such as cleaning, building repairs and maintenance, etc.

Main Provisions of the Green Procurement Law

□ Establishing plans for promoting green procurement (1)

- The MoE establishes a work plan every 5 years which encompasses the following:
 - Policy directions and implementation plans
 - Targeted items for eco-products and important issues with respect to criteria
 - Analysis and improvement of public agencies' green procurement based on performance reviews
 - International cooperation in relation to eco-products, etc.
- ※ In order to deliberate the Basic Plan, the Ministry of Environment shall organize and administrate the Green Purchasing Council

Main Provisions of the Green Procurement Law

□ Establishing plans for promoting green procurement (2)

● Purchasing Guidelines of Eco-products

- The MoE shall set up annual guidelines for Eco-product purchasing pursuant to the Presidential Decree and notify the heads of the public agencies.

● Purchasing Plan of Eco-products

- In accordance with purchasing guidelines, the head of each public agency shall establish and announce their Purchasing Plans of Eco-Products, and submit it to the MoE

Main Provisions of the Green Procurement Law

- Provisions for encouraging public agencies to fulfill purchase obligations of eco-products
 - Public agencies shall announce their purchasing plans and annual performance reports to the public ⇒ active participation
 - Through web site, public journals, advertisements, etc.
 - Reflect procurement results of eco-products on the performance evaluation items of central administrative agencies, local governments, etc.
 - Provide preferential grants of environment-related subsidies to local govts.

Main Provisions of the Green Procurement Law

□ Korea Eco-Products Institute (KOEKO)

● KOEKO established

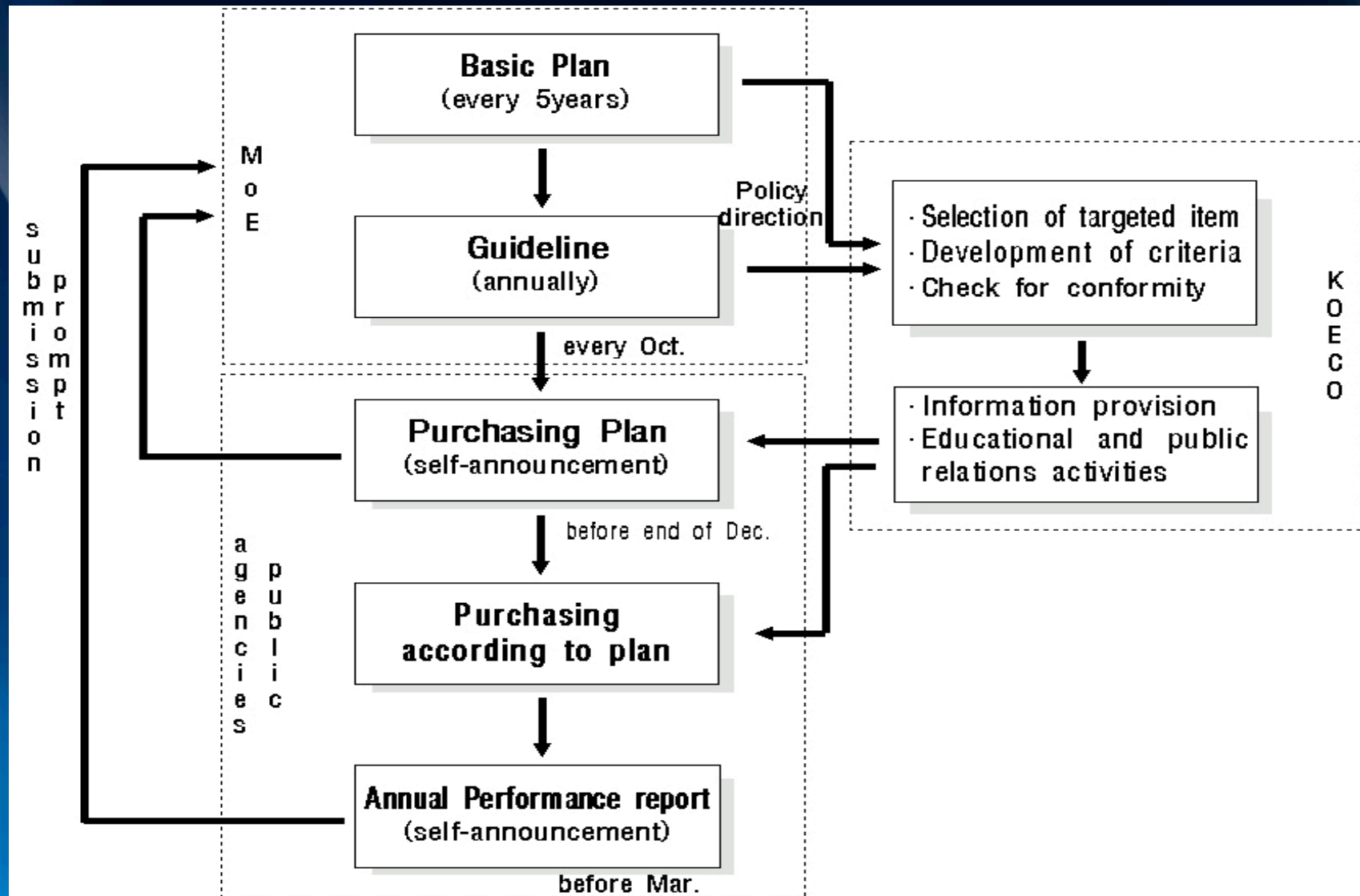
- To Provide relevant information to support the purchase of Eco-products
- To Select targeted items and develop relevant criteria for Eco-products
- To Establish standards for operations related to conformity of Eco-products
- To provide educational and public relations activities with respect to eco-products, etc.

