

INITIATING THE IMPLEMENTATION OF ECO-LABELLING TO BUILD THE PIVOT OF GREEN ECONOMY GROWTH IN THE ASEAN ECONOMIC COMMUNITY

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Abstract

The ASEAN Economic Community (AEC) seeks to align ASEAN with global “green growth” trends by developing an integrated eco-labelling standard for products traded among its member countries. This article presents a comparative study using a normative legal research method that draws lessons from other regional trade organizations, such as the European Union. The objective of this research is to determine the feasibility of designing an ASEAN Eco-labelling standard that is tailored to the characteristics of each ASEAN country’s eco-labelling policy. The labelling will be managed by an independent certification body headquartered at the ASEAN Secretariat, with representative offices in each ASEAN country.

Keywords: ASEAN, AEC, global trade, environmentally friendly products, eco-labelling

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Eco-labelling is a voluntary certification scheme for goods or services commonly known as “products”. This scheme usually identifies products that have a lower environmental impact, sets environmental requirements, and awards a special label to products that meet these standards. The products must meet a set of criteria aimed at reducing their overall environmental impact. Producers, traders, and service providers may apply for eco-labelling certification for items they produce, trade, or distribute. Eco-labelling has the potential to inform consumers about the environmental impact of their purchasing decisions. Simultaneously, it will also boost the competitiveness of producers seeking to improve the environmental sustainability of their products, thereby further enhancing their reputation.¹ Supporting eco-labelling is the right choice for businesses to differentiate themselves and meet the growing customer demand for verified sustainable products.

The application of eco-labelling is generally based on the standards developed by the International Standards Organization (ISO), in

* The research of this article was partially funded by Ho Chi Minh City University of Law and the Faculty of Law – Universitas Indonesia.

1 European Commission, ‘Green claims – European Commission’. Retrieved from: https://environment.ec.europa.eu/topics/circular-economy/green-claims_en [accessed 2 Jan 2024].

particular the 14000 series.² Standards in the ISO 14000 series deal with complex environmental management, including environmental labelling. Environmental labelling (often referred to as “eco-labelling”) is classified into two categories, *i.e.*, self-declaration claims and third-party claims.³ The earlier are made on a product by its manufacturer, retailer, or marketer. Typically, such claims are not independently verified because they could be made just based on a single attribute or an overall assessment of the product.⁴ Meanwhile, the latter relies on compliance with standards that are independently verified by a competent authority.⁵ Commonly, the criteria are developed using a product life-cycle approach.

The article examines the development of a unified eco-labelling standard across ASEAN, comparing it with the EU Ecolabel. It classifies ASEAN countries into three groups based on their eco-labelling practices: (i) those with effective schemes like Malaysia, Singapore, and Thailand; (ii) those facing implementation challenges like Indonesia and Vietnam; and (iii) those without any national schemes like Myanmar. The classification assesses factors like legal frameworks, organizing institutions, and standardization processes. The authors also compare eco-labelling practices across ASEAN with the European Union Ecolabel (referred to as “EU Ecolabel”), using their findings to guide the design of a standardized eco-labelling framework in ASEAN that accommodates varying implementation levels among Member states.

1. The concept of eco-labelling policy in ASEAN Member states

1.1. Countries with effective national eco-labelling schemes

1.1.1. Malaysia

In Malaysia, a national eco-labelling scheme was launched in 1996 by The Standards and Industrial Research Institute of Malaysia (SIRIM), a state-owned research and development organization. The scheme is named “The SIRIM Eco-Labelling Scheme”.⁶ The government uses the eco-labelling program as an instrument to create a green circular economy.⁷ In addition to the applicable requirements of the product criteria developed by SIRIM,

2 Philippines G. C. (2016), ‘Guidelines for Application for Green Choice Philippines Awarding the Seal of Approval’, p. 1. Retrieved from: <https://app.sist.org.cn/label/Upload/file/e857d6c653154bb7b6837b79db0e8fa4.pdf> [accessed 2 Jan 2024].

3 Rashid N. R. N. A. (2009), ‘Awareness of Eco-label in Malaysia’s Green Marketing Initiative’, *International Journal of Business and Management*, Vol. 4, No. 8, p. 133.

4 *Ibid.*

5 *Ibid.*

6 Rashid N. R. N. A. (2009), *supra* note 3, p. 132.

7 SIRIM QAS International (2020), ‘The Edge Market – SIRIM Eco labelling Scheme – A sustainable environment through sustainable procurement’. Retrieved from: <https://www.sirim-qas.com.my/the-edge-market-sirim-eco-labelling-scheme-a-sustainable-environment-through-sustainable-procurement/> [accessed 10 January 2024].

the product must comply with the Environmental Quality Act.⁸ The eco-labelling has been verified by leading accreditation bodies of the state, such as the Department of Standards Malaysia for Product Certification Scheme against ISO/IEC 17065 – General Requirements for Bodies Operating Product Certification Systems. As a Type 1 ecolabel, the SIRIM Eco-Labelling standard has met the criteria definition of ISO 14024.

Under the SIRIM Eco-Labeling Scheme, a product will be independently verified against specific eco-label criteria and the applicable product standard designed by the SIRIM QAS International, which is in fact, a member of the Global Ecolabelling Network (GEN).⁹ Moreover, the product is tested in SIRIM QAS International laboratories which have been accredited to ISO/IEC 17025 by the Department of Standards Malaysia.¹⁰ To ensure the credibility of the SIRIM Eco-label, the licensee is subject to a surveillance audit, where a factory audit is carried out at each renewal period. During the factory audit, the product and the organization's quality system will be re-evaluated in order to ensure continuous compliance with the requirements of the SIRIM Eco-Labelling Scheme.¹¹

In Malaysia, the implementation of the eco-labelling scheme is entirely voluntary. To be certified under the SIRIM Eco-Labelling Scheme, a product is required to submit the application to SIRIM. Upon acceptance of the application, the product must meet the requirements within the period of one year for electrical products and two years for other products.¹² During this period, the product is subject to testing against relevant standards, and the product factory's quality system will be monitored by SIRIM.¹³ An application would be deemed terminated if the manufacturer fails to meet a particular set of requirements within the stipulated time. Nonetheless, a re-application may be submitted. As the legal basis for using the SIRIM Eco-Labelling mark, the applicant and the SIRIM QAS International will sign the contract called "Product Certification Agreement".¹⁴ This contract

8 SIRIM QAS International, 'SIRIM ECO-LABELLING (Certification Scheme): A contribution to the preservation and protection of the environment', p. 2. Retrieved from <https://www.sirim-qas.com.my/wp-content/uploads/2016/08/Eco-labelling-final-2018-compressed.pdf> [accessed 10 January 2024].

9 Global Ecolabelling Network, 'Organizations'. Retrieved from: <https://globalecolabelling.net/organizations/> [accessed 23 August 2023].

