



Food and Agriculture
Organization of the
United Nations



OECD

COMMODITY MARKETS, TRADE AND FORESTS

OECD-FAO Business Handbook on Deforestation and
Due Diligence in Agricultural Supply Chains

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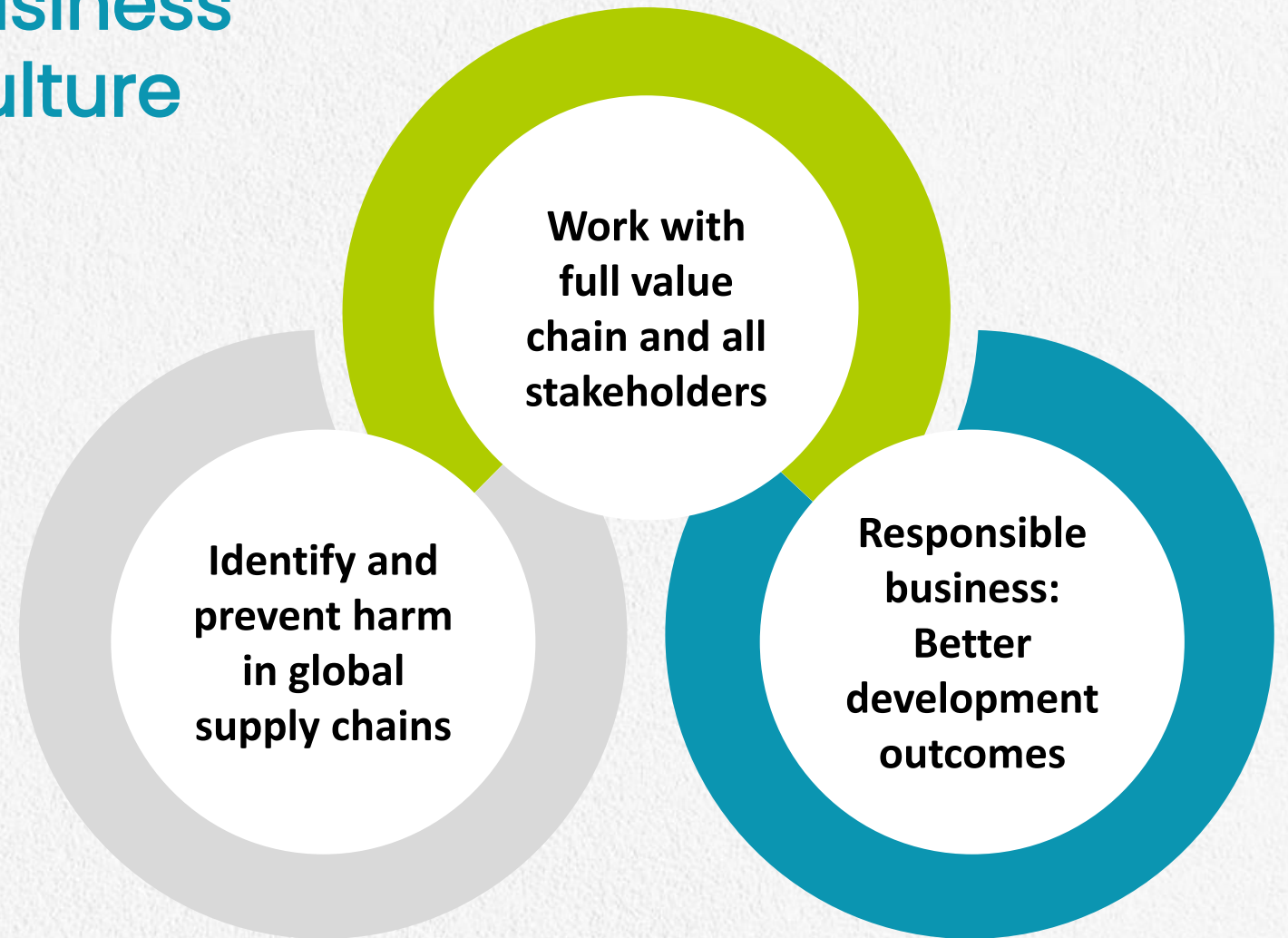
16 November 2023 - FAO headquarters, Rome, Italy

