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# COMMITTEE ON FISHERIES

## SUB-COMMITTEE ON FISH TRADE

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### **SOCIAL SUSTAINABILITY IN FISHERIES VALUE CHAINS - SOME TRENDS AND CHALLENGES**

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## 1. INTRODUCTION

The 2030 Agenda<sup>1</sup> demands that “no one is left behind”. It offers a vision for a fairer, more prosperous, peaceful and sustainable world that is just, rights-based, equitable and socially inclusive. The Sustainable Development Goals not only call for an end to poverty (SDG1), hunger and malnutrition (SDG2) and for universal access to health care (SDG3) – with major emphasis on women empowerment and gender issues (SDG5) – but also stipulate the elimination of all forms of exclusion and inequality everywhere (SDG10). SDG8 calls for sustained, inclusive and sustainable economic growth, as well as full and productive employment and decent work for all.

The human rights-based vision, including social inclusion and respect of human dignity, of the 2030 Agenda reinforces the call for social sustainability in fisheries and fish supply chains<sup>2</sup>. While great efforts have been undertaken to ensure seafood traded is produced in an environmentally sustainable manner, the promotion of social sustainability<sup>3</sup> in seafood value chains has been much slower. However, there is significant growing concern and interest to address a range of critical social and labour issues affecting the sector and fish value chains.

International and domestic fish trade can represent a great source of currency, income and employment, and can contribute to food security and poverty reduction in many producing, exporting and importing countries. International demand for fish has grown continuously over the past decades, with growing contribution of developing countries.

The seafood sectors in many countries that are producing, processing and exporting fish and fishery products face increasing challenges in their supply chains. These may include overfishing, declining landings, shifts in catch composition, increased costs of input supplies (such as energy, imported fish, feeds and seed), shortages of labour, competition in global markets, weak governance, use of flags of convenience, etc.

Pressures to reduce costs and maintain or increase profitability are also growing, which increases the incentives to use cheaper labour and neglect social and ethical considerations and human dimensions of the work and life of fish workers, their families and communities. As a result, the use of migrant workers working in sub-optimal conditions not only on board fishing vessels but also in processing plants, has increased, facilitated by illegal networks of brokers.<sup>4</sup>

Small-scale fishers, fish farmers and workers, and fish processing workers, are often poor and vulnerable, and generally tend to have little recognized access to resources, credit and loans, productive

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<sup>1</sup> The 2030 Agenda presents the most recent global intergovernmental commitment of heads of state who declared (Our Vision, paragraph 8): “We envisage a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination; of respect for race, ethnicity and cultural diversity, and of equal opportunity permitting the full realization of human potential and contributing to shared prosperity”.

[UN. 2015. \*Transforming our world: the 2030 Agenda for Sustainable Development\*.](#)

<sup>2</sup> Fish supply chains encompass all activities of supplying inputs required for production (capture & farming), post-harvest processing and value-adding, transportation, distribution, marketing and retailing and constitute highly complex systems including off-shore and on-shore activities often crossing national borders as well as services, actors and resources to make sure seafood is made available to consumers’ markets. A wide range of people is involved such as small-scale fishers, fish-farmers, aquafeed and seed producers, fish processing workers, high sea crew members, fish market workers, etc. For definition of fish value chains and supply chains, see Bjorndal, T., Child, A. & Lem, A. eds. 2014. Value chain dynamics and the small-scale sector: policy recommendations for small-scale fisheries and aquaculture trade. [www.fao.org/3/a-i3630e.pdf](#)

<sup>3</sup> Different definitions exist of “social sustainability”. The United Nations Global Compact defines social sustainability as encompassing human rights, labour, and gender equity and poverty reduction. <https://www.unglobalcompact.org/what-is-gc/our-work/social>. Social sustainability may cover inclusiveness, equitability, social norms, social institutions and organizations. See FAO.2014. Developing sustainable food value chains. Guiding principles. [www.fao.org/3/a-i3953e.pdf](#).

