Since 2017, Japan has worked towards making public procurement more sustainable, transparent, fair and in line with the UN Guiding Principles on Business and Human Rights.

As a member of the World Trade Organisation’s Agreement on Government Procurement, Japan has developed numerous domestic laws and ordinances for procurement procedures. These include the Accounts Law (Law No. 35 of 1947), Cabinet Order concerning the Budget, Settlement of Account and Accounting (Imperial Ordinance No. 165 of 1947), and the Local Autonomy Law (Law No. 67 of 1947), among other laws and regulations.

Japan has also committed to the implementation of the UN Guiding Principles on Business and Human Rights, which among other reasons, is an effort to increase transparency and fairness in its procurement procedures.\(^1\)

In 2016, Japan announced it would develop a National Action Plan (NAP) over the following years, as part of the country’s commitment to the implementation of the UN Guiding Principles on Business and Human Rights. The NAP is one of the concrete measures under Japan’s Sustainable Development Goals (SDGs) Implementation Guiding Principles.\(^2\)

In 2018, the Government of Japan undertook a baseline study with the aim of capturing the extent to which current legislation and policies provide transparency and fairness in business processes. As part of this, the Government held consultations on public procurement processes and legislations, such as the Act on Promoting Green Procurement.

The Cabinet-approved “Growth Strategy 2018”, which set out the Government’s objectives for economic growth and progress, also listed the NAP formulation process as an important measure that encourages Japanese companies to advance initiatives on transparency and fairness in the context of public procurement.

These are essential preconditions for containing corruption in public procurement. In July 2019, after taking into account the findings from consultations, the Government identified transparency and fairness in the procurement processes as one of the key considerations of the NAP for business and human rights.\(^3\)

As a result of these initiatives, the Tokyo Organising Committee for Olympic and Paralympic Games (TOCOG) developed a Sustainable Sourcing Code to ensure the sustainability as well as economic rationality of all goods and services procured by the organising committee.\(^4\) The Code also clarified the criteria and operating methods by which such goods and services shall be procured.

This means that TOCOG will ensure that procurement for the development of related infrastructure is aligned to international agreements and codes of conduct in relevant fields of sustainability (including the SDGs, ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, which includes ILO core labour standards, OECD Guidelines for Multinational Enterprises, and United Nations Guiding Principles on Business and Human Rights), and in consideration of environmental issues, promotion of fair business practices, and invigoration of regional economies.

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\(^2\) Target 7 of Goal 12 of the UN Sustainable Development Goals (SDGs) includes “Promoting public procurement practice that is sustainable”.
