



Pilot Project on Responsible Agricultural Supply Chains

April 2017



1. THE OECD-FAO GUIDANCE



The OECD-FAO Guidance was launched in 2016

- Help enterprises observe the OECD Guidelines and other major standards such as CFS-RAI principles
- Through a multi-stakeholder advisory group
- Two main sections:
 1. *What* - A model enterprise policy
 2. *How* - A five-step framework for risk-based due diligence





1. What: A Model Enterprise Policy

Risk areas covered by the Guidance





The OECD-FAO Guidance builds on existing standards

- Principles for Responsible Investment in Agriculture and Food Systems of the Committee on World Food Security (CFS-RAI)
- FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)
- Principles for Responsible Agricultural Investment that respect rights, livelihoods and resources (PRAI)
- UN Guiding Principles on Business and Human Rights
- IFC Performance Standards
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- Convention on Biological Diversity



2. How: A Framework for Due Diligence

- ***Identify, assess, mitigate, prevent and address actual and potential adverse impacts***

Step 1

- **Establish strong company management systems**

Step 2

- **Identify, assess and prioritise risks in the supply chain**

Step 3

- **Design and implement a strategy to respond to identified risks**

Step 4

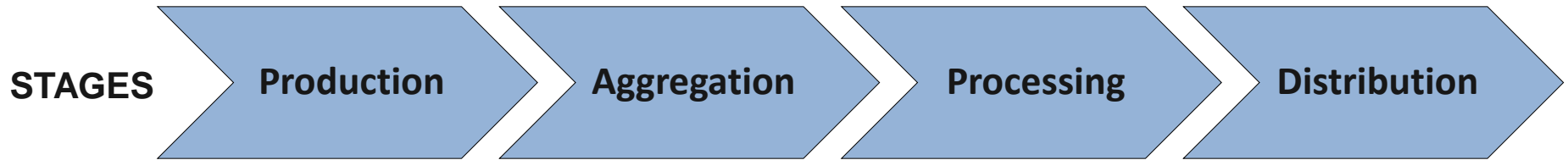
- **Verify supply chain due diligence**

Step 5

- **Report on supply chain due diligence**



The Agricultural Supply Chain



On-farm enterprises

Agricultural production and near-farm basic processing

Downstream enterprises

Aggregation, processing, distribution and marketing of agri-food products

ENTER-PRISES

Cross-cutting enterprises

Input suppliers, R&D institutions, educational institutions and extension services, market information providers, control and certification bodies

Financial enterprises

Corporate and institutional investors less directly involved than enterprises above but that provide them with capital



2. THE PILOT PROJECT



Objectives of the pilot project

As a voluntary, collective learning exercise, the pilot project will support enterprises in implementing the OECD-FAO Guidance and CFS-RAI Principles by:

- Establishing a baseline of where enterprises stand vis a vis due diligence. Survey results will not be attributed to individual companies. Companies can also choose to remain anonymous if they wish.
- Providing a platform for dialogue and peer-learning on international standards and due diligence
- Identifying the opportunities and challenges faced by enterprises and seeking ways to address them



Benefits to enterprises

- Learn by doing and understand how to implement and manage risks along the agricultural supply chain and implement appropriate due diligence processes
- Prepare for upcoming reporting requirements
- Help shape good practices by participating in a multi-stakeholder international platform hosted by the OECD and FAO
- Collaborate with and learn from other enterprises
- Have access to technical experts from the OECD and FAO
- Demonstrate leadership in promoting responsible agricultural supply chains



Proposed pilot activities

- Selection of specific risk areas and commodities covered by the pilot project. This will be decided in collaboration with pilot participants
- Exchange of experiences, challenges, best practices and tools for observing international standards and undertaking due diligence
- Development of good practices and practical recommendations that help enterprises implement the OECD-FAO Guidance and CFS-RAI Principles



Expected outputs from the pilot

- Strong network of enterprises committed to promoting responsible agricultural supply chains
- **Baseline report** indicating where the group of pilot enterprises stand in terms of implementing the OECD-FAO Guidance and the CFS-RAI Principles. The survey results will be anonymized and not attributable to individual companies
- **Progress report** at the end of the pilot project indicating the progress made by enterprises (as a group) including improvements and challenges
- Compilation of case studies and good practices



Enterprise commitments

- Participate in the pilot over the anticipated 2 year period
- Complete the surveys on company due diligence policies and activities (surveys will include follow-up calls with the OECD/FAO consultants)
- Attend 2 to 3 in-person meetings at OECD or FAO headquarters at your own expense. These meetings will be multi-stakeholder in nature
- Participate in conference calls/webinars as part of the peer learning platform and be willing to share your experiences with the group
- There is no additional participation cost beyond your time



Tentative calendar 2017

- Secure funding - anticipated by end Q2 2017
- Recruit enterprises from now until the end June 2017 – target up to 30 companies
- Hire consultants - develop work plan, finalise pilot participants
- Kick-off meeting – anticipated towards July 2017 (TBC); agree on themes, work plan
- Pilot to last 24 months – target to end by July 2019



How to join?

Please send an email to
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By 31 May 2017 if interested



THANK YOU

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