<sup>4</sup> Marschke M. & Vandergeest P. 2016. Slavery Scandals: Unpacking labour challenges and policy responses within the off-shore fisheries sector, *Marine Policy* (68): 39-46.

services and markets; they often lack access to social protection<sup>5</sup>, institutional support and education. Relative to other players in the value chain, small-scale fish producers are receiving the least economic benefits in terms of amount of money earned for their products<sup>6</sup>. Most are self-employed or engaged informally, i.e. often without any formal employment contracts. In addition, despite their contribution to the sector<sup>7</sup>, the role of women tends to be overlooked<sup>8</sup>. Furthermore, international fishery trade policies and practices, such as export-led fishery development and import liberalization, are not always structured in ways that provide equal benefits to small-scale producers and their communities<sup>9</sup>.

The seafood sector is also characterized<sup>10, 11, 12</sup> by cases of human rights violations and labour abuses, including instances of human trafficking, fraudulent and deceptive recruitment, modern-day-slavery, physical, mental and sexual abuse, homicide, child labour, debt bondage, refusal of fair and promised pay, abandonment, discrimination, excessive working hours, poor occupational safety and health, and denial of rights to association and collective bargaining negotiations and labour agreements. Violations take place at different stages of seafood value chains - especially in fish harvesting, farming and processing stages - and across different geographical areas. Women, migrant labourers and youth are exposed to these violations and are particularly vulnerable.

In many seafood value chains, it is difficult to trace fish back to the source to ensure quality of original products as well as to ascertain accountability of practices. Often illegal transshipment practices allow fishing vessels to avoid port checks, staying out at sea where enforcement of fisheries and labour regulations is often not possible. Human rights violations on fishing vessels occur along with illegal fishing practices and other crimes<sup>13</sup>.

To address these concerns, national and international initiatives supported by governments, civil society organizations, private sector, auditing and certification schemes, media, consumers, etc., are calling for critical social and labour issues in fisheries to be addressed more effectively, and for appropriate measures to resolve these issues. Domestic and international fish trade might in the longer-term benefit from social sustainability in fish value chains. However, a range of governance efforts and associated costs involved with the necessary measures will need to be recognized, agreed and supported. If we are to achieve the 2030 Agenda, both domestic and international fish trade needs to address enhanced social sustainability in fish value chains.

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<sup>5</sup> Béné, C., Devereux, S. & Roelen, K. 2015. Social protection and sustainable natural resource management: initial findings and good practices from small-scale fisheries. FAO Fisheries and Aquaculture Circular No. 1106. [www.fao.org/3/a-i4620e.pdf](http://www.fao.org/3/a-i4620e.pdf)

<sup>6</sup> Processors and retail markets were found to be receiving more of the distributional benefits of the value chain owing to their stronger bargaining power. [www.fao.org/3/a-i3630e.pdf](http://www.fao.org/3/a-i3630e.pdf).

<sup>7</sup> Monfort, M.C., 2015. The role of women in the seafood industry. GLOBEFISH research programme. [www.fao.org/3/a-bc014e.pdf](http://www.fao.org/3/a-bc014e.pdf)

<sup>8</sup> Harper, S. *et al.* 2017. Contributions by Women to Fisheries Economies: Insights from Five Maritime Countries, Coastal Management, 45:2, 91-106.

<sup>9</sup> Exploring the human rights-based approach to the implementation of the FAO Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the context of food security and Poverty Eradication: A background paper (FAO, unpublished).

<sup>10</sup> FAO. 2016. Scoping study on decent work and employment in fisheries and aquaculture. [www.fao.org/3/a-i5980e.pdf](http://www.fao.org/3/a-i5980e.pdf).

<sup>11</sup> Singh, S.C. 2016. Social accountability and decent work in the global tuna industry. Infofish International 6/2016.36-39.

<sup>12</sup> Kittinger, J. *et al.*, 2017. Committing to socially responsible seafood. <http://science.sciencemag.org/content/356/6341/912.full>

<sup>13</sup> During the 2014 Session of the FAO Committee on Fisheries, many member countries stressed the link between issues of safety at sea, forced labour and the occurrence of IUU fishing.