FAO and Responsible Business Conduct (RBC) in Agriculture

poverty, trade and development

growing global population

rising demand for food



FAO and Responsible Business Conduct (RBC) in Agriculture



FAO supports sustainable development through promoting Responsible Business Conduct (RBC) in agrifood supply chains

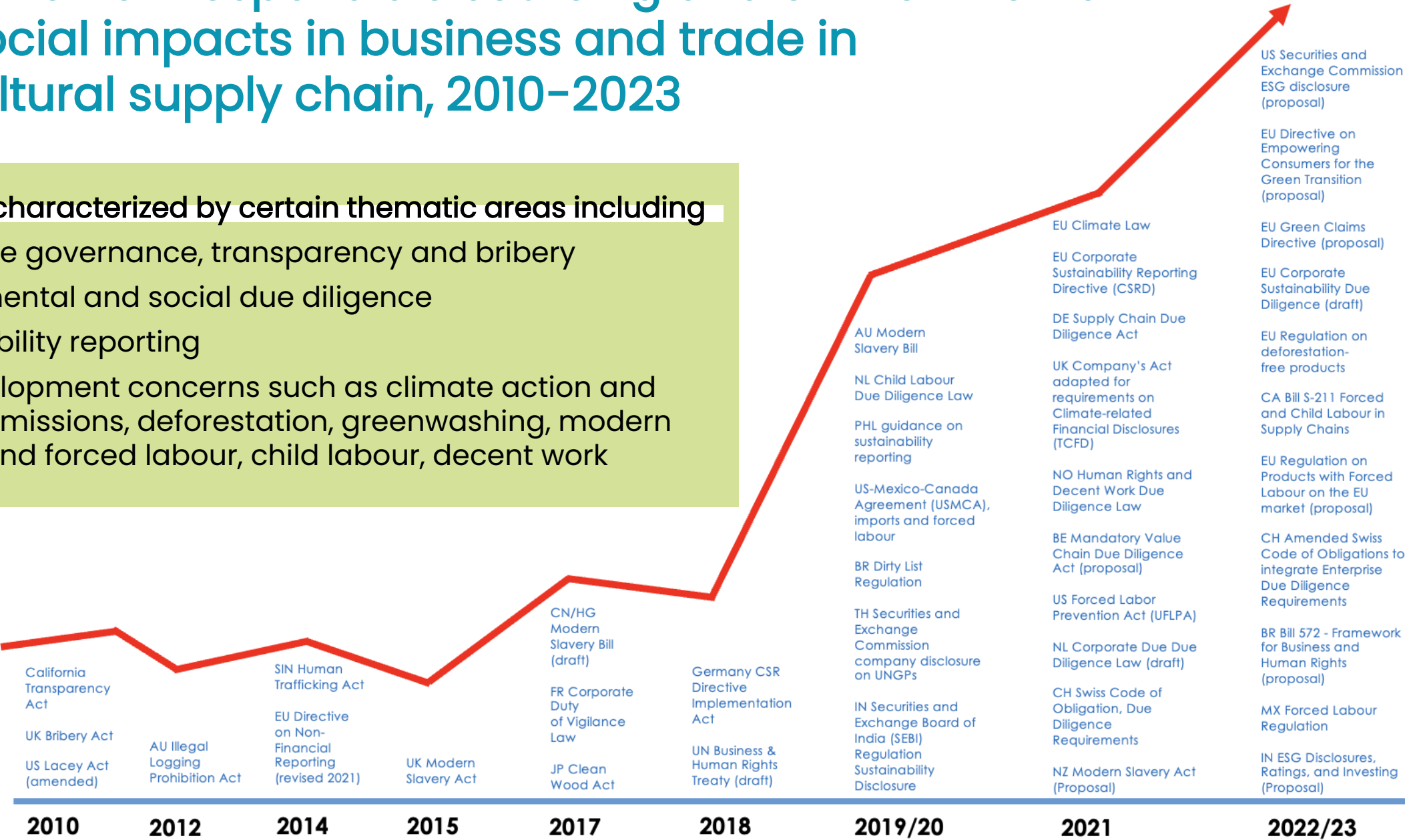
- Helping governments design policies to promote use of RBC by businesses
- Helping farmers and companies reduce negative social and environmental impacts with a focus on upstream part of agri-food supply chains
- Addressing salient development risks in upstream supply chains (e.g., deforestation)
- Facilitating multi-stakeholder collaboration for responsible value chains



