

International Standards

OECD-FAO Guidance for Responsible Agricultural Supply Chains



Food and Agriculture
Organization of the
United Nations



**INTERNATIONAL STANDARDS CONSIDERED
IN THE OECD-FAO GUIDANCE FOR
RESPONSIBLE AGRICULTURAL SUPPLY CHAINS**

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This document complements the OECD-FAO Guidance for Responsible Agricultural Supply Chains. It describes the status, the negotiation and approval process and the content of the international standards of responsible business conduct (RBC) considered in this Guidance. These standards meet the following three criteria established by the multi-stakeholder Advisory Group that led the consultation process to develop the Guidance: (i) they have been negotiated and/or endorsed through an inter-governmental process; (ii) they are relevant to agricultural supply chains; and (iii) they target in particular the business/investor community. The Guidance also considers some standards that do not meet these criteria but that are being widely used, to the extent that they are consistent with the standards that fulfil the three criteria above.

OECD Guidelines for Multinational Enterprises

The OECD Guidelines are one of four parts of the 1976 OECD Declaration on International Investment and Multinational Enterprises, by which Adherents commit to provide an open and transparent international investment environment and to encourage the positive contribution of multinational enterprises (MNEs) to economic and social progress. There are currently 46 Adherents to the Declaration - 34 OECD and 12 non-OECD economies.¹ The OECD Guidelines have been revised several times, most recently in 2011.

The OECD Guidelines are the most comprehensive set of government-backed recommendations on what constitutes responsible business conduct (RBC). They cover nine major areas of RBC: information disclosure, human rights, employment and industrial relations, environment, bribery and corruption, consumer interests, science and technology, competition, and taxation. They are addressed by governments to multinational enterprises operating in and from the Adherents. Each Adherent must set up a National Contact Point (NCP) to further the effectiveness of the Guidelines by undertaking promotional activities, handling inquiries, and contributing to the resolution of issues that arise relating to the implementation of the Guidelines in specific instances. The Guidelines are the first international instrument to integrate the corporate responsibility to respect human rights as set out in the United Nations Guiding Principles and to incorporate risk-based due diligence into major areas of business ethics related to adverse impacts.²

Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI Principles)

The principles were developed through intergovernmental negotiations led by the Committee on World Food Security (CFS) from 2012 to 2014 and involved civil society organisations, private sector, academics, researchers, and international organisations. They were endorsed by the CFS on 15 October 2014 at its 41st session. They are voluntary and non-binding and address all types of investment in agriculture and food systems.

¹ As of February 2016, these are Argentina, Brazil, Colombia, Costa Rica, Egypt, Jordan, Latvia, Lithuania, Morocco, Peru, Romania, and Tunisia.

² Due diligence applies to all the chapters of the Guidelines, except science and technology, competition and taxation.

The principles contain ten core principles related to: food security and nutrition; sustainable and inclusive economic development and poverty eradication; gender equality and women's empowerment; youth; tenure of land, fisheries, and forests and access to water; sustainable management of natural resources; cultural heritage, traditional knowledge, diversity and innovation; safe and healthy agriculture; inclusive and transparent governance structures, processes, and grievance mechanisms; impacts and accountability. An additional section describes the roles and responsibilities of stakeholders.

Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)

These Guidelines are the first global guidelines on the governance of tenure. They were developed through intergovernmental negotiations led by the CFS and also involved civil society organisations, private sector representatives, academics and researchers, and international organisations. They were endorsed by the CFS at its 38th (Special) Session on 11 May 2012. The VGGT have received global recognition and their implementation has been encouraged by the G20 and in the Rio +20 Declaration. On 21 December 2012, the UN General Assembly welcomed the outcome of the 38th (Special) Session of CFS which endorsed the VGGT; encouraged countries to give due consideration to their implementation; and requested relevant UN entities to ensure their speedy distribution and promotion.³

These Guidelines provide a reference framework to improve the governance of tenure of land, fisheries and forests that supports food security and contributes to the global and national efforts towards the eradication of hunger and poverty. Recognising the central role of land in development, they promote secure tenure rights and equitable access to land, fisheries and forests. They set out principles and internationally accepted practices that may guide the preparation and implementation of policies and laws related to tenure governance. These Guidelines build on and support the *Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security*, which were adopted by the FAO Council in November 2004.

Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources (PRAI)

The Inter-Agency Working Group (IAWG) composed of IFAD, FAO, UNCTAD and World Bank held a roundtable during the UN General Assembly in September 2009 on 'Promoting Responsible International Investment in Agriculture' to present the seven principles and subsequently published a synoptic version in February 2010. The seven principles focus on: land and resource rights; food security; transparency, good governance and the enabling environment; consultation and participation; responsible agro-enterprise investing; social sustainability; and environmental sustainability. At its Seoul Summit in November 2010, the G20 encouraged 'all countries and companies to uphold the Principles for Responsible Agricultural Investment' as part of its multi-year action plan on development. The IAWG submitted a report on the PRAI and a Plan of Action on Options for Promoting Responsible Investment in Agriculture to the G20 in 2011 and the G8 in 2012.⁴ The G20 agreed with a twin track approach as the way forward to both pilot the PRAI and use the lessons learned to inform various consultation processes. In October 2012, the IAWG submitted a progress report on its action plan with particular reference to the field-testing of the PRAI with host countries and enterprises.⁵ Recently, the 2013 Saint Petersburg Accountability Report on

³ <http://www.un.org/News/Press/docs//2012/ga11332.doc.htm>.