10 SIRIM QAS International, 'Eco-Labelling Scheme'. Retrieved from: <https://www.sirim-qas.com.my/our-services/product-certification/eco-labelling-scheme/> [accessed 24 September 2023].

11 *Ibid.*

12 SIRIM QAS International Sdn. Bhd., 'ECO-LABELLING CERTIFICATION SCHEME (Product Certification)', 1st issue, 2nd rev., p. 2. Retrieved from: <https://www.sirim-qas.com.my/wp-content/uploads/2019/02/Information-on-Eco-Labelling-ePCS-DOC-01-1.1.pdf> [accessed 24 September 2023].

13 SIRIM QAS International Sdn. Bhd., *supra* note 12, pp. 1–2.

14 SIRIM QAS International, 'The Template Format of The Product Certification Agreement'. Retrieved from: <https://www.sirim-qas.com.my/wp-content/uploads/2019/01/Product-Certification-Agreement-ePCS-DOC-01-3-1.pdf> [accessed 2 December 2023].

recognizes the product's compliance with the Eco-Labeling Certification Requirements and the Product Certification Requirements designed by SIRIM QAS International.

In addition to the SIRIM Eco-Labeling Scheme, Malaysia has an official eco-recognition scheme administered by the Ministry of Environment and Water, known as “MyHIJAU”. It is different from the SIRIM Eco-Labeling Scheme, which was developed by SIRIM, underlining a conceptual differentiation within Malaysia's eco-labelling programmes. It is awarded to any product that meets national eco-labelling standards other than those of the SIRIM Eco-Labeling Scheme and international eco-labelling standards.¹⁵ Some examples of the foreign countries' national eco-labelling standards recognized by MyHIJAU are the Korean Ecolabel, the Japan Eco Mark Program, the Singapore Green Label Scheme, the Thai Green Label, the Indonesian Ecolabel, and the Vietnam Green Label. Meanwhile, the examples of international eco-labelling standards recognized by MyHIJAU are the EU Ecolabel, the Nordic Environmental Label – “the Swan”, the ECOLOGO, and the PEFC – Chain of Custody. To support the implementation of this policy, the government has developed the SCP blueprint.¹⁶ Initially, it was implemented through the Government Green Procurement (GGP) project. Its implementation will enable the country to create sustainable progress and move towards a more comprehensive development path. The government's objective is to procure selected product groups entirely by 2030, as outlined in its long-term action plan.

1.1.2. Singapore

Among other ASEAN countries, Singapore was the first to pioneer the development and implementation of a national eco-labelling scheme, *i.e.*, “the Singapore Green Labelling Scheme” (SGLS). As Singapore's foremost environmental standard and certification label, the SGLS meets the ISO definition for a Type 1 Ecolabel. The scheme was established by the Ministry of Environment in 1992.¹⁷ Since 1999, the Singapore Environment Council¹⁸ has taken over the administration from the Ministry.¹⁹ In 1994,

15 The Ministry of Local Government Development of Malaysia, ‘Green/Environmental Certification or Labelling Schemes Under the MyHIJAU Mark Recognition’, pp. 1-10. Retrieved from: https://www.kpkt.gov.my/kpkt/resources/user_1/MENGENAI%20KPKT/GARIS%20PANDUAN/GP_KEW_SENARAI_PENSIJILAN_HIJAU_MyHIJAU_MARK.pdf [accessed 2 December 2023].

16 SIRIM QAS International (2020), *supra* note 7.

17 Singapore Environment Council, ‘About Singapore Green Labelling Scheme’. Retrieved from: https://sgls.sec.org.sg/cms.php?cms_id=3 [accessed 23 August 2023].

18 Singapore Environment Council, ‘About SEC’. Retrieved from: <https://sec.org.sg/knowning-sec.html> [accessed 23 March 2024].

19 Singapore Environment Council (2022), *Singapore Green Labelling Scheme SGLS, SGLS+, JEA Seminar*, p. 3. Retrieved from: https://www.ecomark.jp/pdf/20221201_Singapore.pdf [accessed 23 March 2024].

the SGLS joined the Global Eco-Labeling Network (GEN), a non-profit organization uniting 37 eco-labelling bodies from 60 regions to improve global eco-labelling.²⁰ This partnership further strengthens the authenticity of the SGLS, where products certified under this eco-labelling scheme are marketed in over 50 countries, including Malaysia, Indonesia, China, Japan, and the United States.²¹

Currently, the Singapore Environment Council (SEC) and the National Environmental Agency (NEA) are developing Singapore's national eco-labelling scheme.²² They are working together to develop the SGLS to meet the criteria of ISO 14024 – the world's highest eco-labelling standard. As a Type 1 Ecolabel, the SGLS standard is verified by ISO 17011 Accreditation, ISO 17021 Management system certification, ISO 17025 Testing and Calibration Laboratories, ISO 19011 QMS and EMS auditing (and auditor qualifications), ISO/IEC Guide 65 Product Certification.²³ Either local or foreign products in Singapore can apply to have their products verified under the SGLS. The products must meet all the criteria for each specified product category, developed and designed by SGLS itself. The legal basis for the eco-labelling scheme in Singapore is the Energy Conservation Act/ECA (Cap. 92) and the Environmental Protection and Management Act (EPMA).²⁴ EPMA is enacted to protect Singapore's environment and public health by regulating pollution, hazardous substances, and waste management. Meanwhile, ECA regulations focus more on reducing the environmental impact of energy use by ensuring that energy use meets certain criteria in terms of efficiency principles and energy management practices. The eco-labelling scheme supports the implementation of ECA in promoting energy conservation in Singapore.

As Singapore's leading organization in environmental sustainability, SEC also uses the eco-labelling scheme as an instrument to raise public awareness on sustainable development issues. Based on the 3Ps (Public-Private Partnerships) system, SEC has developed various environmental conservation policies

20 Global Ecolabelling Network, 'Organizations'. Retrieved from: <https://globalecolabelling.net/organizations/> [accessed 23 August 2023].

21 Global Ecolabelling Network, 'Singapore Green Labelling Scheme (Singapore Environment Council)'. Retrieved from: <https://globalecolabelling.net/organization/singapore-green-labelling-scheme/> [accessed 23 August 2023].

22 Singapore Environment Council, 'About Singapore Green Labelling Scheme'. Retrieved from: https://sgls.sec.org.sg/cms.php?cms_id=3 [accessed 23 August 2023].

23 Ecolabel Index, 'Singapore Green Label Scheme (SGLS)'. Retrieved from: <https://www.ecolabelindex.com/ecolabel/singapore-green-label-scheme-sgls> [accessed 6 December 2023].