## 2. PROMOTING SOCIAL SUSTAINABILITY IN FISHERIES VALUE CHAINS

International attention on cases of human rights violations and labour exploitation in fisheries have raised awareness and interest to tackle the root causes of irresponsible practices in the sector: to make fisheries value chains sustainable and to allow for inclusive economic development of communities and workers depending on fish production, processing and trade for their livelihoods. Consumers, the private sector, media, policy and lawmakers and other stakeholders are realizing the need for the sector to respond to the call for more social accountability in fisheries value chains, i.e. for value chain actors to commit to produce, process and sell seafood in a socially responsible manner.

### 2.1 International instruments for social sustainability in fisheries value chains

Many international instruments are increasingly used for enhancing social and ethical responsibility<sup>14</sup> in fisheries. While some instruments aim to guide national policy and legislation, others focus on responsibilities and accountability of businesses and states, for example, the promotion of human rights in business, and on responsible investment in agriculture and food systems or on responsible agricultural supply chains. Table 1 presents a selection of such instruments as they may inform, support and strengthen actions towards social sustainability in the fisheries sector.

**Table 1. Selection of international instruments relevant for social responsibility in fisheries and fish supply chains<sup>15</sup>**

Instrument	Social responsibility coverage
United Nations (UN) Convention on the Law of the Sea, 1982	Arrest of fishers, mortality, pre-departing training, violence and physical abuse
UN Declaration of Human Rights <sup>16</sup> , 1948	Human Rights
UN Guiding Principles on Business and Human Rights <sup>17</sup> , 2011	Apply the ' <i>Protect, Respect and Remedy</i> ' framework; human rights due diligence. Recommendations for governments and businesses
UN Global Compact <sup>18</sup> Ten Principles and Guide to Corporate Sustainability	Six principles guide corporate sustainability & responsible businesses on human and labour rights
International Labour Organization (ILO) Tripartite Declaration of principles concerning multinational enterprises and social policy <sup>19</sup> , rev. 2017	Employment, training, conditions of work and life, and industrial relations; decent work agenda in the private sector
ILO Declaration on Fundamental Principles and Rights at Work <sup>20</sup> , 1998.	Freedom of association, the right to collective bargaining, abolition of child labour, forced labour and discrimination
ILO Work in Fishing Convention C188, 2007 <sup>21</sup>	Working and living conditions on board fishing vessels

<sup>14</sup> FAO. 2005. Ethical issues in fisheries: <ftp://ftp.fao.org/docrep/fao/008/y6634e/y6634e00.pdf>

<sup>15</sup> This table provides only a selection of relevant instruments as issued by the UN, UN agencies and the OECD

<sup>16</sup> UN. 1948. The Universal Declaration of Human Rights. <http://www.ohchr.org/EN/UDHR/Pages/UDHRIndex.aspx>

<sup>17</sup> OHCHR. 2011. UN Guiding Principles on Business and Human Rights

[www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

<sup>18</sup> UN Global Compact. Ten principles and Guide to Corporate Sustainability. <https://www.unglobalcompact.org/>

<https://www.unglobalcompact.org/what-is-gc/mission/principles>;

[https://www.unglobalcompact.org/docs/publications/UN\\_Global\\_Compact\\_Guide\\_to\\_Corporate\\_Sustainability.pdf](https://www.unglobalcompact.org/docs/publications/UN_Global_Compact_Guide_to_Corporate_Sustainability.pdf)

<sup>19</sup> ILO. 2017. [Tripartite Declaration of principles concerning multinational enterprises and social policy](http://www.ilo.org/empent/Publications/WCMS_094386/lang--en/index.htm)

[www.ilo.org/empent/Publications/WCMS\\_094386/lang--en/index.htm](http://www.ilo.org/empent/Publications/WCMS_094386/lang--en/index.htm)