● KOEKO is a successor of KELA

- KELA changed its name to KOEKO as provided in the act, expanded its business areas and specialize in overall green purchasing functions



Process





2. Supporting instruments the law

Gov't e-procurement system (GePS)

- GePS provides various information (bid information, products characteristics, purchase, payment, purchase results) via the internet

The screenshot shows the Korea Government e-procurement system (GePS) interface. The main panel displays a list of products with callouts identifying specific product types:

- Korea Eco-Label product:** Points to the first product (20408496) which has the Korea Eco-Label icon.
- Recycled product:** Points to the second product (20387992) which has the Recycled product icon.
- Good Recycled product:** Points to the third product (20558808) which has the Good Recycled product icon.

The left sidebar shows a category tree with options like '사무, 교육, 영상' (Office, Education, Video), '전자, 정보, 통신' (Electronics, Information, Communication), etc.

The bottom right features a 'Special Shop for Eco-products' section with various eco-friendly product categories:

- 친환경상품 (Eco-friendly products)
- 교육용에너지 (Education energy)
- 재활용품 (Recycled products)
- 장애인생산품 (Products produced by disabled persons)
- 여성기업제품 (Products from women-owned enterprises)

Gov't e-procurement system (GePS)

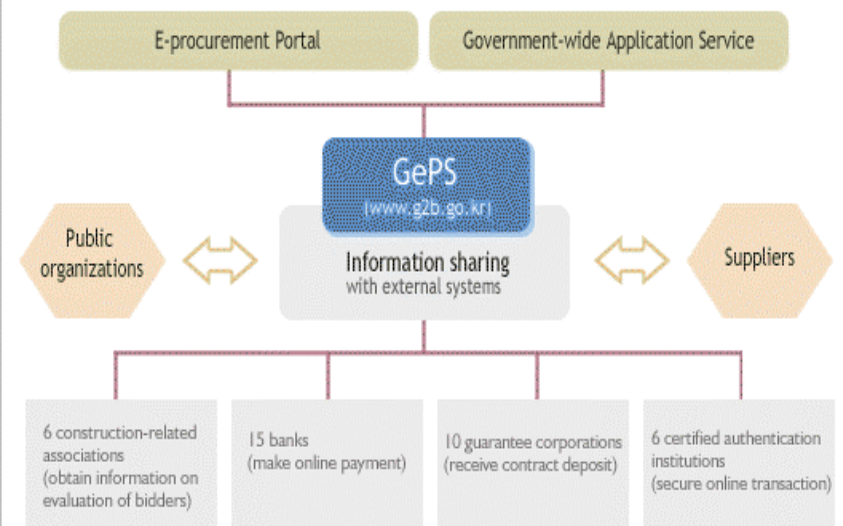
- GePS is a nationwide integrated Government e-Procurement System that enables all procurement processes from 'purchase request' to 'payment' to be processed online and was established by the Public Procurement Service
- The Public Procurement Service (PPS) is a central government procurement agency that purchases and provides goods and services needed for the operation of various government organizations