24 The National Environment Agency of Singapore, 'About Mandatory Energy Labelling Scheme and Minimum Energy Performance Standards'. Retrieved from: <https://www.nea.gov.sg/our-services/climate-change-energy-efficiency/energy-efficiency/household-sector/about-mandatory-energy-labelling-and-minimum-energy-performance-standards> [accessed 6 December 2023].

such as the Singapore Environmental Achievement Awards (SEAA), School Green Awards (SGA), Singapore Green Labelling Scheme (SGLS), and several certification programmes (*i.e.*, Eco-Office Plus, Eco-Shop, Eco-F&B and Eco-Event). All these policies are being implemented as part of the local authorities' efforts to realize Singapore's five pillars of national development as outlined in the SG Green Plan 2030,²⁵ particularly in the aspects of 'sustainable Living' and "Green Economy". Furthermore, the policy has been very well received by Singaporean consumers, with more than three-fifths of them being aware of the Singapore Green Label and being "quite" or "slightly familiar" with it (63%), according to a recent survey conducted by YouGov on 22 April 2022.²⁶ As of April 2022, YouGov also concluded that the implementation of eco-labelling has successfully influenced around half of consumers in Singapore to change their purchasing decisions.²⁷ They mainly buy eco-labelled products, and even further, some 29% of the consumers there would consider switching brands to buy an eco-labelled version or would be prepared to pay more to do so.

1.1.3. Thailand

Thailand's eco-labelling programme "The Thai Green Label Scheme" was initiated by the Thailand Business Council for Sustainable Development (TBCSD) in October 1993.²⁸ It was formally launched in August 1994 with collaboration from the Ministry of Industry and the Ministry of Science, Technology, and Environment, in association with the Thailand Environment Institute (TEI), the Thai Industrial Standards Institute (TISI), and other relevant agencies. The project is the result of collaboration between government, the private sector, and central agencies, with TEI and TISI acting as the secretariat.²⁹

The legal basis for the Thai Green Label Scheme is the Environmental Labeling Act B.E. 2548 (2005), which was enacted to promote environmentally friendly products and services in Thailand.³⁰ The act provides a legal framework

25 Singapore Green Plan 2030, 'A City of Green Possibilities'. Retrieved from: <https://www.greenplan.gov.sg/> [accessed 24 March 2024].

26 YouGov, 'Eco-labels in Singapore: How aware are consumers of these green certification marks?'. Retrieved from: <https://business.yougov.com/content/42171-ecolabels-singapore-consumer-awareness> [accessed 6 December 2023].

27 YouGov, 'Do eco-labels influence the purchase decisions of consumers in Singapore?'. Retrieved from: <https://business.yougov.com/content/42173-ecolabels-influence-purchase-decisions-singapore> [accessed 6 December 2023].

28 Thailand Environment Institute (TEI), 'A Guide to The Thai Green Label Scheme', 5th ed., June 2011, p. 2. Retrieved from: <https://data.thailand.opendevlopmentmekong.net/en/dataset/a-guide-to-thai-green-label-scheme/resource/23a540c1-78e2-472a-bba8-62c29f3e5f50/proxy> [accessed 6 December 2023].

29 International Trade Centre, 'standard profile for Thai Green Label', *Standards Map App*. Retrieved from: <https://standardsmap.org/en/factsheet/36/overview> [accessed 8 December 2023].

30 Thailand Environment Institute (TEI), 'List of Thai Green Label Products'. Retrieved from: <https://www.tei.or.th/greenlabel/en/index.html> [accessed 2 October 2023].

for the establishment of environmental labelling programs, such as the Thai Green Label Scheme. As a voluntary instrument program, the Thai Green Label Scheme applies to all products and services, excluding food, beverages, and pharmaceuticals. For food, beverages, and pharmaceutical products, the government allows the certification by third-party organizations, such as ECO LABEL.³¹ The criteria for the Thai Green Label Scheme are based on a life-cycle approach. This eco-labelling scheme is verified by an independent organization (third party) following ISO 17021 Management system certification, ISO 17025 Testing and Calibration Laboratories, ISO 19011 QMS and EMS auditing (and auditor qualifications), and ISO/IEC Guide 65 Product Certification.³²

To manage the development and implementation of the Thai Green Label Scheme, the Thai Green Label Board (referred to as “the Board”) takes all major decisions regarding the green label.³³ The Board’s members are appointed by the Ministry of Industry. It includes representatives from the government, academic institutions, the national board of trade, the national standardization board, marketing association, the press association, environmental NGOs, independent expert scientists, the business/private sector, and consumer protection organizations. The Board’s responsibilities include establishing fundamental policies for the Thai Green Label Scheme, choosing product categories for green labeling, setting criteria for each product group, determining the fee structure and amounts for the green label, and approving support activities.

Regarding the authority to take action or make decisions in the field of operations and management, there is a working unit called “the Administrative Board of Committee”. Its members are selected and appointed by the TEI. This committee has three working sub-units, namely the “Technical Sub-Committee”, the “Management Committee”, and the “Verification Committee”. Specifically, the Technical Sub-Committee³⁴ is responsible for the technical development of the eco-labelling scheme, including aspects of product criteria, testing methods and other requirements needed to enhance the validity of the Thai Green Label Scheme itself. When the Technical Subcommittee has established a new product category, a new subcommittee will be formed, composed of experts from institutes, industry, environmental

31 Thailand Environment Institute (TEI), ‘A Guide to The Thai Green Label Scheme’, 5th ed., June 2011, p. 2. Retrieved from: <https://data.thailand.opendevelopmentmekong.net/en/dataset/a-guide-to-thai-green-label-scheme/resource/23a540c1-78e2-472a-bba8-62c29f3e5f50/proxy> [accessed 2 October 2023].

32 Ecolabel Index, ‘Thai Green Label’. Retrieved from: <https://www.ecolabelindex.com/ecolabel/thai-green-label> [accessed 6 December 2023].

33 *Ibid.*, pp. 3–4.

34 *Ibid.*, p. 5.

groups and other stakeholders as appropriate and available. In principle, the membership of the sub-committee for each product category will be tailored to the needs of the implementation of the eco-labelling scheme for that particular product category.

The Technical Sub-Committee has three main roles. First, it is tasked to report on the significance of the environmental impacts resulting from the implementation of the Thai Green Label Scheme for each product category. Secondly, this committee also plays a role in conducting research related to the estimated market share of the application of the Thai Green Label Scheme for each product category, both in the context of its current application and plans for the establishment of new product categories in the future. Thirdly, the Technical Sub-Committee is empowered to review the existing product criteria after three years of implementation or at any time if necessary. This will ensure that any product certified under the Thai Green Label Scheme will always be able to meet the environmental standards set by ISO. In terms of product category development policy, the policy approach is based on demand from relevant stakeholders, *i.e.*, manufacturers, consumers, and the government.

