



Responsible agricultural supply chains to improve farmers' incomes

By Coralie David, OECD

GISCO Annual General Meeting - 19 April 2016



1. RESPONSIBLE BUSINESS CONDUCT:

The OECD Guidelines
for Multinational Enterprises



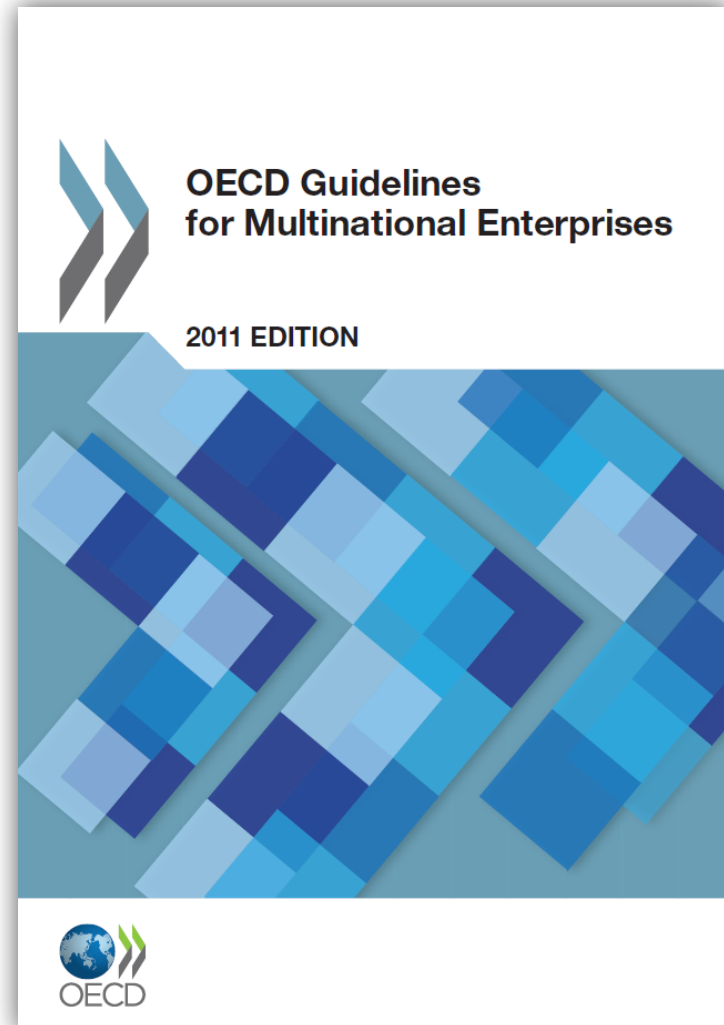
What is Responsible Business Conduct?

- Enterprises should :
 - Avoid and address their adverse impacts
 - Make a positive contribution to economic, environmental and social progress to achieve sustainable development
- This applies to all enterprises
 - *An efficient way to manage risks and reputation and to obtain and retain the social license to operate*
 - *Supported in the G7 Leaders' Declaration in June 2015*



OECD Guidelines for Multinational Enterprises

- Most comprehensive and only government-backed international instrument for responsible business conduct
- Addressed to multinational enterprises operating in or from the 46 adhering countries
- Adopted in 1976 and regularly updated with the last update in 2011