<Outline of GePS>

<Scale of public procurement through PPS(KRW billion)>

Services Yr.	Domestic Materials	Foreign Materials	Construction Works	Reserve Material Procurement & Issue	Total
2002	7,401	559	11,964	581	20,504
2003	8,187	552	12,712	535	21,986
2004	9,110	644	13,359	1,055	24,168
2005	9,688	688	16,951	1,213	28,539

▶ Providing 166 kinds of procurement-related e-documents(ebXML) for online transaction



Korea Eco-products Information Network

- Korea Eco-products Information Network => www.ecoproducts.or.kr
- Providing detailed information on eco-products (7,000 products)

친환경상품 정보
Korea Eco-products Information Network

[HOME](#) / [LOGIN](#) / [MEMBER JOIN](#) / [FAQ](#) / [SITEMAP](#) / [ADMINI](#)

[친환경상품 의무구매제도](#) | [친환경상품 소개](#) | [우수수법사례](#) | [자료실](#)

[01_친환경상품 목록보기](#) | [02_친환경상품 구매효과](#)

아름다운 환경을 만들어 갑시다
Korea Eco-products Information Network

친환경상품 소개
KOREA ECO-PRODUCTS INFORMATION NETWORK

친환경상품 목록보기 →

- 사무/교육/영상/가전
- 전자/정보/통신
- 섬유/고무/위생/여가
- 화학/소방/안전
- 차량/운반
- 전기/시험/계측
- 기계/설비
- 토목/건축
- 도로시설/용품
- 원부자재/기타

친환경상품 구매효과 →

친환경상품 목록보기

친환경상품 (환경마크, GR) / 우수제품 / 장애인상품

	모델명	용도	가격	G2B식별번호
	LBP-3030N	흑백레이저프린터	1,177,000 원	20608155
	C2500	컬러레이저프린터	2,244,000 원	20608154

큰 이미지 보기

분류	[03] 전자/정보/통신 [03] 프린터
모델명	LBP-3030N
용도	흑백레이저프린터
규격	500*456*345
가격	1,177,000 원
판매단위	대
G2B식별번호	20608155
인증업체	롯데캐논
인증구분	
인증사유	절전, 저소음, 친환경 설계, 오존방출량 저감(해당 제품에 한함)
인증종료일	2007-07-07

※ 상기 가격은 구매 물량에 따라 변동가능. 정확한 견적은 업체문의

구매 및 AS 정보

판매처	롯데캐논	1588-2500-
A/S 제품문의	롯데캐논	1588-2500-

▶ 제품의 환경 정보 ▶ 제품의 품질 정보 ▶ 제품의 상세 정보

제품의 상세 정보

속성	속성값
외형크기(W*D*H)	500mm×456mm×345mm
인쇄방식	레이저방식
인쇄속도(ppm)	30ppm

Education and Public Relations to public sector

- Lecturing tours for procurement officers
 - For the purpose of dissemination of green procurement, education on green procurement has been in progress.
 - In 2005, lecturing tour was in action all over the country by MoE and the KOECO jointly (total 2,700 persons)
- Publicity work through PPS's e-mailing service (monthly)
 - To publicize the Green Procurement Law
 - To publicize the gov't policy regarding green procurement
 - To offer information on Eco-products

올해부터 친환경상품 구매가 의무화 됩니다

“친환경상품 구매촉진에 관한 법률” 이 작년 12월 31일 제정 공포됨에 따라 공공기관에서는 제품 구입시 친환경상품(환경마크 및 우수재활용(GR) 인증상품)을 구매하여야 합니다.
⇒ 친환경상품 구매는 권장사항이 아닌 법적 의무이며, 공공기관은 친환경상품 구매를 성실히 이행하여야 합니다.

+ 친환경상품 구매촉진에 관한 법률 : 환경부(www.me.go.kr)>법령>재·개정 공표법령(133번)
+ '05년 친환경상품 구매지침 : 환경부(www.me.go.kr)>공지사항(618번)

이제 구매하기 전에 친환경상품인지 확인을...