Any local or foreign manufacturer, importer, and retailer in Thailand can apply to have their products verified under the Thai Green Label Scheme.³⁵ Once the application submission have been approved, the applicant and the TEI Secretariat will sign the contract for the use of the Thai Green Label. The contract becomes the legal basis for using the certification logo. Compliance with the terms and conditions of use of the eco-labelling scheme as set out in the contract affects the scope of the applicant's rights to use the Thai Green Label Scheme on its products. The maximum validity of the contract is three years but may be changed if there is a review of the criteria for the green label status of the Thai Green Label Scheme.

1.2. Countries with existing eco-labelling regulations facing implementation challenges

1.2.1. Indonesia

The development of eco-labelling in Indonesia began in 2004.³⁶ The chosen approach for the development of eco-labelling at that time was the Type 1 Ecolabel. In the early stages, eco-labelling in Indonesia was not independently regulated, but integrated into the national product standardisation policy program called "SNI" (*Standar Nasional Indonesia*/Indonesian National

³⁵ *Ibid.*, p. 9.

³⁶ Suminto (2011), 'Kajian Penerapan Ekolabel di Indonesia' [trans: The Study of Product Ecolabel Implementation In Indonesia], *Jurnal Standarisasi*, Vol. 13, No. 3, p. 205. Retrieved from: <https://media.neliti.com/media/publications/141332-ID-kajian-penerapan-ekolabel-produk-di-indo.pdf> [accessed 6 December 2023].

Standard), such as SNI 19-14001 on Environmental Management Systems.³⁷ At that time, the development of eco-labelling was conducted by the BSN (*Badan Standardisasi Nasional*/National Standardization Agency of Indonesia) which is responsible for developing and coordinating standardization activities at the national level.³⁸ This has led to products that meet the eco-friendly criteria not being labelled with the eco-labelling mark but only certified under the SNI scheme. Nevertheless, in that era, the government allowed third-party independent institutions to certify the eco-labelling on products through a scheme called the “accreditation system”. Certification under this system was granted by the *Lembaga Sertifikasi Ekolabel*/the Eco-Labelling Certification Body (LSE), which has been previously accredited by the *Komisi Akreditasi Nasional*/the Accreditation Committee (KAN).³⁹

However, it should be noted that the first national eco-labelling scheme of Indonesia was only implemented in 2019. It is aligned with the enactment of Regulation No. P.5/menlhk/setjen/kum.1/2/2019 of 2019 of Minister of Environment and Forestry on Procedures for the Implementation of Environmentally Friendly Labels for the Procurement of Environmentally Friendly Goods and Services (referred to as “Regulation No. P.5 of 2019 of Minister of Environment and Forestry”). The applicability of this Minister of Environment and Forestry Regulation is based on Articles 3, 31 (1a), 33, 34, and 37 (2b) of Government Regulation No. 46 of 2017 on Environmental Economic Instruments. The Indonesian national eco-labelling is called “the Indonesian Ecolabel”. It is the only official eco-labelling scheme developed by the Indonesian government.⁴⁰ Specifically, the designated national government institution/agency to manage and develop the implementation of the eco-labelling policy in Indonesia is the Ministry of Environment and Forestry.⁴¹

Currently, the implementation of eco-labelling in Indonesia is carried out through two mechanism options, namely “certification scheme” and “verification scheme”.⁴² The assessment of product conformity in the certification scheme is conducted by the LSE (*Lembaga Sertifikasi Ekolabel*/the Eco-Labelling Certification Body), while the assessment in the verification

37 *Ibid.*, p. 202.

38 Badan Standardisasi Nasional [National Standardization Agency of Indonesia] (2017), ‘Tentang BSN [About BSN]’. Retrieved from: https://bsn.go.id/main/bsn/isi_bsn/20183/tentang-bsn [accessed 23 November 2023].

39 Article 33(3) and Article 34(3) of the Government Regulation No. 46 of 2017 on Environmental Economic Instruments.

40 Global Ecolabelling Network, ‘Indonesian Ecolabel (Ministry of Environment)’. Retrieved from: <https://globalecolabelling.net/organization/indonesian-ecolabel/> [accessed 23 August 2023].

41 Article 4 (2) and Article 16 of the Regulation No. P.5 of 2019 of Minister of Environment and Forestry *jo.* Article 33 of the Government Regulation No. 46 of 2017 on Environmental Economic Instruments.

42 Article 12 and Article 13 of the Regulation No. P.5 of 2019 of the Minister of Environment and Forestry.

scheme is conducted by LVE (*Lembaga Verifikasi Ekolabel*/the Eco-Labeling Verification Body).⁴³ Conformity assessment of products under the certification scheme (issued by the LSE) will be classified as a Type 1 Ecolabel, whereas assessment under the verification scheme (issued by the LVE) will be classified as a Type 2 Ecolabel.⁴⁴ To support the mass implementation of eco-labelling, Regulation No. P.5 of 2019 of the Minister of Environment and Forestry has formulated a policy called “Procurement of Environmentally Friendly Goods and Services”. Technically, this procurement policy was initiated by the Ministry of Environment and Forestry together with LKPP (*Lembaga Kebijakan Pengadaan Barang dan Jasa Pemerintah*/the National Public Procurement Agency).

Overall, Indonesia’s eco-labelling policy is designed as an environmental economic instrument. The instrument provides incentives⁴⁵ for activities that have a positive impact on natural resources and environmental functions. This instrument also aims to alter the mindset and behaviours of stakeholders in designing development policies and economic activities.⁴⁶

1.2.2. Vietnam

Developed as a governmental eco-labelling scheme, the eco-labelling programme in Vietnam is managed by the Ministry of Natural Resources and Environment, called “The Vietnam Green Label”.⁴⁷ It has been implemented since 2009. The legal basis of the Vietnam Green Label is Decision No. 253/QD-BTNMT of the Minister of Natural Resources and Environment.⁴⁸ The Vietnam Green Label meets the ISO definition for a Type 1 ecolabel. The Vietnamese government is using this policy to promote the sustainable use of natural resources and environmental protection by encouraging eco-friendly production and consumption patterns.⁴⁹ The implementation of this eco-

43 Pusfaster BSILHK (Pusat Fasilitas Penerapan Standar Instrumen Lingkungan Hidup dan Kehutanan) Kementerian Lingkungan Hidup dan Kehutanan, ‘Database Ekolabel’. Retrieved from: <https://pusfaster.bsilhk.menlhk.go.id/index.php/database-ekolabel/> [accessed 2 September 2023].

44 Pusfaster BSILHK (Pusat Fasilitas Penerapan Standar Instrumen Lingkungan Hidup dan Kehutanan) Kementerian Lingkungan Hidup dan Kehutanan, ‘Tentang Ekolabel’. Retrieved from: <https://pusfaster.bsilhk.menlhk.go.id/index.php/tentang-ekolabel/> [accessed 2 September 2023].

45 Article 3 par. c *jo*. Article 31 (1a) and Article 31 (2) of the Government Regulation No. 46 of 2017 on Environmental Economic Instruments.