<sup>20</sup> ILO. 1998. Declaration on Fundamental Principles and Rights at Work [www.ilo.org/declaration/lang--en/index.htm](http://www.ilo.org/declaration/lang--en/index.htm)

<sup>21</sup> ILO Work in Fishing Convention C188. [www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_535063/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_535063/lang--en/index.htm)

<b>Instrument</b>	<b>Social responsibility coverage</b>
ILO 2014 Protocol to the Forced Labour Convention, 1930 (P029) <sup>22</sup> ,	Fight, prevent and deter modern-day-slavery
International Labour Standards <sup>23 24</sup>	ILO conventions and recommendations for national commitments and guiding principles for all labour stakeholders
FAO Code of Conduct for Responsible Fisheries <sup>25</sup> , 1995	Protection of rights of fishers and fish workers, their livelihoods and their access to resources; safety at sea
FAO Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries <sup>26</sup> , 2014	Human rights based approach. Promotion of social development, employment and decent work: elimination of child and forced labour; occupational safety and health; adequate standards of living; value chain, post-harvest and trade: fair distribution of benefits, participation of small-scale actors in decision making
FAO-ILO Guidance on addressing child labour in fisheries and aquaculture <sup>27</sup> , 2013	Concepts, causes, data, policy, legal and institutional frameworks, implementation, risks, prevention, protection of children
FAO/ Committee on World Food Security: Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) <sup>28</sup> , 2012	Promotion of secure tenure rights and equitable access to land, fisheries and forests as a means of eradicating hunger and poverty, supporting sustainable development and enhancing the environment
FAO/ Committee on World Food Security: Principles for Responsible Investments in Agriculture and Food Systems <sup>29</sup> , 2014	Food security and nutrition, availability, access, stability, utilization, right to food
OECD Guidelines for Multinational Enterprises <sup>30</sup> , updated 2011	Responsible business conduct, corporate responsibility, risk management, social license to operate, due diligence
OECD-FAO Guidance for Responsible Agricultural Supply Chains <sup>31</sup> , 2016	Responsible business conduct, due diligence, supply chain approach, risk management

<sup>22</sup> ILO 2014 Protocol to the Forced Labour Convention, 1930 (P029).

[www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:P029](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:P029)  
[www.ilo.org/wcmsp5/groups/public/@ed\\_norm/@declaration/documents/publication/wcms\\_321414.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_321414.pdf)

<sup>23</sup> ILO, 2014. Rules of the Game: a brief introduction to International Labour Standards.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---normes/documents/publication/wcms\\_318141.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_318141.pdf);

[http://www.ilo.org/wcmsp5/groups/public/@ed\\_norm/@normes/documents/publication/wcms\\_108393.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@normes/documents/publication/wcms_108393.pdf)

<sup>24</sup> ILO, 2014. Guide to international labour standards.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---normes/documents/publication/wcms\\_246944.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_246944.pdf)

<sup>25</sup> FAO. 1995. Code of Conduct for Responsible Fisheries. [www.fao.org/docrep/005/v9878e/v9878e00.htm](http://www.fao.org/docrep/005/v9878e/v9878e00.htm)

<sup>26</sup> FAO. 2014. Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the context of food security and poverty eradication. [www.fao.org/3/a-i4356e.pdf](http://www.fao.org/3/a-i4356e.pdf)

<sup>27</sup> FAO-ILO. 2013. Guidance on addressing child labour in fisheries and aquaculture.

[www.fao.org/docrep/018/i3318e/i3318e.pdf](http://www.fao.org/docrep/018/i3318e/i3318e.pdf)

<sup>28</sup> FAO/ Committee on World Food Security. 2012. Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT). [www.fao.org/docrep/016/i2801e/i2801e.pdf](http://www.fao.org/docrep/016/i2801e/i2801e.pdf)

<sup>29</sup> FAO/ Committee on World Food Security: Principles for Responsible Investments in Agriculture and Food Systems <http://www.fao.org/cfs/cfs-home/activities/rai/en/>

<sup>30</sup> OECD. 2011. Guidelines for Multinational Enterprises.