환경마크 상품
인쇄용지, 토너카트리지, 레이저프린터, 복사기, 화장지, 사무용 목재가구 등 102개 품목에 대하여 445개사 1,536개 인증제품이 있습니다. ('04년말 기준)
※ 자세한 내용은 환경마크협회(www.kela.or.kr)를 통해 확인 또는 환경부 환경경제과(02-2110-6907)로 문의

우수재활용(GR) 상품
전자복사용지, 재생 사무용 피말, 재활용 수도머티리 보호통, 재생 마루 바닥재 등 212개 품목에 대하여 160개사 205개 인증제품이 있습니다. ('04년말 기준)
※ 자세한 내용은 기술표준원 재활용센터(recycling.ats.go.kr)를 통해 확인 또는 기술표준원(02-509-7314)으로 문의

친환경상품 구매는 어디에서...

나라장터(G2B, www.g2b.go.kr) 쇼핑물의 친환경상품 전용숍
나라장터 로그인 - 쇼핑물(계약&시중) - 환경표지제품 및 재활용품(GR상품)
+ 나라장터를 이용하시면 편리합니다.!!!
+ 구매실적의 신뢰성을 확보할 수 있습니다.!!!

환경부 · 조달청



Dissemination G/P to Private Sector

Voluntary Agreement on Green Purchasing

- To promote green purchasing practices in the industrial sector, the MOE initiate thirty large-scale companies in V/A on sep. 2005
- With whom ?
 - MoE & thirty large-scale companies



Voluntary Agreement on Green Purchasing

What to do?

Participation company

- consolidate inner-regulation for activating green purchasing
- establish purchasing plan as eco-products & evaluate and announce the purchasing performance
- have staff education on green purchasing
- build up Eco-SCM
- develop, manufacture, and sell the eco-products
- disseminate green purchasing to upstream company

Government

- provide the information on eco-products
- map out the environmental policy on green purchasing
- seek publicity on purchasing performance
- give official commendation to company with excellent results

Company & Gov't

- hold the campaign to disseminate sustainable a green purchasing-oriented consumption culture
- organize and manage the steering committee to observe the voluntary agreement

Eco-products Korea

- ECO-PRODUCTS KOREA is the largest eco-product exhibition in Korea that supplies eco-products and eco-services to practicing environmental businesses and communities.
- ECO-PRODUCTS KOREA helps to prepare a place for domestic and foreign eco-product manufacturers, consumers and distributors, to exchange information.

□ Eco-products Korea 2005

- Period: 8~12 Nov. 2005
- Venue: KINTEX, Goyang-Si, Kyeonggi Province, KOREA
- Organized by: Korea Eco-Products Institute (KOEKO), Korea Green Foundation
- Subject: Towards a green society with Eco-products
- Exhibit Profile: Electronics, Architecture/Construction Materials, Office Products, Living Necessities, Car related Products, Energy, Consulting service

□ Eco-products Korea 2005



Education and Public Relations to General Citizen

- Education for private sector ⇒ with NGOs such as Korean GPN
 - Differential Educational programs for homemakers and students
- Public relations through TV, radio, the internet, various booklets, etc.





After the enactment of the G/P law

Achievement of Green purchasing in public sector

- After the enactment of Green Procurement Law, to publicize the law led to results in satisfaction
 - Green procurement through GePS grows larger every year
 - Especially, Green procurement through GePS of 2005 increased 600% over that of 2004

<Green procurement through GePS >

(단위 : KRW billion)

Year	'03	'04	'05	'06 (expected figure)
amounts	56	76	434	650

Learning from Korean experience

☐ In the process of enactment

- No technical barrier to trade
- Non-discrimination, transparency, proportionality ← primary principle of EU
- Linkage with other preferential purchase schemes such as products made by handicapped persons

☐ To promote sustainable procurement

- Gain strong commitments from the heads of organizations and establish a driving system for sustainable procurement
- Promote education and public relations
 - A key factor for the success of SPP
- Strongly encourage suppliers to participate green purchasing
- Provide easy access to information on eco-products
 - Special web sites, DB, handbooks, guidance manuals, etc.
- Developed country's obligation and international cooperation



Thank you for your attention!

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