⁴ Inter-Agency Working Group on the Food Security Pillar of the G20 Multi-Year Action Plan on Development, 'Options for Promoting Responsible Investment in Agriculture', Report to the High-Level Working Group, September 2011.

⁵ Inter-Agency Working Group on the Principles for Responsible Agricultural Investment, Synthesis report on the field-testing of the Principles for Responsible Agricultural Investment, October 2012.

G20 Development Commitments ‘welcomed the progress of the pilot projects field-testing the PRAIs in some African and South-East Asian countries’.

Guiding Principles on Business and Human Rights - Implementing the UN ‘Protect, Respect and Remedy’ Framework (UN Guiding Principles)

On 16 June 2011, the UN Human Rights Council endorsed the Guiding Principles on Business and Human Rights developed by UN Special Representative on human rights and transnational corporations and other business enterprises, John Ruggie. These principles aim to help implement the UN ‘Protect, Respect and Remedy’ Framework.⁶

They apply to all states and all enterprises, transnational and others, regardless of their size, sector, location, ownership and structure. They provide guidance to states on how to ensure that rights are protected in a business context and to enterprises on how to avoid being involved with human rights abuses. They also outline the respective responsibilities of states and enterprises to provide access to effective remedies for victims of business-related human rights abuse. They have been informed by extensive discussions with stakeholder groups.

ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

This Declaration aims to encourage the positive contribution of multinational enterprises to socio-economic development and to minimise and resolve the difficulties to which their operations may give rise. Its principles are addressed to governments, multinational enterprises, employers' and workers' organisations. They are derived from international labour standards and cover general policies, employment, training, conditions of work and life, and industrial relations.

Adopted by governments, employers and workers of ILO member States in 1977 (and updated in 2000 and 2006), the Declaration is the most comprehensive and only tripartite adopted global instrument concerning labour and employment issues. ILO provides policy and technical assistance on the promotion and application of the principles of the Declaration in its 186 member States. ILO also operates the ILO Helpdesk for Business on International Labour Standards to help enterprises willing to align their policies and practices with international labour standards.⁷ The Declaration is the basis for the Employment and Industrial Relations chapter of the OECD Guidelines for Multinational Enterprises to which this chapter refers for further guidance.

Convention on Biological Diversity (CBD)

The Convention has 196 States Parties and entered into force on 29 December 1993. It supports the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of benefits arising from the use of genetic resources. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization, which was adopted by the CBD Conference of the Parties in 2010 and entered into force on 12 October 2014, aims at sharing the benefits arising from the use of genetic resources in a fair and equitable way, including by ensuring an

⁶ The Framework rests on three pillars: (i) the state duty to protect against human rights abuses by third parties, including business enterprises, through appropriate policies, legislation, regulation and adjudication; (ii) the corporate responsibility to respect human rights, which means that business enterprises should act with due diligence to avoid infringing on the rights of others and to address adverse impacts with which they are involved; and (iii) the need for greater access by victims to effective remedy, including judicial and non-judicial.

⁷ For further information, see <http://www.ilo.org/business>.

appropriate access to genetic resources and technology transfer, taking into account all rights over those resources and to technologies, and by promoting appropriate funding.

Akwé: Kon Voluntary Guidelines for the conduct of cultural, environmental and social impact assessments regarding developments proposed to take place on, or which are likely to impact on, sacred sites and on lands and waters traditionally occupied or used by indigenous and local communities

Parties to the CBD have undertaken in Article 8(j) to respect, preserve and maintain traditional knowledge relevant for the conservation and sustainable use of biological diversity. To this end, the Conference of the Parties have adopted an ambitious programme of work (decision V/16), which includes the development, with the effective participation of indigenous peoples and local communities, of guidelines for the conduct of cultural, environmental and social impact assessments.

The 7th meeting of the Conference of the Parties adopted the Akwé: Kon Voluntary Guidelines in 2004, named by a Mohawk term meaning ‘everything in creation’ to emphasise the holistic nature of this instrument. Their objective is to provide general advice on the incorporation of cultural, environmental, and social considerations of indigenous and local communities into environmental impact assessment procedures. They intend to provide a framework ensuring the effective participation of indigenous peoples and local communities in assessing cultural, environmental and social concerns related to proposed developments. They have been relied upon by different NCPs as a useful guide in implementing the OECD Guidelines.

Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters of the UN Economic Commission for Europe (Aarhus Convention)

The Convention entered into force on 30 October 2001. As of 16 January 2015, there were 47 States Parties to the Convention, 33 States Parties to the Protocol on Pollutant Release and Transfer Registers and 28 Parties to the amendment on public participation in decisions on the deliberate release into the environment and placing on the market of genetically modified organisms.