46 Article 2 par. a and par. b of the Government Regulation No. 46 of 2017 on Environmental Economic Instruments.

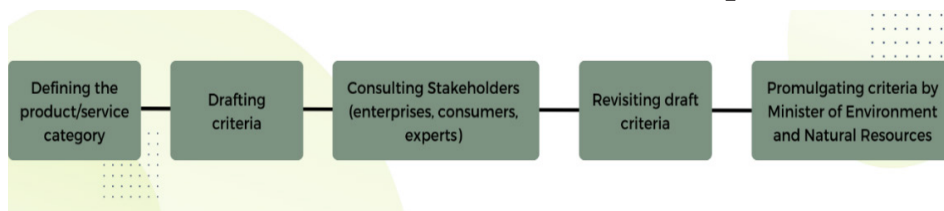
47 Global Ecolabelling Network, ‘Vietnam Green Label (Vietnam Environment Administration)’. Retrieved from: <https://globalecolabelling.net/organization/vietnam-green-label/> [accessed 21 January 2024]. See also: Department of Environmental Quality Management, VEA, MONRE, ‘Vietnam Ecolabels and Green Public Procurement’. p. 3. Retrieved from: <https://www.ecomark.jp/pdf/20181206Vietnam.pdf> [accessed 21 January 2024].

48 Department of Environmental Quality Management at VEA MONRE, *supra* note 47, p. 3.

49 *Ibid*.

labelling scheme faces several challenges,⁵⁰ including limited public awareness, low market demand for eco-labelled products, ineffective incentive and tax policies, insufficient interest and participation from the business sector, and a shortage of established criteria for eco-labelled products and services.

Figure 2
The Vietnam Green Label Criteria Development⁵¹



To support the development of the Vietnam Green Label scheme, the Vietnamese government has incorporated the concepts of “green growth” and “sustainable consumption and production” (SCP) into a policy called “The Vietnam Green Public Procurement”.⁵² There are four most significant influenced governmental bodies on the implementation of this policy, *i.e.*, the Ministry of Finance, the Ministry of Investment and Planning, the Ministry of Industry and Trade, and the Ministry of Natural Resource and Environment.

The Vietnam Green Public Procurement is regulated by the Prime Minister’s Decision No. 1393/QĐ-TTg of 2012 on Vietnam’s Green Growth Strategy. There are two main objectives expected from the issuance of this decree, namely, to promote eco-labelling and public communication on eco-friendly products, and to study the issuance of regulations on green public expenditure, including investment expenditure and recurrent expenditure of the state budget which must prioritize the procurement and use of eco-labelled goods. In addition, to strengthen the implementation of the SCP as part of the national policy, the Government of Vietnam has issued the Prime Minister’s Decision No. 76/QĐ-TTg approving the National Action Plan on Sustainable Consumption and Production by 2020 with a Vision to 2030. The main tasks assigned by this regulation are to assess the market potential and supply capacity of Vietnamese exporters of green products; to support market access for eco-labelled products; and to promote the implementation of the Vietnam Green Label and other eco-labels.

There are four legal frameworks underlying the formation and the existence of two Prime Minister’s Decisions regarding the Vietnam Green

⁵⁰ *Ibid.*, p. 21.

⁵¹ *Ibid.*, p. 11.

⁵² *Ibid.*, p. 22.

Public Procurement as mentioned above, namely Law on Procurement No.43/2013/QH13, Law on Environmental Protection No. 55/2014/QH13, Decree No. 63/2014/ND-CP (guiding the implementation of Law on Procurement No. 43/2013/QH13), and Decree No. 19/2015/ND-CP (guiding the implementation of Law on Environmental Protection No. 55/2014/QH13).⁵³

However, several challenges are hindering the implementation of green public procurement in Vietnam, including weak enforcement of the legal framework and insufficient coordination between relevant public agencies, a gap between the Law on Public Procurement and the Law on Environmental Protection, and low awareness and capacity on how to integrate green criteria into public procurement. To address these challenges, the Vietnamese government has formulated several programmatic plans, which are: legal framework review and update, capacity building, communication and awareness raising, business/market engagement, and international cooperation.⁵⁴

1.3. Country without national eco-labelling scheme

Within ASEAN region, Myanmar is a typical case as a country without national eco-labelling scheme. Conceptually, Myanmar's development of an eco-labelling policy aims to boost the exportation of its primary commodity goods, namely textile industry products, artisan products, and agricultural products.⁵⁵ Notwithstanding, Myanmar does not presently possess a national eco-labelling scheme. This country permits international independent organizations (such as Earth Check, Green Globe, PEFC, and TCO Development) to grant eco-labelling certifications within the country. Eco-labelled goods in Myanmar mainly derive from foreign manufacturers or exporters. Even though some exporters in Myanmar produce eco-labelled products, most producers are not aware of eco-labelling or do not produce nor demand it.⁵⁶

However, it is worth noting that Myanmar has taken a series of preparatory steps towards developing its own national eco-labelling scheme. As a member of the Asia-Europe Meeting (ASEM), Myanmar has supported the forum's efforts to design their own eco-innovation programmes for the industrial environment. It is becoming an adaptation to the global paradigm that emphasises increasing business competitiveness in an eco-friendly way. During the 2017 ASEM Eco-Innovation Capacity-Building Program, this

53 *Ibid.*, p. 24.

54 *Ibid.*, pp. 33-38.

55 Asia-Europe Meeting (ASEM) SMEs Eco-Innovation Center (2017), '2017 ASEM Eco-Innovation Capacity-Building Program (Myanmar)', p. 11. Retrieved from: <http://www.aseic.org/fileupload/pblctn/15184000921896720997.pdf> [accessed 21 January 2024].

56 *Ibid.*, p. 7.

country is interested in the seven project areas of the capacity-building modules to raise awareness of the eco-innovation programme and build eco-innovation capacity of SMEs in ASEM member countries, specifically the eco-friendly products, technologies and green marketing and eco-labelling.⁵⁷ Regarding the development of eco-labelling, Myanmar is collaborating with South Korea, specifically through the Korea Environmental Industry and Technology Institute (KEITI), the Korea Management Registrations & Assessments Inc. (KMR), and Smart Eco Inc. These three institutions are responsible for formulating national standards, facilitating collaboration with external parties, and designing the relevant regulations on eco-labelling policy in Myanmar.⁵⁸

Based on the history of eco-labelling implementation in the five ASEAN Member states as described above, it can be seen that the standard reference generally used to design eco-labelling policies in each of these countries is based on the ISO 14024 Type 1 Ecolabel. In general, the challenges faced by ASEAN countries in implementing this policy are related to the low level of public awareness to choose or consume eco-friendly products and the voluntary participation of the business sector to verify their products against the eco-labelling scheme. To engage the public and the business sector in these policies, most of these countries are integrating eco-labelling policies into their national development policies, either as part of a sustainable public procurement policy or as part of a sustainable consumption and production (SCP) policy. To manage the eco-labelling scheme, ASEAN Member States delegate the authority to design and monitor the implementation of this policy to an independent body in collaboration with government authorities responsible for environmental management.