<http://www.oecd.org/corporate/mne/oecdguidelinesformultinationalenterprises.htm>

<sup>31</sup> OECD-FAO. 2016. Guidance for Responsible Agricultural Supply Chains: [www.oecd.org/daf/inv/investment-policy/rbc-agriculture-supply-chains.htm](http://www.oecd.org/daf/inv/investment-policy/rbc-agriculture-supply-chains.htm) ; <http://mneguidelines.oecd.org/OECD-FAO-Guidance.pdf>

In many cases, the above instruments can be instrumental for the introduction and implementation of policies, regulations and concrete actions helping to achieve better social governance in fisheries. In some cases, however, significant capacity constraints (e.g. operational, financial, institutional, procedural or legal limitations), corruption or lack of willingness to act by concerned authorities can result in insufficient laws or inadequate enforcement of existing laws and regulations that would otherwise protect and enhance social sustainability in fisheries.

Given these weaknesses, additional self-regulatory measures and private standards (meeting or exceeding national and international requirements) are being taken up by seafood industry actors to improve practices along fisheries supply chains, especially when such improvements are demanded by consumers, buyers and media.

## **2.2. Ongoing processes and initiatives promoting social sustainability in fisheries value chains**

The number of international, regional or national initiatives promoting improvements of social and labour conditions in fisheries and fisheries value chains continues to grow, with support of governments, non-governmental organizations, industry, auditing and certification schemes, media and international organizations. Following, we present a number of initiatives by these actors.

For example, on the occasion of World Fisheries Day<sup>32</sup> on 21 November 2016, the representatives of the Holy See and FAO, as well as ILO, fish industry representatives and trade unions condemned illegal fishing and forced labour in fisheries, and urged collective commitment to prevent human rights abuses in fisheries supply chains.

In 2014, the thirty-first session of FAO's Committee on Fisheries<sup>33</sup> (COFI), stressed the link between safety-at-sea issues, forced labour and the occurrence of illegal Unreported Unregulated (IUU) fishing activities. COFI-31 then also adopted the Voluntary Guidelines<sup>34</sup> for Securing Small-Scale Fisheries (SSF), which call on governments and other concerned actors to take actions to promote social development, employment and decent work. The fifteenth session of COFI Sub-Committee on Fish Trade in 2016 also highlighted the increasing concern about social and labour conditions in the industry and the need to raise these issues in international fora<sup>35</sup>.

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<sup>32</sup> FAO & Holy See, 2016. World Fisheries Day: The violation of human rights within the fishing sector.

<http://www.fao.org/3/a-i6861b.pdf>; <http://www.fao.org/news/story/en/item/453811/icode/>;  
[http://en.radiovaticana.va/news/2016/11/15/migrants\\_council\\_issues\\_message\\_for\\_fisheries\\_day/1272311](http://en.radiovaticana.va/news/2016/11/15/migrants_council_issues_message_for_fisheries_day/1272311)

<sup>33</sup> FAO. 2015. Report of the 31<sup>st</sup> Session of the Committee on Fisheries, June, 2014. FAO Fisheries and Aquaculture Report, FIPI/1011. <http://www.fao.org/3/a-i4634e.pdf>

<sup>34</sup> FAO. 2014. Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the context of food security and poverty eradication. [www.fao.org/3/a-i4356e.pdf](http://www.fao.org/3/a-i4356e.pdf)

<sup>35</sup> FAO Committee on Fisheries. 2016. *Report of the fifteenth session of the Sub-Committee on Fish Trade of the Committee on Fisheries. Agadir, Morocco, 22–26 February 2016*. FAO Fisheries and Aquaculture Report No. 1148. <http://www.fao.org/3/a-i5580t.pdf>