Regulation on responsible sourcing and environmental and social impacts in business and trade in agricultural supply chain, 2010–2023

Legislation characterized by certain thematic areas including

- Corporate governance, transparency and bribery
- Environmental and social due diligence
- Sustainability reporting
- Key development concerns such as climate action and carbon emissions, deforestation, greenwashing, modern slavery and forced labour, child labour, decent work



Commodity markets, trade and forests

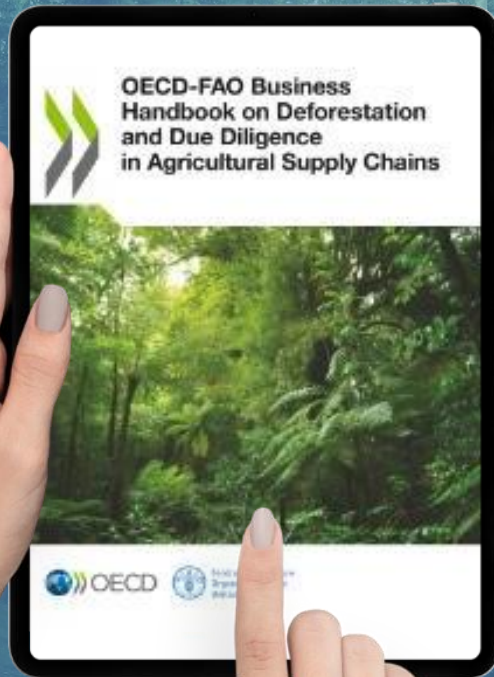
- Global agrifood trade more than doubled since 1995 (>1.5 trn \$)
- Rising exports from low/middle-income countries in global agrifood supply chains (> 1/3 of global trade)
- Trade supports economic growth & development but can affect forests
- It can potentially increase or decrease deforestation depending on the effects on local prices and other characteristics of the country
- Between 2000 and 2018, agricultural expansion caused 88% of deforestation



Agricultural Trade, Supply Chains and Deforestation

- ✓ Deforestation takes place upstream in agricultural supply chains, but both exporting and importing countries play a critical role in addressing this challenge.
- ✓ Political commitments: Governments in many exporting countries have committed to halting deforestation and restore forests (ex. COP27, New York Declaration, etc.)
- ✓ Adequate trade policies can reduce deforestation
- ✓ Legislation: Deforestation and agricultural trade legislation being introduced in key import markets, requiring compliance by companies, affects suppliers around the world

OECD-FAO Business Handbook on Deforestation and Due Diligence in Agricultural Supply Chains



A business resource focused on deforestation in agricultural supply chains

- ✓ Designed for businesses, based on OECD-FAO Guidance for Responsible Agricultural Supply Chains and its 5-step framework
- ✓ Developed by FAO & OECD with support from **BMZ/GIZ**, through a **two-year multi-stakeholder** consultation with governments, businesses, CSOs