2. The concept of eco-labelling policy in the European Union

Prior to the establishment of the eco-labelling scheme in the EU, some EU Member States had already developed their own eco-labelling schemes. However, several problems arose. The landscape of eco-labelling across Europe was fragmented, with each country implementing its own scheme, creating confusion for consumers and inconsistency in environmental standards. This confusion was exacerbated by the presence of over 230 environmental labels, leading to difficulty in distinguishing credible labels amid claims where 53% were found to be vague, misleading, or unfounded, 40% lacked supporting evidence, and half featured weak or non-existent verification.⁵⁹ Additionally, the varied national labelling requirements posed potential trade barriers,

⁵⁷ *Ibid.*, p. 10.

⁵⁸ *Ibid.*, pp. 13–14.

⁵⁹ European Commission, 'Green claims – European Commission'. Retrieved from: https://environment.ec.europa.eu/topics/circular-economy/green-claims_en [accessed 2 January 2024].

acting as non-tariff barriers to international trade. Compounding these issues, some companies engaged in greenwashing, making false or misleading claims about the environmental benefits of their products.

In response to these problems, the EU created an eco-labelling scheme by establishing a unified approach called the European Union Ecolabel, or simply “EU Ecolabel” in 1992, through Regulation (EEC) No 880/992.⁶⁰ The EU Ecolabel is the only official pan-European Type I Eco-Label, which enables it to stimulate the market for sustainable products in a circular economy. It could therefore support the single market for green products and contribute to the EU’s 2050 Climate Neutrality Goal.⁶¹ This eco-labelling scheme meets the criteria definition of ISO 14024 Type I Ecolabel, *i.e.*, it is awarded voluntarily, based on multiple criteria, and verified by an independent third party. The criteria are established through a multi-stakeholder process based on a life cycle assessment.⁶²

Today, the legal basis of the EU Ecolabel is provided in Regulation of the European Parliament and of the Council (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel (referred to as “the EU Ecolabel Regulation”).⁶³ The eco-labelling scheme is managed by the European Commission and EU Member States in accordance with the priorities set out in the Strategic Working Plan for the EU Ecolabel. The European Commission (referred to as “the Commission”) must ensure the proper implementation of the EU Ecolabel Regulation. It has an Expert Group called the European Union Ecolabelling Board (EUEB), which is responsible for developing the criteria requirements for certification of the EU Ecolabel.⁶⁴ The EUEB contributes to the Commission’s assessment of the implementation of the EU Ecolabel. The Board also makes recommendations on the minimum environmental

60 Technically, the EU Ecolabel was established by the European Commission. It is now governed by Regulation (EC) No 66/2010 – this Regulation has repealed Regulation (EEC) No 880/992. Retrieved from: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32010R0066> [accessed 2 January 2024].

61 European Commission, ‘2050 long-term strategy’. Retrieved from: https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2050-long-term-strategy_en [accessed 9 December 2023].

62 EU Ecolabel, ‘Development Process’. Retrieved from: <https://www.eu-ecolabel.nl/en/business/about-eu-ecolabel/development-process/> [accessed 11 July 2023].

63 This regulation has been revised twice, through (i) Commission Regulation (EU) No 782/2013 of 14 August 2013 amending Annex III to Regulation (EU) No 66/2010 of the European Parliament and of the Council on the EU Ecolabel Text with EEA relevance, and (ii) Commission Regulation (EU) 2017/1941 of 24 October 2017 amending Annex II to Regulation (EC) No 66/2010 of the European Parliament and of the Council on the EU Ecolabel.

64 The legal basis for the establishment of the EU Eco-labelling Board (EUEB) is set out in the European Commission Decision of 22 November 2010 establishing the European Union Ecolabelling Board (notified under document C (2010) 7961). Technically, the competences and powers of the EUEB are governed by the Rules of Procedure of the EU Ecolabelling Board (adopted on 11 June 2020).

performance requirements of the eco-labelling scheme.⁶⁵

The procedure for developing and reviewing EU Ecolabel criteria for each product group involves identifying the life cycle phase with the greatest environmental impact.⁶⁶ Subsequently, criteria are formulated to reduce this impact. It is based on scientific studies and consultations with NGOs, consumer interest associations, industry organizations, and businesses. The EU Member states and the Commission must accept these criteria. Once they are published, relevant product manufacturers can apply for the EU Ecolabel. The evaluation and awarding of the Ecolabel lie with independent bodies, also known as “Competent Bodies”, responsible for verifying that all requirements have been fulfilled.

In general, the development of the EU Ecolabel criteria can be initiated and led by several parties, *i.e.*, the Commission, Competent Bodies, EU Member States, and other stakeholders. However, the authority to prepare the final draft of the criteria and related documents lies with the Commission. The criteria documents are prepared considering the advice from the EUEB. Thereafter, the draft criteria must first receive a qualified majority vote from the EU Ecolabel Regulatory Committee. The proposed draft criteria will only come into effect if the Commission gives the final approval by setting out the criteria in a “Commission Decision”.⁶⁷

To apply for the EU Ecolabel, the product applicant must sign a contract with the Competent Body setting out the terms and conditions for the use of the eco-labelling scheme.⁶⁸ The contract shall include provisions for the authorisation and withdrawal of the EU Ecolabel. The standard contract can be found in ANNEX IV of the Regulation (EC) No 66/2010. After the establishment of the contract, the Competent Body has the authority to request the license holder (the applicant) to provide the required documents for the purpose of monitoring the product’s compliance with the criteria and conditions specified in the contract. The Competent Body may also visit the premises of the license holder to ensure that the requirements are met.⁶⁹ As outlined in Article 10 of the Regulation (EC) No 66/2010 on the EU Ecolabel, these measures ensure constant monitoring of the EU Ecolabel to prevent its misuse.

65 European Commission, ‘EU Ecolabel – Community and Helpdesk’. Retrieved from: https://environment.ec.europa.eu/topics/circular-economy/eu-ecolabel-home/community-and-helpdesk_en [accessed 20 January 2024].

66 EU Ecolabel, ‘Development Process’. Retrieved from: <https://www.eu-ecolabel.nl/en/business/about-eu-ecolabel/development-process/> [accessed 11 July 2023].

67 European Commission (Comitology Register), ‘Agenda (18/11/2022) for the meeting of the EU Ecolabel Regulatory Committee of 18 November 2022’. Retrieved from: <https://ec.europa.eu/transparency/comitology-register/screen/documents/085076/1/consult?lang=en> [accessed 9 December 2023].

