



Recommendation of the Council on
the OECD-FAO Guidance for
Responsible Agricultural Supply
Chains

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Date(s)

Adopted on 13/07/2016

Background Information

The Recommendation on the OECD-FAO Guidance for Responsible Agricultural Supply Chains was adopted by the OECD Council on 13 July 2016 on the proposal of the Investment Committee and the Committee for Agriculture. The Recommendation incorporates the OECD-FAO Guidance for Responsible Agricultural Supply Chains which was developed jointly by the OECD and the Food and Agriculture Organisation of the United Nations (FAO) in order to provide guidance to enterprises on international standards of responsible business conduct in the agricultural sector. This work considers that helping enterprises involved in agricultural supply chains observe responsible business conduct (RBC) standards is essential to ensure that their activities do not lead to adverse impacts and contribute to sustainable development, and is consistent with the recent trend to focus the efforts in the area of RBC on specific sectors. Incorporating the Guidance in a Recommendation of the Council offers several advantages, notably it provides an avenue for promoting the wide dissemination and robust implementation of the Guidance.

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Declaration on International Investment and Multinational Enterprises [C(76)99/FINAL], the Decision of the Council on the OECD Guidelines for Multinational Enterprises [C(2000)96/FINAL as amended by C/MIN(2011)11/FINAL] (hereafter the “Decision on the Guidelines”), the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas [C/MIN(2011)12/FINAL as amended by C(2012)93], and the Recommendation of the Council on the Policy Framework for Investment [C(2015)56/REV1];

RECALLING that the common aim of governments recommending the observance of the Guidelines for Multinational Enterprises (hereafter the “Guidelines”) is to promote responsible business conduct;

RECALLING FURTHER that the Decision on the Guidelines provides that the Investment Committee shall, in co-operation with National Contact Points, pursue a proactive agenda in collaboration with stakeholders to promote the effective observance by enterprises of the principles and standards contained in the Guidelines with respect to particular products, regions, sectors or industries;

CONSIDERING the efforts of the international community, in particular the Committee on World Food Security and the Food and Agriculture Organization of the United Nations (FAO), to promote responsible investment in agriculture and food systems and the responsible governance of tenure of land, fisheries and forests;

RECOGNISING that building responsible agricultural supply chains is critical to sustainable development;

RECOGNISING that governments, enterprises, civil society organisations and international organisations can draw on their respective competences and roles to build responsible agricultural supply chains that benefit society at large;

NOTING that due diligence is an on-going, proactive and reactive process through which enterprises can ensure that they observe government-backed standards for responsible agricultural supply chains related to human rights, labour rights, health and safety, food security and nutrition, tenure rights, animal welfare, environmental protection and the use of natural resources, governance and technology and innovation;

HAVING REGARD to the OECD-FAO Guidance for Responsible Agricultural Supply Chains [C(2016)83/ADD1] (hereafter “the Guidance”), that may be modified as appropriate by the Investment Committee and the Committee for Agriculture in co-operation with the FAO;

NOTING that this Guidance proposes a model enterprise policy outlining the content of existing standards for responsible agricultural supply chains and a five-step framework for due diligence describing the steps that enterprises should follow to identify, assess, mitigate and account for how they address the actual and potential adverse impacts associated with their activities or business relationships;

On the proposal of the Investment Committee and the Committee for Agriculture:

I. RECOMMENDS that Members and non-Members adhering to this Recommendation (hereafter the “Adherents”) and, where relevant, their National Contact Points to the Guidelines

(hereafter the “NCPs”), actively promote the use of the Guidance by enterprises operating in or from their territories with the aim of ensuring that they observe internationally agreed standards of responsible business conduct along agricultural supply chains in order to prevent the adverse impacts of their activities and contribute to sustainable development, and in particular poverty reduction, food security and gender equality;

II. RECOMMENDS, in particular, that Adherents take measures to actively support the adoption of the model enterprise policy by enterprises operating in or from their territories and the integration into corporate management systems of the five-step framework for risk-based due diligence along agricultural supply chains set out in the Guidance;

III. RECOMMENDS that Adherents and where relevant their NCPs, with the support of the OECD Secretariat including through its activities with the United Nations and international development organisations, ensure the widest possible dissemination of the Guidance and its active use by various stakeholders, including on-farm, downstream and upstream enterprises, affected communities and civil society organisations, and regularly report to the Investment Committee and the Committee for Agriculture on any dissemination and implementation activities;

IV. INVITES Adherents and the Secretary-General to disseminate this Recommendation;

V. INVITES non-Adherents to take due account of and adhere to the present Recommendation;

VI. INSTRUCTS the Investment Committee and the Committee for Agriculture to monitor the implementation of the Recommendation and to report to Council no later than five years following its adoption and as appropriate thereafter.

Adherents*

OECD Members

Australia
Austria
Belgium
Canada
Chile
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Israel
Italy
Japan
Korea
Latvia
Luxembourg
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Slovak Republic
Slovenia
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States

Non-Members

Argentina
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