Supported by the



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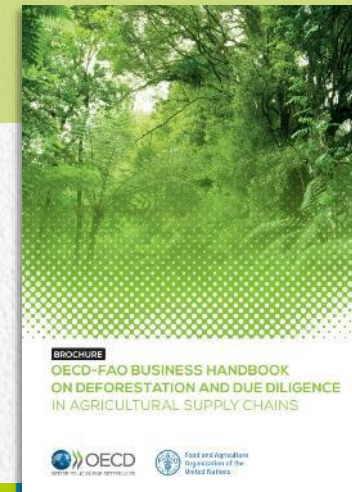
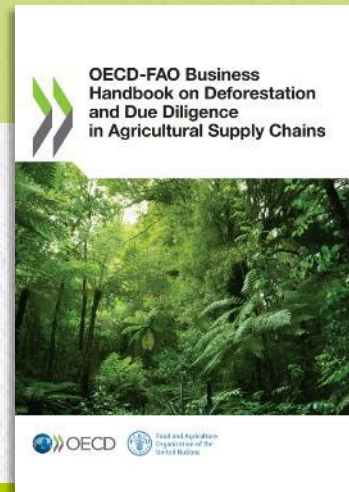
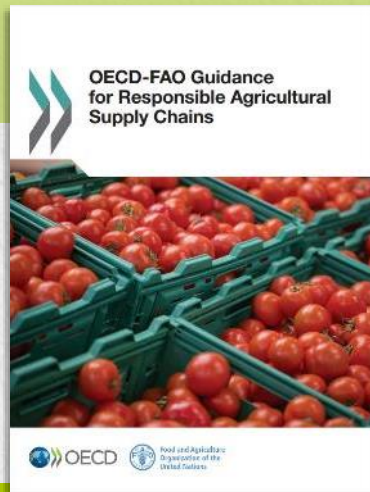
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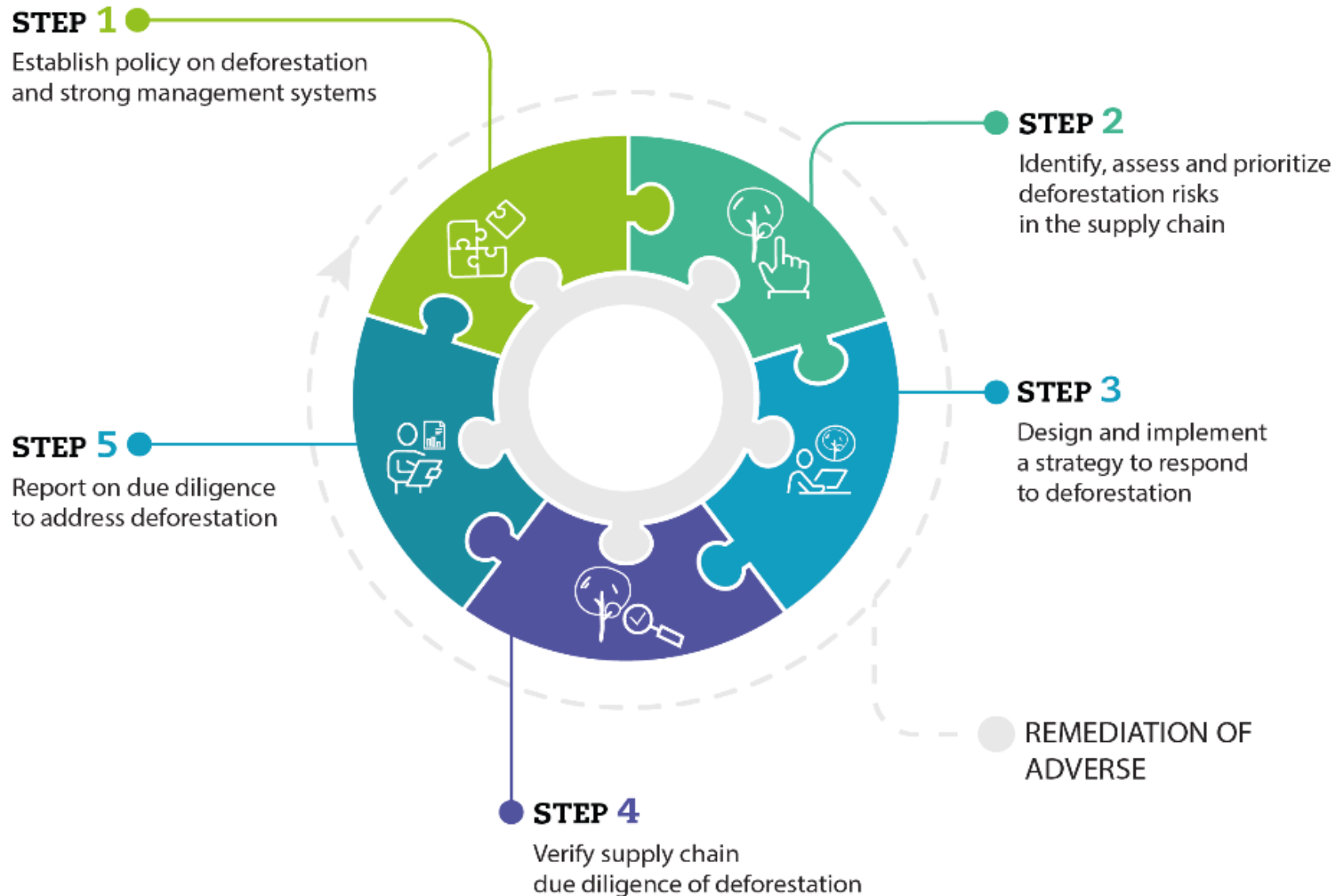
OECD-FAO Business Handbook on Deforestation and Due Diligence in Agricultural Supply Chains