68 Article 9 (1) and (8) of the Regulation (EC) No 66/2010 on the EU Ecolabel.

69 Article 10 (2), (3), and (4) of the Regulation (EC) No 66/2010 on the EU Ecolabel.

Although the EU Ecolabel Regulation was amended in 2010, there are still problems with the implementation of the Ecolabel scheme. The EU Ecolabel scheme has been criticized for being too complex and confusing for consumers.⁷⁰ It is difficult for consumers to make sense of the many labels on the environmental performance of products and companies. The scheme has also been criticized for not being strict enough in its environmental standards and for allowing companies to self-certify their products as eco-friendly. These criticisms have led to concerns about greenwashing, where some environmental claims are unreliable and consumer confidence in them has become extremely low. A new criterion is therefore needed to prevent companies from making misleading claims about the environmental benefits of their products. To address these concerns, the European Commission proposed the Green Claims Directive (referred to as “EU Green Claims”) in March 2023.⁷¹ As a directive to empower consumers in the era of green transition, the EU Green Claims sets out comprehensive rules for validating green claims and controlling the use of environmental claims across Europe.⁷² These measures support the EU’s Zero Pollution Ambition and sustainable product standardisation by 2030.⁷³

Looking at the history of the implementation history of the EU Ecolabel, the main objectives in designing the standardisation of eco-label among all ASEAN countries (referred to as the “ASEAN Ecolabel”) is to protect consumers from being misled by greenwashing practices. Too many eco-label in ASEAN could confuse consumers by giving them a misleading impression of their environmental impact. It could also become trade barriers between ASEAN Member States, as different Member States have different labelling requirements and criteria. To avoid such mistakes, the ASEAN Ecolabel criteria must steer clear of misleading claims about its environmental benefits. The designated authority responsible for the ASEAN Ecolabel should establish thorough rules to authenticate environmental claims and regulate the application of the eco-label in all ASEAN Member States.

70 Wiemann D. (2023), ‘Green Claims Directive: EU to set strict minimum criteria for communication and substantiation of environmental claims’, *TaylorWessing*. Retrieved from: <https://www.taylorwessing.com/en/interface/2023/greenwashing/green-claims-directive-eu-to-set-strict-minimum-criteria-for-communication> [accessed 9 December 2023].

71 Bichet E. and Amin A. (2023), ‘Think before you claim “green”: The EU’s new Green Claims Directive’, *Cooley Productwise*. Retrieved from: <https://products.cooley.com/2023/03/24/think-before-you-claim-green-the-eus-new-green-claims-directive/> [accessed 7 January 2024].

72 KPMG (2023), ‘European Commission proposes the Green Claims Directive’. Retrieved from: <https://kpmg.com/be/en/home/insights/2023/04/tr-the-green-claims-directive-by-european-commission.html> [accessed 9 December 2023].

73 European Commission, ‘Retailers’. Retrieved from: https://environment.ec.europa.eu/topics/circular-economy/eu-ecolabel-home/retailers_en [accessed 9 December 2023].

3. Designing an integrated eco-labelling standard in ASEAN

Learning from the development of the implementation of eco-labelling schemes in the EU, the effort to design an integrated eco-labelling scheme for many countries in a regional area requires the design of a structurally institutionalised legal system. In order to coordinate and develop the EU Ecolabel, an institution called the EU Ecolabelling Board has been established, whose legal basis is contained in the form of secondary legislation, *i.e.*, European Commission Decision. However, the EU Ecolabel scheme has been criticized for being too complex and confusing for consumers.⁷⁴ Consumers often struggle to understand the plethora of labels indicating the environmental performance of products, and this eco-labelling scheme has been criticised for its lenient environmental standards and for allowing companies to self-certify their products as eco-friendly. The idea proposed by the authors for ASEAN to have a unified eco-labelling standard has long been initiated by several ASEAN Member States through various cross-national cooperation. However, the initiative has not yet materialised as there are still some countries that have not yet established a national eco-labelling scheme. This lack of a scheme is due to the low level of public awareness in these countries. Some examples of cooperation initiated by some ASEAN Member States, both within and outside the region, to develop a unified eco-labelling standard are as follows:

In 2021, the Programme for Endorsement of Forest Certification (PEFC) with the UN-REDD Programme's initiative for the Lower Mekong Region launched a workshop project called "The PEFC FOR-TRADE initiative stands for Forestry and Trade for Development in the ASEAN region".⁷⁵ The project aims to advance forest certification systems in Thailand, Vietnam, Cambodia, and Laos. Workshops in Thailand and Vietnam, which already have PEFC-endorsed schemes, focused on integrating the UN-REDD project and PEFC within ASEAN strategies. In Cambodia and Laos, where no PEFC systems exist, the initiative introduced the UN-REDD and PEFC FOR-TRADE projects to promote certification awareness. Thailand and Laos are cooperating on the development of Laos' national eco-labelling policy that has been proposed since 2022.⁷⁶ It aims to support Laos' local producers to improve the production of goods and services to be more

74 European Commission, 'Green claims'. Retrieved from: https://environment.ec.europa.eu/topics/circular-economy/green-claims_en [accessed 9 December 2023].

75 PEFC (2021), 'PEFC FOR-TRADE progress in the Lower Mekong Region'. Retrieved from: <https://pefc.org/news/pefc-for-trade-progress-in-the-lower-mekong-region> [accessed 3 January 2024].

76 Tanpitak A., 'Thailand assists Lao PDR in its effort to roll out an ecolabel', *Thai-German Cooperation*. Retrieved from: https://www.thai-german-cooperation.info/en_US/thailand-assists-lao-pdr-in-itselfort-to-roll-out-an-ecolabel/ [accessed 20 September 2023].

sustainable, and to enhance the reputation of the country's products in the international market share. Thailand is supporting Laos' efforts to establish an eco-labelling scheme, drawing on Thailand's experience in successfully developing its own eco-labelling scheme since 1994.

In December 2014, UNESCO convened two forums in order to design eco-labelling and ecotourism good practices for biosphere reserve management, *i.e.*, the 8th Southeast Asia Biosphere Reserves Network (SeaBRnet) Meeting and the 2nd Asia-Pacific Biosphere Reserves Network (APBRN) Strategic Meeting.⁷⁷ At those meetings, a proposal was made to provide guidance on the implementation of the Biosphere Reserve Management concept.⁷⁸ In this context, eco-labelling is proposed as a tool to promote green and sustainable economic initiatives within biosphere reserves (referred to as "BR") in Asia and the Pacific. According to UNESCO, eco-labelling schemes for BRs should consider existing national regulations and policies applied in the location of each reserve.⁷⁹ Eco-labelling criteria can adopt national quality standards and existing certification schemes, while also applying additional criteria to ensure the sustainability of the BR.⁸⁰

In 2014, the United Nations Environment Program (UNEP) and the Asian Institute of Technology (AIT) set up a working group for strengthening regional collaboration on eco-labelling in the Asia Pacific region in the context of Green Public Procurement (GPP).⁸¹ This UNEP-AIT collaboration is called "stimulating the Demand and Supply of Sustainable Products through Sustainable Public Procurement and Eco-labelling" (SPPEL) and is funded by the European Commission. The SPPEL project aims to stimulate the demand and supply of sustainable products.⁸² In addition, the policy could serve as a guideline for Asian countries to ensure that businesses in their respective countries are interested in certifying or verifying their products under an eco-labelling scheme. In total, thirteen countries participate in this cooperation, *i.e.*, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam, China, Japan, and South Korea.

