



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



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## Background Information

The Recommendation on the OECD-FAO Guidance for Responsible Agricultural Supply Chains (hereafter the “Recommendation”) was adopted by the OECD Council on 13 July 2016 on the proposal of the Investment Committee (IC) and the Committee for Agriculture (COAG). The Recommendation incorporates the OECD-FAO Guidance for Responsible Agricultural Supply Chains (hereafter the “Guidance”) 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 (RBC) in the agricultural sector.

### ***The need for a standard on agricultural supply chains***

The IC has been working on responsible business conduct from different angles since the seventies. In particular, with the adoption of the OECD Guidelines for Multinational Enterprises [OECD/LEGAL/0144] (hereafter the “MNE Guidelines”) by adhering governments in 1976, a comprehensive framework of responsible business conduct has been put in place, covering all key areas of business responsibility, including human rights, labour rights, environment, bribery, consumer interests, as well as information disclosure, science and technology, competition, and taxation.

Following the adoption of the MNE Guidelines, specific Guidance covering different RBC fields have been developed by the IC, sometimes in co-operation with other OECD bodies or other international organisations. In the field of agricultural supply chains, the Guidance was developed jointly by the OECD and the FAO, based on the consideration that helping enterprises involved in agricultural supply chains observe RBC standards is essential to ensure that their activities do not lead to adverse impacts and contribute to sustainable development.

### ***Process for developing the Recommendation***

The Guidance was developed by the IC’s Working Party on Responsible Business Conduct (WPRBC) and the COAG’s Working Party on Agricultural Policies and Markets (APM) and the FAO through a multi-stakeholder process and was approved by the IC in December 2015 and by the Cabinet of the Director-General of the FAO in February 2016.

After approval of the Guidance, the IC and the COAG proposed to Council the adoption of a draft Recommendation incorporating the Guidance in recognition of the fact that having a Recommendation would provide an avenue for promoting the wide dissemination and robust implementation of the Guidance. The Recommendation was adopted by the Council on 13 July 2016.

### ***Scope of the Recommendation***

The Recommendation recommends that Members and non-Members of the OECD having adhered to it (hereafter, the “Adherents”) actively promote the use of the Guidance by enterprises operating in or from their territories and take measures to actively support the adoption of the model enterprise policy by enterprises and integrate the framework for risk-based due diligence into corporate management systems along agricultural supply chains. The Recommendation calls on Adherents, and where relevant their National Contact Points for Responsible Business Conduct (NCPs), with the support of the OECD Secretariat including through its activities with the United Nations and international development organisations, to ensure the widest possible dissemination of the Guidance and its active use by various stakeholders.

For further information please consult: <https://mneguidelines.oecd.org/rbc-agriculture-supply-chains.htm>.

The Guidance is available in the following languages: Arabic, Burmese, Chinese, German, Japanese, Portuguese, Russian, Spanish, Ukrainian, Vietnamese, at this [address](#).

Contact information: [rbc@oecd.org](mailto:rbc@oecd.org).

## Implementation

### ***2022 Report to Council***

The Recommendation instructs the IC and the COAG to monitor its implementation no later than five years following its adoption and as appropriate thereafter. The first Report to Council on the implementation of the Recommendation (the “[2022 Report to Council](#)”) covering the period from the adoption of the Recommendation in July 2016 to December 2020, was approved by the IC and the COAG on 15 April 2022 and was noted and declassified by the Council on 16 May 2022.

The 2022 Report to Council found that since the adoption of the Recommendation, many Adherents have made efforts to implement it through promoting the observance of the Guidance by enterprises, taking measures to actively support the integration of the risk-based due diligence framework in corporate management systems, and ensuring the widest possible dissemination of the Guidance. Implementation of the Recommendation is positive in some respects, but on balance there is still much that can be done. In view of the Recommendation and the Guidance’s continued high relevance, Adherents should maintain – and in many cases increase – their efforts to promote uptake of the Guidance by enterprises. It thus remains essential to increase the number of Adherents to the Recommendation and for all Adherents to implement the Recommendation.

The OECD’s work on priority actions in the implementation plan identified through the multi-stakeholder process and supported by the relevant Working Parties can help Adherents find efficient and effective means of implementing the Recommendation in its totality. The OECD Secretariat continues to support Adherents in actively promoting the use of the Guidance by enterprises operating in or from their territories, improving the quality of their measures to enable enterprises to effectively adopt of the model enterprise policy and integrate the five-step framework for due diligence in corporate management systems, as well as increasing the breadth of action to accelerate dissemination of the Guidance and its active use by stakeholders, including in collaboration with the United Nations and international development organisations.

It is important also to evaluate the Guidance with a view to supporting efforts to address a wider range of environmental and human rights issues covered under the OECD Guidelines for Multinational Enterprises and to meet global commitments under the 2030 Agenda for Sustainable Development. In light of developments in the agricultural sector, the IC through the WPRBC and the COAG through the APM may wish to review how fit-for-purpose the Guidance is, in consultation with the FAO, with a view to proposing options to improve its effectiveness and impact, including considering update of the Guidance or development of complementary tools and resources to support its observance.

**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.

## About the OECD

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## OECD Legal Instruments

Since the creation of the OECD in 1961, around 460 substantive legal instruments have been developed within its framework. These include OECD Acts (i.e. the Decisions and Recommendations adopted by the OECD Council in accordance with the OECD Convention) and other legal instruments developed within the OECD framework (e.g. Declarations, international agreements).

All substantive OECD legal instruments, whether in force or abrogated, are listed in the online Compendium of OECD Legal Instruments. They are presented in five categories:

- **Decisions** are adopted by Council and are legally binding on all Members except those which abstain at the time of adoption. They set out specific rights and obligations and may contain monitoring mechanisms.
- **Recommendations** are adopted by Council and are not legally binding. They represent a political commitment to the principles they contain and entail an expectation that Adherents will do their best to implement them.
- **Substantive Outcome Documents** are adopted by the individual listed Adherents rather than by an OECD body, as the outcome of a ministerial, high-level or other meeting within the framework of the Organisation. They usually set general principles or long-term goals and have a solemn character.
- **International Agreements** are negotiated and concluded within the framework of the Organisation. They are legally binding on the Parties.
- **Arrangement, Understanding and Others:** several other types of substantive legal instruments have been developed within the OECD framework over time, such as the Arrangement on Officially Supported Export Credits, the International Understanding on Maritime Transport Principles and the Development Assistance Committee (DAC) Recommendations.