- Aims to help companies **incorporate deforestation, responsible sourcing and supply chain due diligence as core features of their business models**
- The only global resource to help companies reduce deforestation in their operations and supplier relations according to **a process guided by due diligence, moving *beyond a focus on certification and traceability***

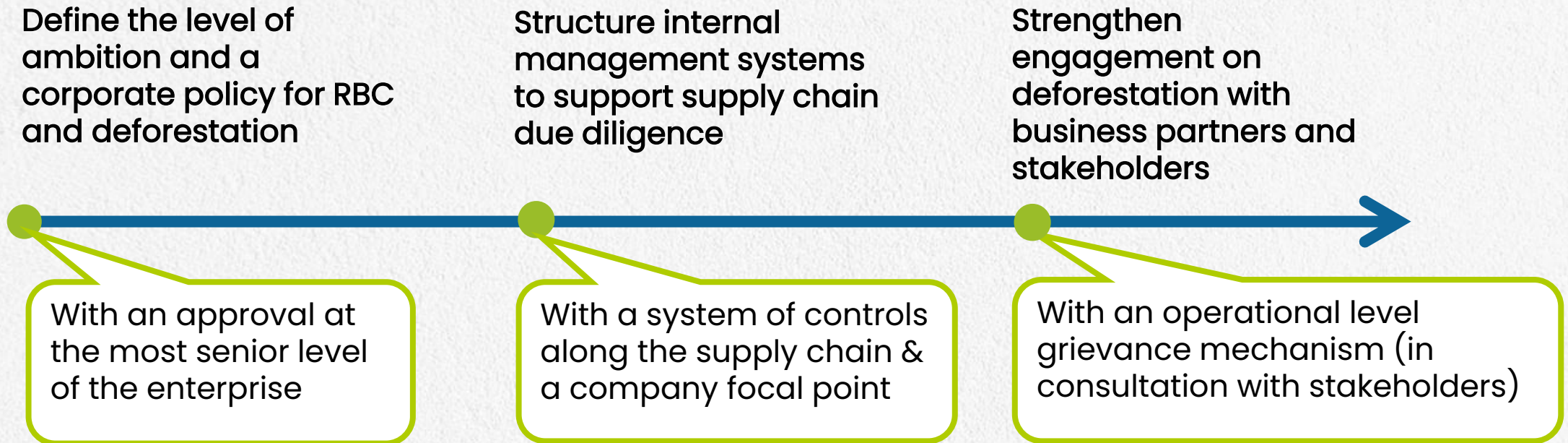


Brochure available in
EN, FR, ES, PT, ID

OECD-FAO 5 Step framework for risk-based due diligence



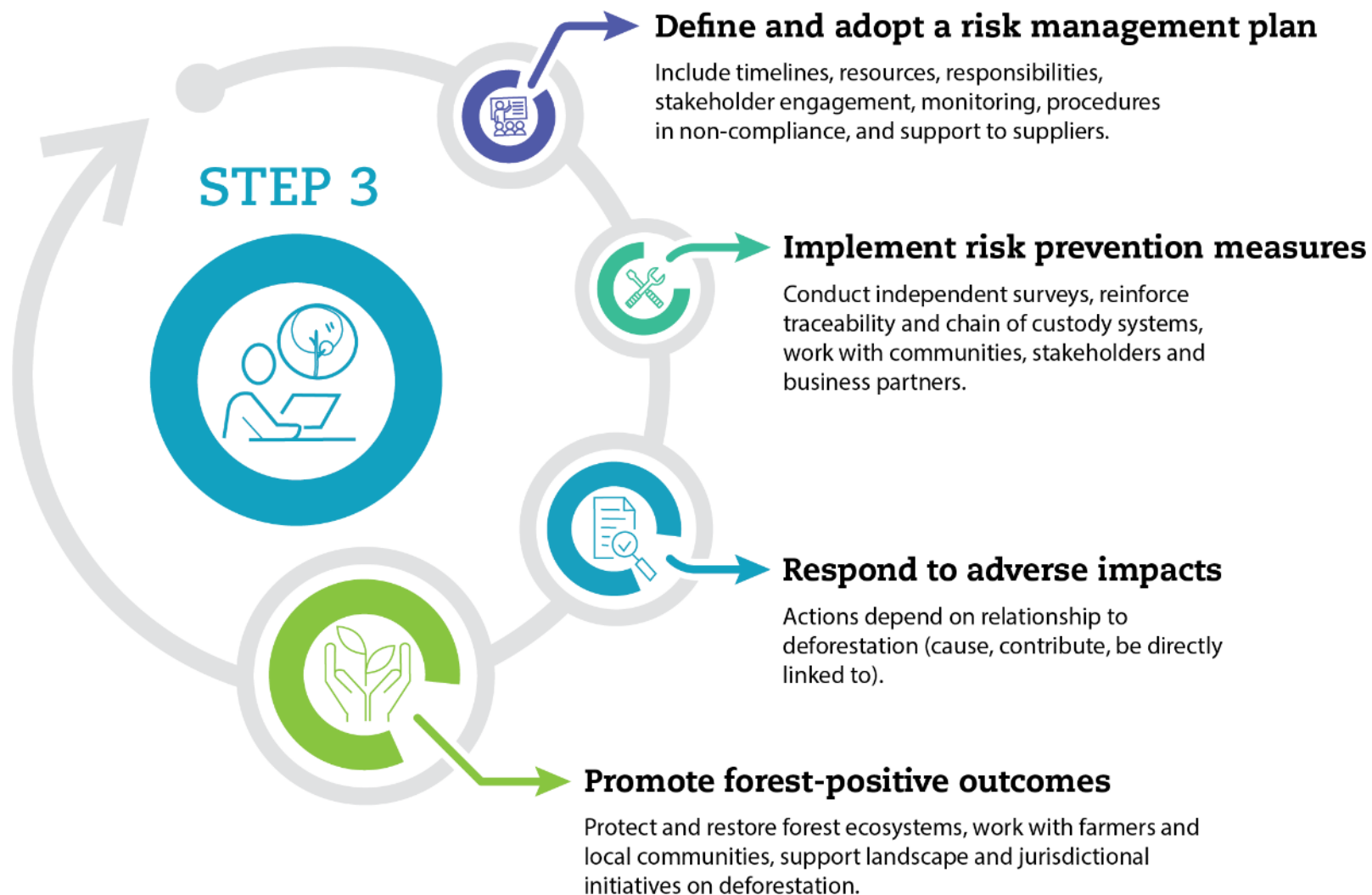
[STEP 1] Establish a policy on deforestation and strong management systems