The 2015 ILO conference on labour exploitation in the fishing sector recognized widespread human and labour rights violations and discussed good practices and innovations to eradicate forced labour and other decent work deficits in the fishing industry<sup>36</sup>. The ILO and UN Office on Drugs and Crime (UNODC) have repeatedly called for action on forced labour, trafficking and transnational crime in fisheries<sup>37, 38, 39</sup>. In 2016, the Organisation for Economic Cooperation and Development (OECD), FAO and UNODC convened a conference<sup>40</sup> on improving cooperation in combatting tax crime and other crimes in the fisheries sector, which also covered human rights violations and labour abuses in fisheries. The Joint FAO/International Maritime Organization (IMO) Ad Hoc Working Group on IUU fishing recommended<sup>41</sup> international inter-agency collaboration to promote International Labour Standards concerning forced labour, including human trafficking, and jointly to consider linkages between fisheries governance, the seafood industry and forced labour. Recently the ILO initiated programmes on decent work in global supply chains,<sup>42</sup> which will cover agricultural commodities and supply chains, including seafood.<sup>43</sup>

### *Action by governments*

Governments are increasing their efforts to improve social sustainability in fisheries. Indonesia has introduced legislation to promote respect and certification of human rights in the fisheries industry. Thailand passed legislation to protect welfare of seamen and to prevent forced labour and unlawful labour practices in the fisheries sector, and is introducing good labour practices for the fisheries industry. Senegal has promoted decent work conditions in the fisheries sector covering safety, health, recruitment, working hours, and training. New Zealand introduced an Act of Parliament requesting foreign fishing vessels operating in New Zealand waters to re-flag to New Zealand to ensure compliance with national labour regulations.<sup>44</sup>

Argentina facilitated social protection measures in fish processing plants, national collective agreements with fisheries trade unions as well as the government-led Mar Argentino certification scheme that includes decent work criteria. Similarly, in France, the Pêche Durable label, which covers social and labour criteria (minimum wage, safety, disability pension), is being developed by France AgriMer, the national authority for agriculture and sea products. Based on social risk assessment for responsible sourcing, the United Kingdom's SeaFish (national authority on seafood) has established the Responsible Fishing Scheme, a third party certification for fishing vessels and skippers, with social standards on crew welfare, health and safety.

<sup>36</sup> ILO, 2016. Fishers first: Good practices to end labour exploitation at sea. [www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_515365.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_515365.pdf)

<sup>37</sup> GAPfish. Global Action Programme against forced labour and trafficking of fishers at sea.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_429359.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_429359.pdf)

<sup>38</sup> ILO, 2013. Caught at Sea - Forced Labour and Trafficking in Fisheries [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_214472.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_214472.pdf)

<sup>39</sup> 2<sup>nd</sup> International Symposium on Fisheries Crime, 2016. <http://fishcrime.com/recommendations-of-the-2nd-international-symposium-on-fisheries-crime/>

<sup>40</sup> OECD-FAO-UNODC Conference on improving cooperation in the fight against fish crime.

<http://www.fao.org/blogs/blue-growth-blog/when-iuu-fishing-is-only-the-tip-of-the-iceberg/en/>

<sup>41</sup> FAO/IMO, 2016. [Report of the Third Session of the Joint FAO/IMO Ad Hoc Working Group on Illegal, Unreported and Unregulated \(IUU\) Fishing and Related Matters](#), London, 16–18 November 2015. FAO Fisheries and Aquaculture Report No. 1152, Rome. ([www.fao.org/3/a-i5736e.pdf](http://www.fao.org/3/a-i5736e.pdf)). The JWG recommended that: a) the FAO and IMO Secretariats cooperate with the ILO Secretariat in activities to promote the Work in Fishing Convention, 2007 (No. 188) and ILO's standards concerning forced labour, including human trafficking, bearing in mind the potential relevance of these instruments to combat IUU fishing, and the potential contribution of IUU fishing to substandard working conditions in the sector; b) FAO collaborate, as appropriate, with the United Nations Office on Drugs and Crime (UNODC), ILO and Interpol, in order to raise awareness on forced labour, including human trafficking, in the fisheries sector, and explore initiatives to address such issues; and c) FAO consider the relationship between the matters of fisheries governance, seafood industry, and forced labour, in cooperation with IMO and ILO.