The Convention establishes a number of rights of the public with regard to access to information and justice by: linking environmental rights and human rights; establishing that sustainable development can be achieved only through the involvement of all stakeholders; and linking government accountability and environmental protection. The Convention grants the public rights and imposes on Parties and public authorities obligations regarding access to information and public participation and access to justice.

IFC Performance Standards on Environmental and Social Sustainability

The last version of the IF Performance Standards was released in January 2012. IFC requires its clients, i.e. private enterprises investing in developing countries, to apply these eight Performance Standards throughout the life of the investment. The Standards are also used by commercial banks participating in the Equator Initiative and have been relied upon by various NCPs as a useful guide in implementing the OECD Guidelines.

These Standards provide guidance on how to identify, avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including through stakeholder engagement and disclosure obligations. They relate to: assessment and management of environmental and social risks and impacts; labour and working conditions; resource efficiency and pollution prevention; community health, safety, and security; land acquisition and involuntary resettlement; biodiversity conservation and sustainable management of living natural resources; indigenous peoples; and cultural heritage.

UN Global Compact

The UN Global Compact, the world's largest corporate citizenship initiative, is a UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. It was first announced by the UN Secretary-General Kofi Annan in an address to the World Economic Forum on 31 January 1999, and was officially launched at UN headquarters in New York on 26 July 2000. It is supported by several UN agencies and allows bringing companies together with UN agencies, labour groups and civil society. The UN Global Compact has two objectives: mainstream the ten principles in business activities around the world and catalyse actions in support of broader UN goals, such as the Millennium Development Goals. It states ten principles for business in the areas of human rights, labour, environment, and anti-corruption.

In addition, the UN Global Compact office finalised the **Food and Agriculture Business Principles (FABs)** in 2014. It facilitated their development through a nearly two-year broad and inclusive multi-stakeholder process. Over 20 consultations have been conducted globally, including more than 1,000 businesses, UN agencies and civil society organisations involved in agriculture, nutrition and food systems. The six principles complement existing initiatives that advance sustainability in food and agriculture. They provide agreed global language on what constitutes sustainability in food and agriculture on critical issues ranging from food security, health and nutrition, to human rights, decent work, good governance, and environmental stewardship, as well as ensuring economic viability across the entire value chain.

International Covenant on Economic, Social and Cultural Rights (ICESCR)

The Covenant entered into force in January 1976 and has been ratified by 164 States Parties. The Committee on Economic, Social and Cultural Rights, a body of 18 independent experts established in May 1985, monitors its implementation by its States Parties. All States Parties are obliged to submit regular reports to the Committee on how the Covenant is being implemented. The Committee examines each report and addresses its concerns and recommendations to the State Party in the form of 'concluding observations'. In addition to the reporting procedure, the Optional Protocol to the ICESCR (OP), which entered into force for States Parties in May 2013, provides the Committee with competence to receive and consider communications from individuals claiming that their rights under the Covenant have been violated. The OP also provides that the Committee may, under certain circumstances, undertake inquiries on grave or systematic violations of any of the rights set forth in the Covenant, and consider inter-state complaints.

The ICESCR contains 31 articles that include, among others, the rights to: non-discrimination, work, enjoyment of just and favourable conditions of work, trade unions, strike, social security, adequate standard of living, including adequate food, clothing and housing, continuous improvement of living conditions, freedom from hunger, enjoyment of the highest attainable standard of physical and mental health, education, and enjoyment of the benefits of scientific progress.

OIE Terrestrial Animal Health Code

The World Organization for Animal Health (OIE) is the intergovernmental science-based standard-setting organisation recognised under the Sanitary and Phyto-Sanitary (SPS) Agreement of the World Trade Organization (WTO) responsible for improving animal health worldwide and the safe trade in animals and animal products. The need to fight animal diseases at global level led to the creation of the Office International des Epizooties (OIE) through the international agreement signed on 25 January 1924. In May 2003, the Office became the World Organisation for Animal Health but kept its historical acronym OIE. As of May 2015 it had a total of 180 member countries.

The OIE Terrestrial Animal Health Code sets out standards for improving animal health and welfare and veterinary public health worldwide, including through standards for safe international trade in terrestrial animals (mammals, birds and bees) and their products. The health measures in the Code have been established through resolutions formally adopted by the World Assembly of the Delegates of the OIE Members. The 24th edition incorporates modifications to the Terrestrial Code agreed at the 83rd^d OIE General Session in May 2015.

Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)

The Convention was adopted in 1979 by the UN General Assembly and has been ratified by 189 States Parties. It defines what constitutes discrimination against women and provides the basis for realising equality between women and men through ensuring women's equal access to, and equal opportunities in, political and public life, education, health and employment. Countries that have ratified or acceded to the Convention commit to undertake a series of measures to end discrimination against women in all forms and against all forms of traffic in women and exploitation of women. They are legally bound to put its provisions into practice and must submit national reports, at least every four years, on measures they have taken to comply with their treaty obligations.



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