

Japan's policy and public-private initiatives towards sustainable supply chains

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Outline



1. Global commitment to promoting sustainable agricultural supply chains
2. Strategy for Sustainable Food Systems, MIDORI
3. Food industry action and government support
4. Enhanced Linkages between Private sector and Small-scale producers (The ELPS Initiative)
5. Sustainable Wood Use and International Cooperation

Global commitment to promoting sustainable agricultural supply chains



- ✓ Sustainable food systems require equal attention to economic, social, and environmental sustainability, and it is necessary to enhance both sustainability and productivity.
- ✓ It is essential to address a wide range of challenges along the entire value chain, from production to consumption.
- ✓ Effective responses require global cooperation among a wide range of stakeholders from public & private sectors and international organizations, combining public policies with private voluntary actions and various mechanisms such as third-party certification schemes.

2023 April G7 Agriculture Ministers' Communique (excerpt), under Japanese presidency

25. We recognise that there are different rules, voluntary guidelines and private-sector standards addressing responsible and sustainable agricultural supply chains and the need for coherent understanding and complementary approaches while recognizing different national circumstances. We reaffirm our commitments to promote the continued transition to sustainable agricultural supply chains and increase our support for sustainable supply chains that decouple agricultural production from deforestation and forest degradation in this regard.

Strategy for Sustainable Food Systems MIDORI

~ Innovation will be the key to enhance both productivity potential and sustainability~

“MIDORI,” the medium-long term strategy will pave the way for the future.

- Enhancing engagement of stakeholders at each stage of food supply chains
- Promoting innovation to reduce environmental burden

Challenges

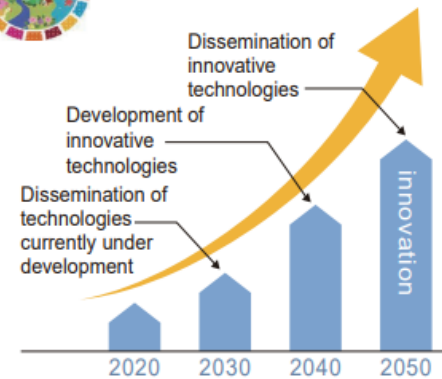
- Depopulation and aging of producers
- Stagnant rural communities
- Climate change and increasing natural disasters
- Disrupted supply chains due to the COVID-19
- Achievement of SDGs

Key Performance Indicators by 2050

- ➔ Zero CO₂ emission from fossil fuels combustion in the agriculture, forestry and fisheries sectors
- ➔ 50% reduction in risk-weighted use of chemical pesticides by dissemination of the Integrated Pest Management and newly-developed alternatives
- ➔ 30% reduction in chemical fertilizer use
- ➔ Increase in organic farming to 1Mha (equivalent to 25% of farmland)
- ➔ At least 30% enhancement in productivity of food manufacturers (by 2030)
- ➔ Sustainable sourcing for import materials (by2030)
- ➔ 90% and more superior varieties and F1 plus trees in forestry seedling
- ➔ 100% of artificial seedling rates in aquaculture of Japanese eel, Pacific bluefin tuna, etc.



Zero-emission Sustainable Development



which will be enabled through:

- development and dissemination of innovative technologies
- greening of MAFF's policy tools

MAFF endeavors to accomplish the triple win of;

Economic sustainability



Ensure robust and resilient food industry

Social sustainability



Improve livelihood, promote balanced diet

Environmental sustainability



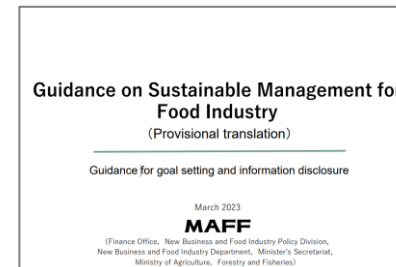
Save global environment for the future generation

KPI: 100% Sustainable sourcing for import materials in 2030

Food industry action and government support (1)