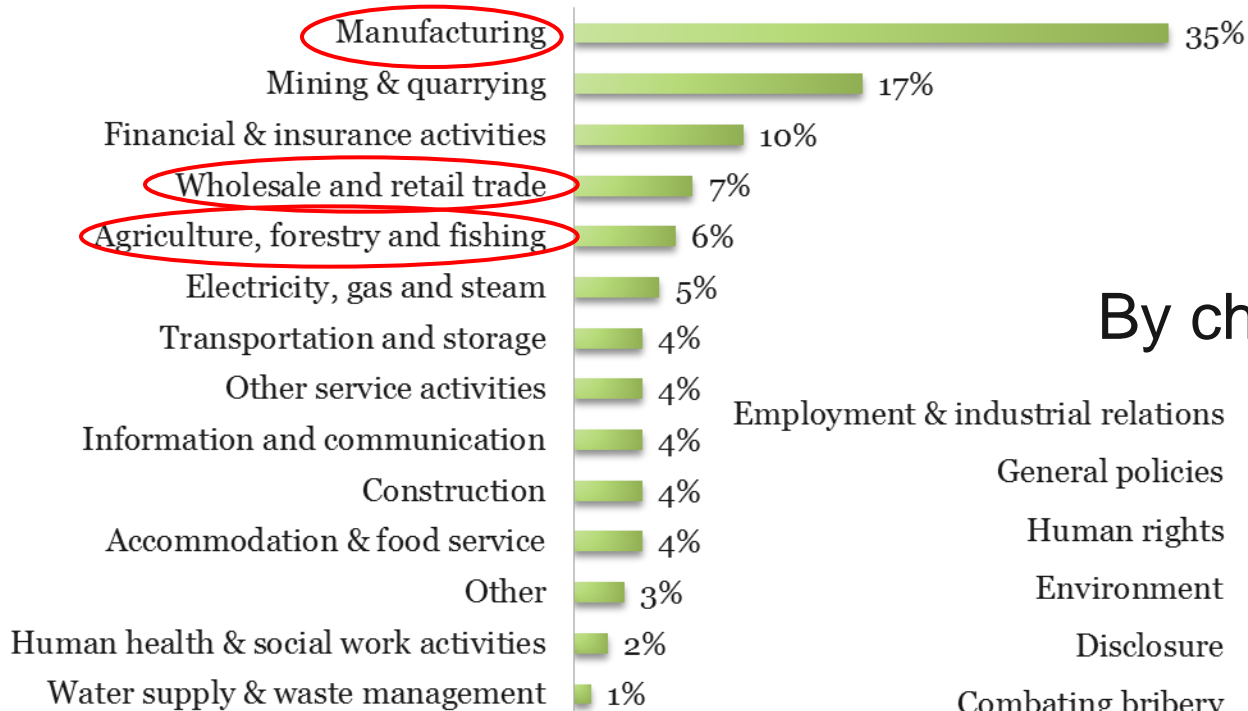
The National Contact Points

- All governments adhering to the OECD Guidelines must set up a National Contact Point responsible for:
 1. **Disseminating** the Guidelines and responding to enquiries
 2. **Helping resolve cases** related to the implementation of the OECD Guidelines
 3. Identify areas where **additional guidance** for enterprises is needed

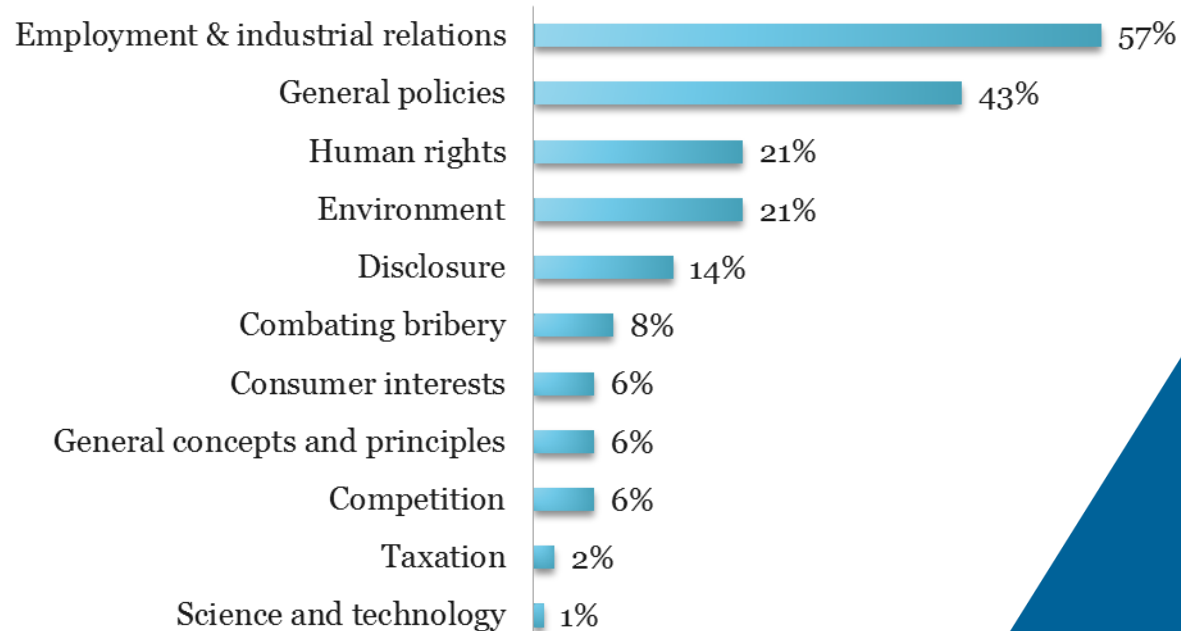


Over 360 complaints brought since 2000

By sector



By chapter





2. RESPONSIBLE AGRICULTURAL SUPPLY CHAINS:

The OECD-FAO Guidance



The OECD-FAO Guidance

- Help enterprises observe the OECD Guidelines and other major standards
- 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: Model Enterprise Policy

