

**TRADE AND AGRICULTURE DIRECTORATE
COMMITTEE FOR AGRICULTURE**

Cancels & replaces the same document of 3 November 2020

**OECD-FAO GUIDANCE FOR RESPONSIBLE AGRICULTURAL SUPPLY
CHAINS****Implementation Plan 2020-2022 (24 months)**

This document presents the final implementation plan for the OECD-FAO Guidance on Responsible Agricultural Supply Chains, developed by the OECD and FAO together with the multi-stakeholder Agricultural Advisory Group (AG) on responsible agriculture supply chains, and approved by the Investment Committee (IC) and the Committee for Agriculture (COAG) through written procedure on 16 October 2020.

This is a cancel and replace version, changing from Official use to Unclassified.

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Implementation Plan for the OECD-FAO Guidance on Responsible Agricultural Supply Chains (2020-2022)

1. The [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#) (OECD-FAO Guidance), has been developed to help enterprises observe existing standards for responsible business conduct along agricultural supply chains, promote risk-based due diligence to identify, prevent and address risks along the value chain and contribute to sustainable development. The OECD-FAO Guidance contributes to the achievement of the 2030 Agenda and several of the Sustainable Development Goals (SDGs), including in particular SDG 1, 2, 5, 8, 10, 12 and 15. The OECD-FAO Guidance is the subject of the OECD Recommendation on the OECD-FAO Guidance for Responsible Agricultural Supply Chains [[OECD/LEGAL/0428](#)] (hereafter, the “OECD Recommendation on the OECD-FAO Guidance”), in which the OECD Council calls on governments to promote the use of the Guidance and actively support the adoption of the model enterprise policy by enterprises operating in or from their territories.

2. This note, prepared by the FAO and OECD secretariat, outlines proposed actions to support the implementation of the OECD-FAO Guidance following the 2018/2019 OECD-FAO pilot project. It is governed by the principles of the Pro-Active Agenda, builds on the original implementation plan of the OECD-FAO Guidance [COM/DAF/TAD(2015)3/REV2], and incorporates the recommendations from the 2019 pilot, and the multi-stakeholder Agricultural Advisory Group. This note has also benefited from oral and written feedback from the delegates from the Committee for Agriculture (COAG)’s Working Party on Agricultural Policies and Markets (APM) and delegates from the Investment Committee (IC)’s Working Party on Responsible Business Conduct (WPRBC). The proposed actions in this note require funding via voluntary contributions, which the OECD and FAO secretariat is actively seeking.

3. In April 2020, the COAG approved its Programme of Work and Budget (PWB) for 2021-2022 [TAD/CA(2020)1/REV2]. In that document, the role of responsible business conduct (RBC) was recognised as central to the achievement of the overarching goal of “a productive, sustainable and resilient food system.”¹

4. This note includes targeted actions with strategic partners who can scale-up implementation and act as multipliers of Responsible Business Conduct (RBC). Strategic partners include:

- *Government agencies and regulators.* The recommendations of the OECD-FAO Guidance could be integrated in emerging regulations and policies to promote RBC and due diligence. During the October 2019 OECD-FAO Roundtable for Responsible Agricultural Supply Chains, this was identified as the highest priority by stakeholders in an informal poll conducted during the meeting. In addition, National Contact Points for Responsible Business Conduct (NCPs) efforts to promote the OECD-FAO Guidance and address specific instances could be strengthened through capacity building and relevant communications tools
- *Investors, industry standard setters and certification groups.* These market actors have significant leverage to catalyse RBC practices in global agricultural supply chains as they have the means to influence and shape the behaviour of businesses.

¹ In particular §31 on the “need to capture the environmental and social impacts of trade and investment through our work on responsible business conduct (RBC)”; §35 on “looking at transboundary impacts on the people and planet through global supply chains through our work on RBC” and §43 on the “implementation of due diligence for RBC in specific sectors and along the supply chain... (including)... strengthening NCPs.”