- ✓ Establishment of multiple initiatives
 - ✓ Public-private Roundtable on Sustainable Food Production and Consumption (2021-); ESG/Human Rights Working Group (2022-)
 - ✓ Food Supply Chain Public-private Partnership Platform (2022-)
- ✓ Development of multiple guidebooks based on international principles
 - ✓ Guidebook for Respecting Human Rights in Food Enterprises (2023)
 - ✓ Guidance on Sustainable Management for Food Industry (2023)



Food industry action and government support (2)



- ✓ Promotion of collaboration with raw material producing countries
 - ✓ Support for obtaining international certifications and establishing traceability in producing countries to improve local producers' incomes.
 - ✓ For example, Japanese chocolate industry stakeholders and experts have been dispatched to Ghana to hold workshops with local suppliers, cocoa producers, the local government, and NGOs, as well as to conduct technical training sessions for local farmers.
(2022-)



Cooperation with the IFAD: The ELPS Initiative



- ✓ While an increasing number of companies are taking initiatives to building sustainable supply chains, many companies face difficulties, especially in developing countries, where they do not have networks with small producers, and their initiatives do not proceed smoothly.
- ✓ In April 2023, the Ministry of Agriculture, Forestry and Fisheries (MAFF, Government of Japan) announced the launch of 'Enhanced Linkages between Private sector and Small-scale producers (ELPS)' as a G7 Presidency's initiative, implemented by International Fund for Agricultural Development (IFAD).
- ✓ By matching the extensive networks that IFAD has cultivated in rural areas in developing countries since its foundation with the needs of private sector in developed countries, Japan aims to contribute to building sustainable supply chains.
- ✓ The first pilot project will be launched shortly...





Enhanced Linkages between Private sector and Small-scale producers (ELPS)

BACKGROUND

In April 2023, the Ministry of Agriculture, Forestry and Fisheries (MAFF, Government of Japan) announced the launch of 'Enhanced Linkages between Private sector and Small-scale producers (ELPS)' as a G7 Presidency's initiative, implemented by IFAD.



The ELPS initiative aims to transform small-scale producers' farming in a sustainable manner and to improve their productivity and market access by **catalyzing private sector engagement and investment in agriculture and food systems**. It has a specific focus on connecting small-scale producers and private sector companies, leveraging the extensive networks that IFAD has cultivated in rural areas in developing countries since its foundation.

EXPECTED OUTCOMES

The objective of collaboration under ELPS is to develop the supply chain of agri and food companies that source internationally, through supporting smallholder producers to integrate into global supply chains. Supply chain development means increasing supply volumes and quality, as well as enhancing the sustainability of the overall supply chain with due consideration for environmental impacts and human rights. ELPS aims for win-win partnerships, with measured benefits both on the private sector and smallholder producer level.



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OUR ELPS PARTNERS

ELPS partners with **food, agri and trading companies involved in global supply chains**. A particular focus is consumer-facing companies (in the FMCG sector), as our partnerships are especially useful in creating benefits on both sides.

Private sector partners will contribute to building sustainable supply chains, through sourcing agri produce from regions and crops relevant to **past or current IFAD project work**.



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WHAT'S IN A PARTNERSHIP?

Any partnership between a company and IFAD is based on the idea of **joint investment**. IFAD invests into preparing and equipping smallholder suppliers for the quality and commercial standards required, and the partner company invests into expanding its supply chain (collection, logistics, processing etc.). **IFAD cannot fund any private sector activities directly**. For all procurement of products or services, **IFAD initiates an open tender process** according to its standard procurement policies and regulations. The budgets involved are determined on a case-by-case basis and depend on the scale and content of development activities.



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Collaborations should be set up with a commitment for **several years**, as most results will take some time to materialize. They will be initiated between various partners, including the company, IFAD, the donor (Government of Japan), and any other relevant supply chain partners. **Activities and results will be published** as part of IFAD's and Government of Japan's efforts to promote its development efforts.

