ADVANCING SDGS THROUGH BUSINESS IN JAPAN

CONFERENCE ON ASIA-EUROPE SUSTAINABLE DEVELOPMENT GOALS AND FINANCING:
NO LONGER BUSINESS AS USUAL
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On the Government side ..... 

The SDGs Promotion HQs set up in the Cabinet Office
SDGs Implementation Guiding Principles adopted 

- Established in May 2016 to guide Japan’s implementation on SDGs. The chair is Prime Minister Shinzo Abe and all Ministries are members.
- A series of round table meetings, involving experts from the government, business, civil society, academia and others, held.
- SDGs Implementation Guiding Principles adopted in December 2016.
- The following are expected from 2017;
  - Linking SDGs to domestic measures of each ministry;
  - The establishment of a platform to measure progress by various stakeholders;
  - The round table meetings.

The official structure is there but how can this HQs assist Japanese business to take actions conducive to achieving the SDGs?
On the business side...

• KEIDANREN (Japan Business Federation) is reviewing its Charter of Corporate Behavior and its Implementation Guidance in coming months to reflect SDGs in these key documents.

• Could be a very powerful force for SDGs implementation by Japanese companies.

KEIDANREN is the most influential Japanese business organization with a membership of 1,350 companies, 109 nationwide industrial associations and 47 regional economic organizations.
Some examples: Weather Index Insurance

- Sompo Japan provides insurance in South East Asia against climate related risks to agriculture.

- Weather index insurance in Thailand in 2010 for rice farmers who might suffer losses when their crops are damaged by drought.

- ‘Typhoon Guard Insurance’ in the Philippines, which aims to alleviate the losses borne by agricultural producers when affected by typhoons.

- Weather index insurance to alleviate losses suffered by farmers due to drought in Myanmar, and similar products for Indonesia.

- These insurance services are expected to contribute to the attainment of SDG1 (poverty), SDG 2 (hunger), SDG 13 (climate change) and SDG 17 (partnerships).
**Chocolate and forest preservation in Indonesia**

- In Sulawesi Island, Indonesia deforestation was a problem due to slash-and-burn corn agriculture.
- The project promoted the planting of cacao plantations instead of corns. Working with a Japanese chocolate company, provided technical guidance to local farmers to help them produce high-quality cacao.
- A REDD+ business utilizing Japan's joint crediting mechanism (JCM) with support from the Japanese MoE.
- Reduced GHG emissions through forest and biodiversity preservation by enhancing livelihoods of local populations.
- The project contributed to the attainment of [SDG1 (poverty)], [SDG8 (decent work)], [SDG 13 (climate change)], [SDG 15 (biodiversity)] and [SDG 17 (partnerships)].
Ensuing questions ....

• Why are these products and services conducive to achieving SDGs happening in some companies and not others?
  – Commitment of the top management is a critical factor
  – The awareness on SDGs of Japanese business leaders is quite low at 28%

• The services and products which contribute to achieving the SDGs are not always very profitable, and often with the aid of the government. Why do these companies still continue to pursue this?
  – Making a good brand image is important, especially in a country where the company is not well known. This will help create a market for its other products and services.
“Japanese business and SDGs on the move〜Perspectives from Japanese companies”

- Conducted interviews and a survey on actions on SDGs by Japanese companies/organizations
- Introduced 11 cases of progressive companies
- Recommendations for various stakeholders to promote action by Japanese companies
More than half (54%) are at the stage of Step 1 “Understanding SDGs”, 22% at Step 2 ”Defining Priorities”, 10% at Step 3 ”Setting Goals” and Step 4 ”Integrating”.

Progress in terms of Steps suggested by SDG Compass
< At which Step is your company at the moment? >
(Only those companies and organizations which use the SDGs Compass responded)
GCNJ Members see the promotion of SDGs as “increasing and enhancing values (sales and branding)” (79%), “enhancing relations with stakeholders” (57%), “new business opportunities” (57%), “not important” (4%)

Recognition of SDGs:  <Q:How does your organization recognize the SDGs?>

- 社会と市場の安定化において重要と考えている: 49%
- 新たなビジネスチャンスと捉えている: 57%
- 持続可能性に関わる企業価値の向上において重要と考えている: 79%
- ステークホルダーとの関係強化の上で重要と考えている: 57%
- その他: 6%
- 重要とは考えていない: 4%
From 2015 to 2016, heightened awareness in the CSR division from 61% to 84%. Awareness became fairly high in the CSR division in one year time.
Many Japanese companies started to use SDGs for stocktaking of the existing corporate principles and activities.

A limited number of Japanese companies integrate SDGs into their core business.

Some companies set time bound goals and targets in their core business.

In many cases, implement activities through public-private partnerships and multi-stakeholder collaboration.

It will be important to consider cross sectoral synergies and scale up the activities.
**ROLE OF OTHER STAKEHOLDERS?**

- **Investors**: make a trend to promote SDGs implementation by companies. Check a company’s position on SDGs and its efforts when deciding to invest. ESG to SDGs?

- **UN and Research Organizations**: share information on progressive cases and inform stakeholders on international trend in a timely manner, assist them to integrate SDGs in their planning, monitoring and review.

- **Civil Society Organizations**: seek opportunities for collaboration among stakeholders and support companies and governments and others in partnership building, implementation and awareness raising etc.
CONCLUSIONS

- SDGs implementation is still government-led and of formality in Japan and companies are seeking more concrete and practical guidance from the government. Stakeholders need to be truly motivated.

- Some companies are already on the move even without governmental guidance as they see SDGs as business opportunities (e.g. branding, exploring a new market).

- Not all ministries are on board evenly in a substantive way. Need clearer and stronger message and pressure from the Promotion Headquarters and other stakeholders (e.g. consumers)

- Linking SDGs and Japan’s domestic priorities is crucial. SDGs are not just a development agenda for developing countries.
Mainstreaming the environmental SDGs into national development plans: IGES is working with the ADB to recommend tools and approaches that can help countries integrate the environmental SDGs into development planning in Asia.

Localizing the SDGs: IGES is working with subnational actors, ranging from cities to forested communities, to achieve multiple goals in and across boundaries.

Visualizing SDG interlinkages: The IGES has developed a web tool to examine SDG interlinkages for nine countries in Asia.

SDGs and Sustainable Consumption and Production: IGES is working on a global survey of national policies linking sustainable consumption to the SDGs. IGES will further examine policy instruments, case studies, and data needed to achieve SDG 12, both as a goal and a cross-cutting theme.
THANK YOU!!