Risk areas covered by the Guidance





2. How: 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

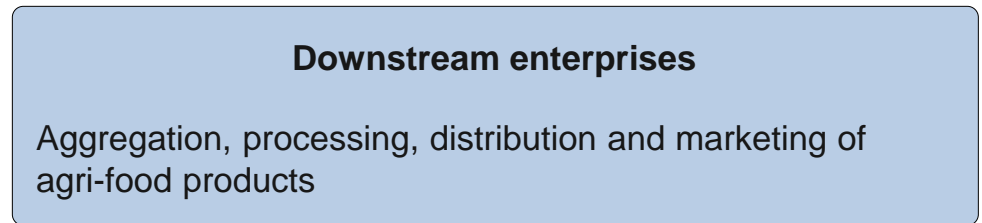
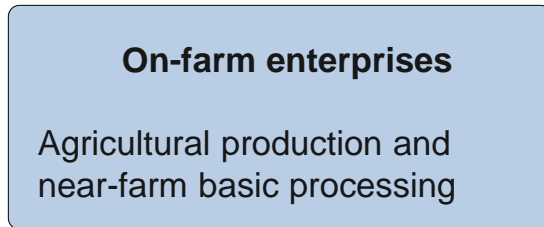
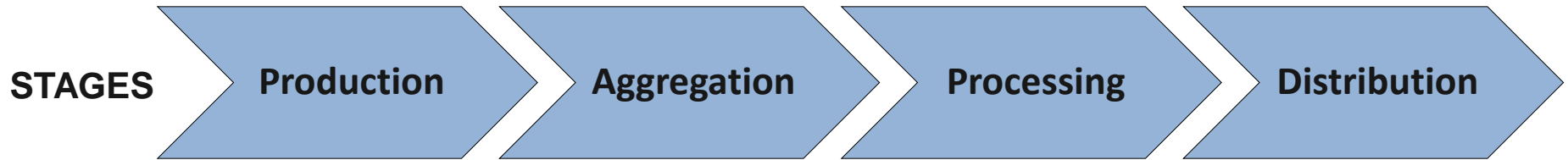
- **Verify supply chain due diligence**

Step 5

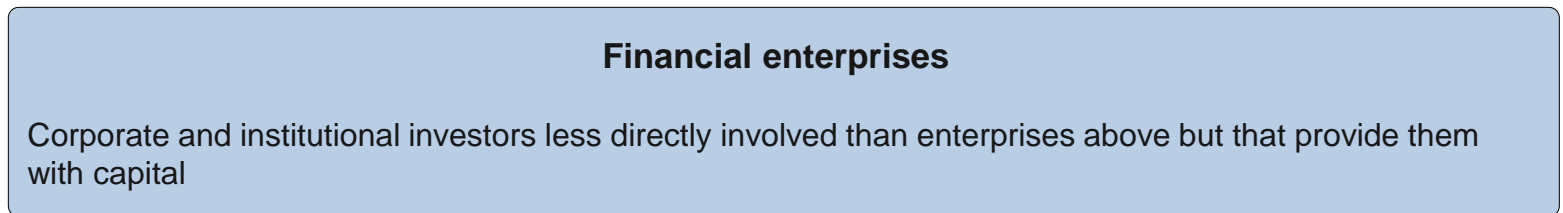
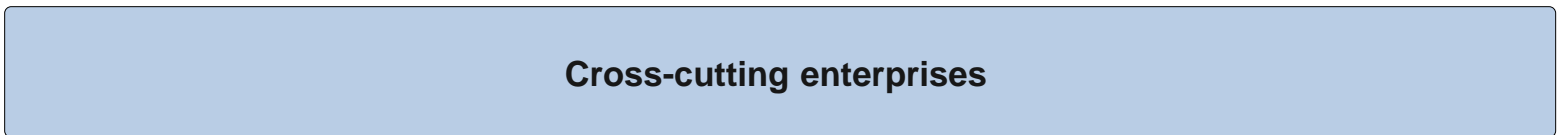
- **Report on supply chain due diligence**



A Supply Chain Approach



ENTER-PRISES





3. IMPACT ON FARMERS' INCOMES



Standards of the OECD-FAO Guidance

- Ensure that operations contribute to sustainable and inclusive rural development, including through fair and equitable benefit sharing
- Strive to ensure that operations contribute to food security and nutrition
- Respect legitimate tenure rights and give preference to investments that do not lead to the displacement of communities



Example of a complaint

- **National Contact Point:** US – complaint received in June 2013
- **Company:** SG Sustainable Oils Cameroon, affiliate of a US company operating in Ghana and Cameroon
- **Complainant:** Local NGOs
- **Main issues:** Bribery of community leaders, government officials, and local citizens to gain land





Conclusions of the complaint

- The company agreed to investigate credible past cases of alleged corruption and give a written response back to the complainants
- The company and complainants agreed to meet after the first report of investigation



Next steps

- Road-test the OECD-FAO Guidance with interested enterprises
- Develop case studies and due diligence tools
- Build capacity: peer-learning webinars and due diligence trainings
- *Cooperation with FAO, commodity roundtables and industry initiatives*



THANK YOU!

mneguidelines.oecd.org

For more information:

Coralie.David@oecd.org