By aligning their approaches, certification practices, codes of conduct and investment decisions to the OECD-FAO Guidance, there can be significant global coherence and uptake

- *Commodity traders, exchanges, national importers/exporters and retailers.* The increased awareness of the OECD-FAO Guidance amongst this group is critical to mainstream RBC actions and engage upstream supply chain actors in due diligence actions
 - *Inter-governmental and regional organisations.* Organisations and groups such as the UN, the G7 and the G20, shape the global agenda on sustainability and responsible business. It is important to reference the OECD-FAO Guidance as an instrument to help achieve these shared goals. Efforts should also be continued with regional bodies such as the EU, APEC, ASEAN, and others, who are increasingly looking to integrate sustainability and RBC goals in their approaches and frameworks
 - *Civil society and unions.* More needs to be done to integrate the perspectives of affected communities (including worker representatives) into the promotion and monitoring of the recommendations of the OECD-FAO Guidance
5. Implementation actions for the next two years should focus on promoting implementation and uptake of the OECD-FAO Guidance at scale. Actions should promote and clarify due diligence expectations in line with the OECD-FAO Guidance and avoid duplication of efforts. In order to achieve this goal, six priority actions have been identified.

Priority Action 1: Integration of OECD-FAO recommendations on due diligence into regulatory frameworks and industry standards

6. Stakeholders in the 2019 OECD-FAO Roundtable identified this action as a high priority.

The OECD and FAO can provide:

- Technical advice on global standards on due diligence in the sector, to include the 5-step framework on due diligence of the OECD-FAO Guidance and other elements of the guidance, including, but not limited to, recommendations on environmental protection and the sustainable use of natural resources (e.g. risk mitigation measures related to climate change, biodiversity loss and deforestation) and tenure rights over and access to natural resources. The emerging guidance on Socially Responsible Fish Supply Chains, led by the FAO, is an example
- Integration of the OECD due diligence framework into existing industry standards by collaborating with standard-setting organisations such as ISEAL, ISO and others. These organisations typically have a leverage with their members who are certification programmes. ISEAL members include for example the Aquaculture Stewardship Council, Bonsucro, Fairtrade International/Max Havelaar, Fairtrade USA, Global Coffee Platform, LEAF, Marine Stewardship Council, Rainforest Alliance, RSPO (Roundtable on Sustainable Palm Oil), Roundtable on Sustainable Bio Materials and the Sustainable Agricultural Network
- Integration of the OECD-FAO Guidance approach into public procurement of food and agricultural related commodities/products with public procurement policy makers and practitioners, in coordination with the Public Governance Committee's Working Party of the Leading Practitioners on Public Procurement (LPP)

7. In addition, the OECD Centre for Responsible Business Conduct (RBC Centre) can provide:

- Technical advice on emerging regulation on due diligence in the agri-food sector, including certain commodity chains (e.g. cocoa, cotton, palm oil, soy and sugar), building on the experience of due diligence regulations in other sectors. The ongoing discussions with relevant EU bodies on due diligence and corporate governance and the recently adopted Communication from the Commission entitled “A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system”².

8. Desired outcomes:

- Coherence in regulations and standards in responsible agricultural supply chains and due diligence
- Increased uptake of the OECD-FAO Guidance recommendations by business

Priority Action 2: Conduct alignment assessments of certification schemes in selected commodities

9. Within the agricultural sector, there is growing interest in conducting alignment assessments³ of certification schemes from selected industry initiatives. Numerous stakeholders as well as the RBC Centre have identified this action as a priority. A series of alignment assessments could promote alignment to the OECD-FAO Guidance in commodities such as soy, sugar, cocoa, palm oil and beef. A decision on which certification scheme could be part of an assessment will depend on interest and support from the sector and scheme holders.

10. Deliverables:

- One alignment assessment tool and methodology for the agricultural sector
- Three pilot alignment assessments – each with a different certification group in agriculture
- A report analysing and reflecting on the gaps and ways policy makers can support convergence and alignment of certification schemes to the OECD-FAO Guidance; and ways in which the certification groups can be better aligned with the OECD-FAO Guidance

11. Desired outcomes:

- Greater understanding of how certification schemes meet the OECD-FAO Guidance and support company due diligence
- Improved trust and credibility of certification initiatives, with a better understanding of how companies and governments can rely on them

² COM(2020) 381 final of 20 May 2020

³ Alignment assessments evaluate how the written policies and procedures of an initiative align to the recommendations of the OECD due diligence process. They also assess whether these policies and their implementation support due diligence which meets the more intangible effectiveness criteria of being risk-based, proactive and appropriate to the circumstances, amongst others.