From these explanations, it can be seen that the idea of creating the ASEAN Ecolabel could be one of the steps to promote sustainable economic

77 Wulandari A. L., *et al.* (2019), *supra* note 77, p. 1.

78 Purwanto *et al.* (2020), 'Biosphere Reserve Concept Implementation for Creating Sustainability', *Journal of Tropical Ethnobiology*, Vol. 3, No. 1, pp. 43-47. Retrieved from: <http://jte.pmei.or.id/index.php/jte/article/download/7/4/8#:~:text=Biosphere%20reserve%20is%20a%20concept,in%20order%20to%20promote%20a> [accessed 3 January 2024].

79 Wulandari A. L., *et al.* (2019), 'Good Practices on Applying Eco-labelling in Asia and the Pacific Biosphere Reserves', *UNESCO Office in Jakarta*, p. 4.

80 *Ibid.*, pp. 3-6.

81 SPPEL, pp. 6-40.

82 *Ibid.*, pp. 7-20.

growth and development in ASEAN.⁸³ It could enhance the reputation of the green market in the region.⁸⁴ By incorporating eco-labelling into their trade policies, ASEAN Member states could mitigate the negative environmental impacts of increased trade.⁸⁵ An eco-labelling scheme with a single standard would promote the production and consumption of eco-friendly products throughout the ASEAN region. It is expected to create a single market for green products among ASEAN Member states. Additionally, this eco-labelling scheme aims to serve as an economic incentive for businesses, enabling them access to the ASEAN free trade market by offering customs and excise duty relief, support for trade activities, facilitation in the financing sector, guidance for regional trade engagement, along with recognition, awards, and public performance reports.

To contextualise the authors' proposal, a policy paper on the ASEAN Ecolabel will be drafted by a Joint Committee composed of representatives from each ASEAN Member state and administratively supported by the ASEAN Secretariat. The Joint Committee will be established by the ASEAN Economic Ministers Meeting (AEM) through a Memorandum of Understanding (MoU) on ASEAN co-operation in eco-labelling scheme. The Committee will be responsible for coordinating and implementing the development of strategies and action plans to promote the ASEAN Ecolabel under the MoU. The MoU itself will be signed by the AEM. This policy paper will subsequently be adopted as a convention by the AEM as the representatives of each ASEAN Member State. More specifically, the design of the ASEAN Ecolabel includes integrated product coverage, certification criteria and standardization efforts. Furthermore, an independent eco-labelling certification body, the "ASEAN Ecolabel Board," will be established at the ASEAN Secretariat General to oversee the implementation of the Ecolabel and develop certification criteria for products. As an independent body, the Board will make key policy decisions and coordinate the implementation of the Ecolabel, working within the guidelines set by the AEM and comprising representatives

83 Hakim D. B. (2011), 'Economic Growth, Trade and Environmental Issues: Testing Environmental Kuznets Curve', *Economic Journal of Emerging Markets*, Vol. 3, No. 3, pp. 301-302. Retrieved from: <https://journal.uui.ac.id/JEP/article/download/2981/2755/3766> [accessed 3 January 2024].

84 Koesrianti (2013), 'Pembentukan ASEAN Economic Community (AEC) 2015: Integrasi Ekonomi Berdasar Komitmen Tanpa Sanksi', *Fakultas Hukum Universitas Pelita Harapan Law Review*, Vol. XIII, No. 2, pp. 187-191. Retrieved from: https://repository.unair.ac.id/90542/2/3.%20Pembentukan%20AEC%202015_Tanpa%20Sanksi.pdf [accessed 3 January 2024].

85 United Nations Environment Programme (UNEP), 'Eco-labelling'. Retrieved from: <https://www.unep.org/explore-topics/resource-efficiency/what-we-do/responsible-industry/eco-labelling> [accessed 15 January 2024].

from the AEC, national government representatives from each ASEAN member state, Competent Bodies, the press and industry stakeholders.

The duties and powers of the Board will be implemented through a representative body located in each ASEAN member state called the “Competent Body”. The Body could be a government institution or an independent third party appointed by each ASEAN country. It is responsible for managing the development and implementation of the ASEAN Ecolabel at the national level. The Competent Bodies shall serve as the liaison institution between the ASEAN Ecolabel Board and each applicant in monitoring the standardization activities of the ASEAN Ecolabel in each ASEAN Member State. The “Competent Body” is also authorized to verify the compliance of products with the criteria developed by the ASEAN Ecolabel Board. All Competent Bodies will meet periodically in order to exchange experiences and to ensure the consistent implementation of the policy in each country.

In order to develop a monitoring and enforcement mechanism for the implementation of the ASEAN Ecolabel, products should apply to the Competent Bodies to be certified under this eco-labelling scheme. In order to use the ASEAN Ecolabel, products must apply through the Competent Bodies and comply with a number of rules, with details as follows: (i) products from a single ASEAN member state must apply to the Competent Body in that state, (ii) products common to several ASEAN member States may apply in any one of them, and (iii) products from outside ASEAN must apply in each ASEAN member state where they are marketed. Once the application is approved, the applicant and the Competent Body will sign the contract for the use of the ASEAN Ecolabel. The contract would include provisions for the approval and withdrawal of the eco-label. The contract serves as the legal basis for using the ASEAN Ecolabel, contingent on the applicant’s compliance with its terms. The Competent Bodies assess and award the eco-label after verifying that all requirements are met. They may also request documentation and inspect the applicant’s premises to ensure compliance.

Conclusion

The existence of integrated ecolabelling standardization in ASEAN has the potential to achieve ASEAN’s regional development goals as outlined in the “ASEAN Vision 2045”. Regional cooperation on eco-labelling could facilitate the exchange of best practices, standardize policies, and promote mutual recognition of eco-labelling initiatives. Thus, to standardize ecolabelling across ASEAN, three critical steps must be undertaken: First, the ASEAN Economic Community, notably through the ASEAN AEM, should draft and adopt a policy on standardization to support the AEC Ecolabel, ensuring it becomes legally binding. Second, Member states are

advised to introduce sustainable procurement policies, like the Government Green Procurement (GGP) project, facilitating the adoption of the ASEAN Ecolabel. Lastly, an independent “ASEAN Ecolabel Board” should be established, with its authority executed locally through a “Competent Body” in each Member State, to manage the scheme effectively. ●

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Author Contribution

All authors contributed to the study conception and design. All authors read and approved the final manuscript.

Declarations

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