

Pilot Project on Responsible Agricultural Supply Chains in Southeast Asia

A unique opportunity for agricultural enterprises in Southeast Asia

The Organisation for Economic Co-operation and Development (OECD) is launching a pilot with businesses in Southeast Asia to promote the understanding and implementation of the [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#) (OECD-FAO Guidance). The pilot is a valuable opportunity for companies in Myanmar, Philippines, Thailand and Viet Nam to understand how application of international recommendations and standards in supply chain due diligence can help strengthen management practices, promote responsible agricultural supply chains and support business contribution to achieving the Sustainable Development Goals (SDGs).

About the OECD-FAO Guidance for Responsible Agricultural Supply Chains

In 2016, the OECD and FAO, with the support of governments, business, unions and civil society, developed the OECD-FAO Guidance for Responsible Agricultural Supply Chains (OECD-FAO Guidance). The OECD-FAO Guidance helps companies along the agricultural value chain observe international standards of responsible business conduct and implement risk-based due diligence through a framework that helps companies identify and prioritise risks and mitigate adverse impacts. By implementing the recommendations of the OECD-FAO Guidance, businesses can avoid causing and contributing to negative impacts, demonstrate that they are conducting business responsibly, enhance responsible investments, and make positive steps towards meeting the SDGs.

The OECD-FAO Guidance can be used by large as well as medium to small sized companies. The recommendations are applicable to companies operating in all parts of the agri-business value chain. The OECD-FAO Guidance builds on and incorporates the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Principles for Responsible Investment in Agriculture (CFS-RAI Principles), the ILO MNE Declaration, the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT), the Convention on Biological Diversity and the Aarhus Convention. As such, by implementing the OECD-FAO Guidance businesses can also be confident that they are acting in alignment with other international standards in responsible business conduct.

The OECD-FAO Guidance has widespread government endorsement, including by the G7 Agriculture Ministers and all OECD member countries.

The pilot project in Southeast Asia

The pilot project in Southeast Asia is open to all companies in the agricultural value chain operating in Myanmar, Philippines, Thailand and Viet Nam. Companies from all segments of the value chain are encouraged to participate, although food-related agri-businesses may find the pilot particularly useful. In Myanmar and Viet Nam, seafood companies are encouraged to participate. As such, the pilot is seeking participation from:

- On-farm enterprises or cooperatives and fishers associations
- Input suppliers
- Traders, distributors and wholesalers
- Food and beverage manufacturers
- Retailers and supermarkets
- Agri-business investors

The project will be managed by the OECD Secretariat and will draw from technical and sector experts at the OECD, the FAO and the ILO.

Benefits of participating for companies

- **Manage risks:** The OECD-FAO Guidance promotes a practical approach to supply chain due diligence that helps companies identify the significant social, environmental and governance risks in their supply chains. Through appropriate management systems, engagement with stakeholders including affected communities, and supply chain wide collaboration, companies will have a clearer understanding of the risks in their supply chains and how they can manage these risks effectively.
- **Build knowledge on international supply chain due diligence:** The OECD-FAO Guidance is a leading international framework for supply chain due diligence. The pilot is an opportunity for companies to learn first-hand about the recommendations and how to integrate them into company operations and beyond Tier-1 suppliers. Participants will also have access to supply chain and responsible business specialists from the OECD, the FAO and the ILO.
- **Promote achievement of the Sustainable Development Goals (SDGs):** Companies that effectively implement the OECD-FAO Guidance can be confident that they are addressing the priority concerns of government, international stakeholders and civil society and are taking steps to meet many of the Sustainable Development Goals including No Poverty (Goal 1), Zero Hunger (Goal 2), Decent Work and Economic Growth (Goal 8), Sustainable Consumption and Production (Goal 12), Life Below Water (Goal 14), Life on Land (Goal 15) and Partnerships for the Goals (Goal 17).
- **Enhance company brand:** Participants will have the opportunity to help define good practices in addressing the recommendations of the OECD-FAO Guidance. Findings from the pilot will feed into global policy-making and follow up at the OECD. Participants will also have the chance to demonstrate their leadership. Pilot participants will be invited to attend regional events bringing together policy-makers, businesses and other stakeholders.
- **Learn from peers:** The pilot will provide a safe space for companies to discuss successes but also challenges with peer companies, share experiences and learn from others. Companies will be able to share their approaches to addressing critical social and environmental impacts and incorporate feedback to strengthen their management systems, approaches and decisions. Participants will also have the opportunity to connect with other implementation projects that the OECD is leading globally, and engage in multi stakeholder fora to advance their responsible supply chain efforts.

Commercial confidentiality will be strictly protected for all participants and there will be no public ranking or assessment of companies. Pilot participants will have the opportunity to be publicly recognised in communications from the OECD relating to the pilot should they wish.

Commitment from participants

Participants will be expected to:

- Commit to engaging in the pilot for the full duration of the pilot (expected to last 18-24 months);
- Complete a baseline survey at the start of the pilot and a progress survey after 12 months (see [example](#));
- Participate in conference calls or webinars on due diligence implementation challenges and learnings (e.g. understanding risks, mapping supply chains beyond Tier 1, engaging with stakeholders, etc.);
- Take part in due diligence and responsible business conduct trainings in the region.

Provisional timeframe

Q4 2018 and Q1 2019	Recruitment of companies to participate in pilot
Q2 2019	Launch of the pilot
Q3 2019	Launch of the baseline survey In-region training event
Q4 2019	Baseline report completed Launch of peer learning sessions
Q1 2020	Peer learning sessions Training event in region
Q2 2020	Launch of the progress survey Training event in the region
Q3 2020	Progress report completed End of pilot

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To find out more about the project:

<https://mneguidelines.oecd.org/globalpartnerships/>
<https://mneguidelines.oecd.org/rbc-agriculture-supply-chains.htm>



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