- Strengthened basis for mutual recognition and acceptance by government and industry of certification or other schemes
- Strengthened effectiveness of certification schemes to address adverse impacts and promote responsible agricultural supply chains

Priority Action 3: Develop communications materials on the OECD-FAO Guidance in multiple languages, and integrate references of OECD-FAO Guidance in international fora

12. Feedback from pilot participants and stakeholders identified a need for user-friendly, engaging communications materials on the OECD-FAO Guidance. This action proposes to develop a suite of communications products and key messages to be used online, in video and in-print to explain the OECD-FAO Guidance and highlight key themes to a non-technical audience. The 2019 [OECD-FAO Guidance and the SDGs](#) brochure as well as the [online interactive OECD Minerals guidance](#) serve as models. Communication products should reflect the needs of users such as NCPs, civil society, worker representatives and business and be available in multiple languages, ideally the six UN official languages.

13. Deliverables:

- One online interactive guide on the OECD-FAO Guidance (see [online interactive OECD Minerals Guidance](#))
- A compendium of communications pieces (print, online and/or video) on the OECD-FAO Guidance on specific topics (e.g. risk-based due diligence, public reporting, access to remedy, gender and due diligence; integrating stakeholder perspectives into due diligence; climate change and due diligence, etc.)
- A joint FAO-OECD website on responsible global agricultural supply chains that could provide access to the above resources and play the role of a knowledge platform

14. Desired outcomes:

- Increased awareness of the OECD-FAO Guidance recommendations on due diligence by key stakeholder groups such as business (including industry associations), government agencies (NCPs as well as public procurement), unions and civil society
- More effective communications of the OECD-FAO Guidance by NCPs, government agencies, regional authorities, civil society, unions, industry associations and business in promoting responsible agricultural supply chains and due diligence throughout the agricultural supply chain

15. The OECD and FAO secretariats will continue to use existing global meetings such the annual Global Forum on Food and Agriculture (GFFA), G20, the Committee on World Food Security, and other fora to raise awareness, bring findings from the implementation process, support coherence and convergence on due diligence in agricultural supply chains. Furthermore, by being a collaboration with the FAO, the OECD-FAO Guidance has a natural role with regard to preparations for the forthcoming UN Food Systems Summit in 2021.

16. An OECD-FAO Roundtable on Responsible Agricultural Supply Chains could help maintain visibility of the implementation work. This would keep up the momentum and create opportunities to cross promote tools and research from related activities. Related activities include for example the FAO Umbrella Programme Enhancing Responsible Investment in Agriculture and Food Systems, FAO's activities on responsible value chains for tropical commodities, the G20 Framework for Responsible Agricultural Investments, the OECD Trade and Agricultural Directorate's work on Food Systems and UN actions on food security and sustainable food systems. The OECD-FAO Roundtable could be organised on the margins of or back to back with meetings such as the annual OECD Global Forum on Responsible Business Conduct, OECD Global Forum on Agriculture, World Food Week and the Committee on World Food Security meeting at the FAO.

17. Deliverables:

- OECD and FAO representation at key conferences related to responsible food and non-food agricultural issues
- An annual OECD-FAO Roundtable on Responsible Agricultural Supply Chains, open to all stakeholders, with travel support for civil society participation

18. Desired outcomes:

- Promote collaboration and coordination across multiple related work stream and activities at the global level
- Maintain momentum and increase engagement of stakeholders in the OECD-FAO Guidance implementation programme

Priority Action 4: Conduct training on risk-based due diligence

19. Training on risk-based due diligence remains a priority for business as well as NCPs, governmental agencies (public procurement), trade unions and civil society. This action would build on the *OECD E-Learning in Risk-Based Due Diligence for RBC* developed under the EU-funded Responsible Supply Chains in Asia (RSCA) programme. Collaboration should be prioritized with the FAO RAI Umbrella Programme's e-learning programme and the ILO Turin Training Centre, as well as national and regional academic centres, and training institutions to promote coherence and global dissemination.

20. Deliverables:

- One set of training modules on risk-based due diligence for policy makers (in particular NCPs)
- One set of training modules on risk-based due diligence targeted to industry associations or groups who work with SMEs and/or cooperatives
- One set of training modules on risk-based due diligence targeted civil society and unions

21. Desired outcomes:

- Trained cadre of strategic groups on due diligence who can in turn train their members, clients and networks
- Coherence across international groups promoting RBC and due diligence in agricultural supply chains

Priority Action 5: Measure progress of uptake of the OECD-FAO Guidance by Adherents, and develop indicators of impact of due diligence