COLLABORATION STEPS

Collaborations are set up through various steps:

1. Both partners agree on crops and countries/regions for supply chain development.
2. Both partners then agree on a first, high-level workplan and a high-level estimate of budget.
3. Determine the target producers (and/or organizations) and the division of activities between the company(ies) and IFAD.
4. Conduct a (joint) field visit to assess the needs on the ground and conduct due diligence.
5. Develop a detailed project design proposal and submit to the donor.
6. Project implementation with periodic progress reporting to the donor.

WHO ARE WE?

The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations dedicated to eradicating poverty and hunger in rural areas of developing countries. Since its establishment in 1977, IFAD has partnered with numerous governments, NGOs, and the private sector to foster economic growth and social development in rural communities worldwide.

WHERE IFAD WORKS



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International Cooperation on Sustainable Forest Management and Wood Use



- ✓ With a long history of using wood in its culture, Japan has been promoting sustainable forest management and wood use worldwide for many years.
- ✓ Japan has supported 173 technical cooperation projects in the forest and forestry sectors through JICA. (2023)
- ✓ Japan has actively addressed illegal logging and related trade through collaboration with ITTO & FAO and at the APEC Expert Group (EGILAT).
- ✓ To combat illegal logging, Japan also introduced the Clean Wood Act for promoting the distribution and use of legally harvested wood and wood products. (2023 revised)



Collaborative Partnership on Forests

SUSTAINABLE
WOOD *for a*
SUSTAINABLE
WORLD



#sw4sw
#woodisgood



POLICY BRIEF
Encouraging greater domestic use of
legal and sustainable tropical wood

Lessons from experiences in Southeast Asia

The Act on Promotion of Use and Distribution of Legally-Harvested Wood and Wood Products (Clean Wood Act) (*provisional translation)

Definition **Wood and Wood Products (Article 2-1)**
Wood, and Goods which are manufactured from wood as a major raw material and are designated by a Ministerial Ordinance, including furniture and paper (excluding recycled goods)
Legally-Harvested Wood and Wood Products (Article 2-2)
Wood which are made by processing timber harvested in conformity with relevant laws and regulations of the country of harvest, and Goods which are manufactured from above-mentioned wood as a major raw material and are designated by a Ministerial Ordinance, including furniture and paper (excluding recycled goods)

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| <p>Government</p> <ul style="list-style-type: none"> ① Develop Fundamental Policy (Article 3) ② Establish standards of judgement for Wood-related Business Entities (Article 4) ③ Provide guidance and advice (Article 7) ④ Request reports and undertake on-site inspections (Article 33) <p>Responsibilities of the Government (Article 4)</p> <ul style="list-style-type: none"> • Secure necessary funds • Gather and provide information • Disseminate the registering system • Enhance understanding by entities and citizens ⑤ Promote international cooperation (Article 32) | <p>Entities</p> <ul style="list-style-type: none"> ① Responsibilities of entities: Entities shall make efforts to use legally-harvested wood and wood products when they use wood and wood products (Article 5) <p>Wood-related Business Entities</p> <ul style="list-style-type: none"> • Entities who manufacture, process, import, export or sell (including sales to consumers) wood and wood products, entities who construct buildings and other structures using wood, and entities designated by a Ministerial Ordinance who use wood and wood products for their operation (Article 2-3) <p>Registered Wood-related Business Entities</p> <p>Wood-related Business Entities who take appropriate measures to secure use of legally-harvested wood and wood products may use the name of "Registered Wood-related Business Entities" by registration (Article 8, 13-1)</p> <p>* Entities who use the name of the "Registered Wood-related Business Entities" or confuse similar names without registration is subject to penalties (Article 13-2, 37)</p> |
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Apply → Register → Registering Organizations [Chap. 5]

Note: This Act came into force on May 20, 2017.