[STEP 2] Identify, assess and prioritize deforestation risks in the supply chain

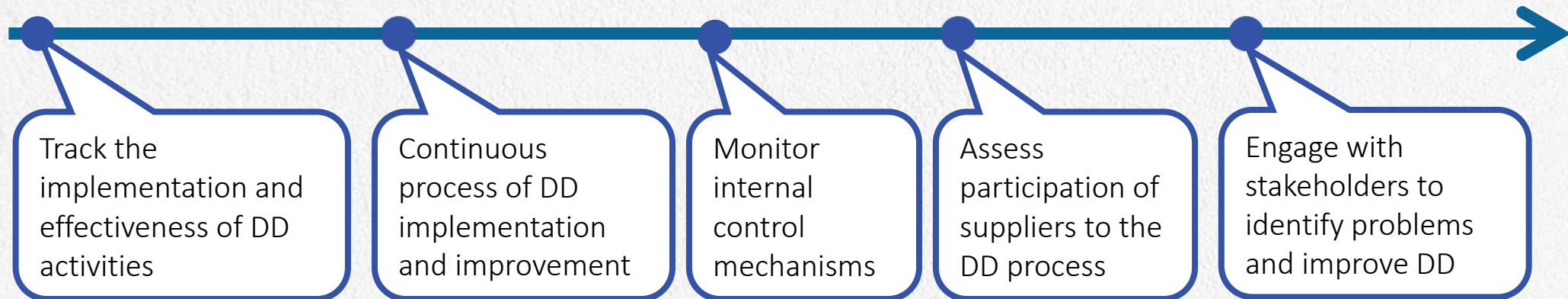


[STEP 3] Design and implement a strategy to respond to deforestation

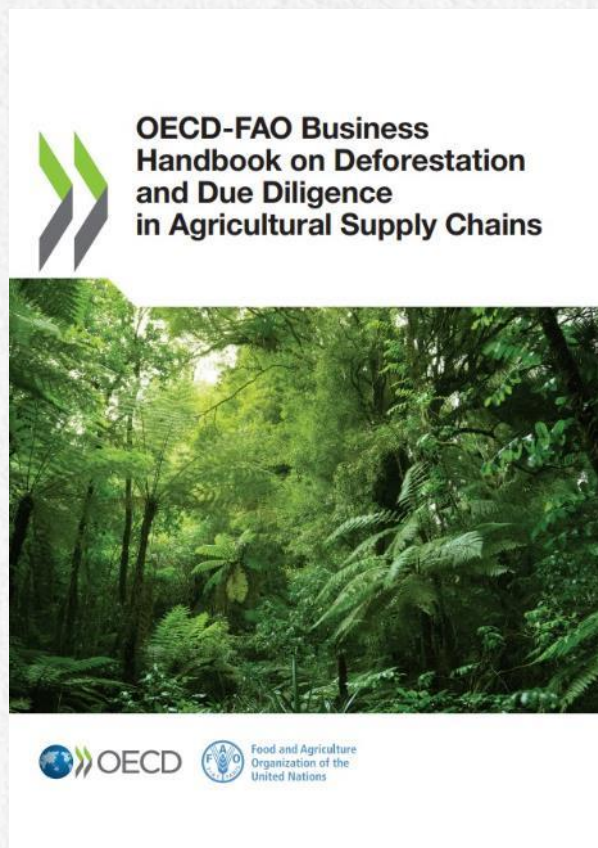


[STEP 4] Verify supply chain due diligence is effective

Verify, monitor and validate progress on due diligence applied to deforestation and its effectiveness in the company's own operations and supply chain



[STEP 5] Report on supply chain due diligence



Publicly report on forest-related due diligence and actions for forests



- Information on **policy and risks covered** – alignment to international standards,
- Communicate **red flag or salient risks**
- Highlight company's **actions** to prevent or mitigate deforestation
- Explain efforts concerning **remediation**
- **Report on Cooperation with stakeholders**
- Integrate findings in **sustainability reports**



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Thank you

Спасибо

Gracias

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Merci

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Danke