22. The OECD Recommendation on the OECD-FAO Guidance instructs the OECD's Investment Committee (IC) and the Committee for Agriculture (COAG) to monitor the implementation of the Recommendation and to report to Council no later than five years following its adoption. The first report to Council for the OECD-FAO Guidance is due in 2021. In addition in 2021, the IC will prepare four additional reports to Council which seek to monitor the implementation of Recommendations on due diligence guidance in other sectors. The OECD secretariat has developed a single survey covering the five sectoral instruments (a section of the survey contains questions relevant to the OECD-FAO Guidance) to gather input in a coordinated manner. The survey will be launched in September 2020 with a goal to finalise the report by the end of 2021. Delegates from the WPRBC are invited to be the primary point for collecting inputs on the questionnaire at the national level. Delegates from the APM are invited to coordinate with WPRBC delegates to provide input and help complete the questionnaire. The final report to the Council will be approved by the IC and COAG. The FAO could report to the Committee on World Food Security (CFS) at its annual meeting in October or to the CFS Secretariat.

23. Beyond reporting to the OECD Council and FAO, this work could also be used to help feed into a set of indicators and a methodology to measure the uptake and impact of due diligence by specific supply chain actors, or in a cross-section of commodities. These agricultural-related indicators would build on on-going measurement and impact work led by the OECD's Centre for Responsible Business Conduct (RBC Centre). The indicators would also be coordinated with data from industry certification schemes in specific commodities as well as with data and information on specific instances related to the agricultural sector from the NCP databases. In addition, consideration could be given on how to link business due diligence actions to the targets of the SDGs.

24. Deliverables:

- One joint questionnaire (with other OECD sector guidances) to Adherents on actions to promote the use of the OECD-FAO Guidance by companies operating in or from their territories (to be sent in September 2020)
- One report to OECD Council on Adherent actions to promote and support the uptake of the OECD-FAO Guidance in the last 5 years
- A set of agricultural-related indicators feeding into the RBC Centre's overall methodology for measurement of uptake and impact of the OECD-FAO Guidance, with links of due diligence actions to meeting the SDG targets

25. Desired outcomes:

- Understanding on Adherent actions to date to support and promote uptake of the OECD-FAO Guidance
- Strengthen empirical evidence and data on support from Adherents for the OECD-FAO Guidance
- Strengthen data on impact of due diligence as recommended by the OECD-FAO Guidance, including in reaching the targets of the SDGs

Use the formulation of this report to foster discussion between the WPRBC and APM (or parent committees, if preferable) on how the relevant Programmes on Work and Budget (PWBs) can contribute to future OECD-FAO Guidance Implementation Plans. A priori, this could entail looking more deeply into the degree of alignment of existing standards and

schemes with the OECD-FAO Guidance; jointly produced communication materials; and synergies between the aim of the OECD-FAO Guidance to measure “progress” (in particular identifying impact indicators) and ongoing (and forthcoming) work on measuring food chain sustainability and resilience

26. To implement all the actions listed in this note, a joint OECD-FAO secretariat would provide overall project management, ensure coordination with relevant work programmes globally, create synergies and provide oversight on the quality and progress of work. As with the pilot of 2018/2019, a coalition of stakeholders comprising of practitioners and policy makers, as well as civil society and researchers would act as an Advisory Group (AG). In addition, working groups could support specific activities depending on the needs. For example, the alignment assessments could tap into the expertise of industry groups and civil society organisations and a sub-set of interested policy makers to provide advice on findings and next steps. Likewise, the action on uptake and impact measurement of due diligence in the sector would bring together experts from academia and development economists that specialise in this topic.

27. An overall budget of approximately Euro 1.6 million over 24 months is estimated to achieve all the actions in this note. The OECD and FAO secretariat is seeking funding from a number of funders, and a pooled funding approach is anticipated. If less funding is raised, actions will be scaled-down. In order for a minimum of implementation actions to continue at a reduced scale, a minimum of Euro 350,000 is needed for 12 months. This budget is in-line with OECD experience in managing implementation activities under the proactive agenda.

Expenditure category	Total Estimated Cost (in Euro) 24 months
Staff costs	597,115
Intellectual services	731,000
Per person chargeback (office space, IT, etc.)	82,008
Travel costs OECD	27,000
Travel costs non-OECD	21,000
Event/conference costs	30,000
Other operating expenditure	8,965
OECD Grant Administration charge	83,786
Total	1,580,875

Note: The OECD Grant Administration charge is calculated in accordance with the OECD Council Decision C(2009)158 and BC(2011)40. Any overspend in one expenditure category may be compensated by an underspend on another expenditure category while remaining within the overall budget.