<sup>42</sup> ILO, 2016. Decent work in global supply chains. ([www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_468097.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_468097.pdf))

<sup>43</sup> ILO, 2016. Global supply chains: Insights into the Thai seafood sector. ([www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_474896.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_474896.pdf))

<sup>44</sup> A. Couper *et al.* 2015. Fishers and Plunderers. Theft, Slavery and Violence at Sea. Pluto Press, London.

### ***Action by regional groups***

The European Commission (EC) Special Incentive Arrangement for Sustainable Development and Good Governance (“GSP+”) assures preferential access to European markets for certain commodities, including fish, for exporting countries that safeguard human rights, labour rights, environmental protection and good governance. In order to align European Union law with ILO’s Work in Fishing Convention C188, the European Commission<sup>45</sup> adopted a proposal for a directive to improve living and working conditions on board (work on board, conditions of service, occupational health and safety, accommodation and food).

Members of the Association of South-East Asian Nations (ASEAN) and Southeast Asian Fisheries Development Center (SEAFDEC) have agreed<sup>46</sup> to combat IUU fishing in the Southeast Asian region and enhance the competitiveness of ASEAN fish and fishery products by addressing labour issues (safe, legal and equitable practices) in the fisheries sector in the Southeast Asian region. Their Joint Declaration envisages strengthened cooperation among relevant national agencies within the country as well as establishing regional, sub-regional and bilateral cooperation and collaboration via relevant ASEAN platforms, and helping to support the development and implementation of relevant labour guidelines for the fisheries sector.

In 2014, the summit of African Heads of State and Governments endorsed the Policy Framework and Reform Strategy for the Fisheries and Aquaculture Sector in Africa<sup>47</sup>, which envisages that fishing communities and fish workers have decent working conditions, live with dignity and realize their rights to livelihoods. The strategy calls on member states to work towards the elimination of child labour and the promotion of a conducive environment for youth employment, including access to financial services and youth friendly health services.

### ***Action by the private sector***

There is wide range of private sector initiatives and fora such as The Consumer Goods Forum<sup>48</sup> that strives to eradicate forced labour from seafood value chains. In addition, eight of the world’s largest seafood companies, collectively operating in all segments of marine fisheries and aquaculture production worldwide, have set up a new global initiative (the Seafood Business<sup>49</sup> for Ocean Stewardship) committed to, *inter alia*, “improve transparency and traceability in our own operations, and work together to share information and best practice, building on existing partnerships and collaborations” and “engage in concerted efforts to eliminate any form of modern slavery including forced, bonded and child labour in our supply chains”.

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<sup>45</sup> The proposal for the directive was developed by the European Sectoral Social Dialogue Committee for Fisheries. <http://www.consilium.europa.eu/en/press/press-releases/2016/10/13-epsco-better-working-conditions-fisherman/>; [http://europa.eu/rapid/press-release\\_IP-16-1601\\_en.htm](http://europa.eu/rapid/press-release_IP-16-1601_en.htm)

<sup>46</sup> ASEAN-SEAFDEC, 2016. Joint ASEAN-SEAFDEC Declaration on Regional Cooperation for Combating Illegal, Unreported and Unregulated (IUU) Fishing and Enhancing the Competitiveness of ASEAN Fish and Fishery Products. [www.seafdec.org/documents/hlc-joint-declaration.pdf](http://www.seafdec.org/documents/hlc-joint-declaration.pdf)

<sup>47</sup> AUC-NEPAD, 2014. The Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa. <https://au.int/web/sites/default/files/documents/30266-doc-au-ibar-fisheries-policy-framework-and-reform-strategy.pdf>

<sup>48</sup> The Consumer Goods Forum represents numerous national and multi-national enterprises, active in national and international supply chains. [www.theconsumergoodsforum.com/strategic-focus/social-sustainability/forced-labour-priority-industry-principles](http://www.theconsumergoodsforum.com/strategic-focus/social-sustainability/forced-labour-priority-industry-principles)

<sup>49</sup> Seafood keystone dialogue: <http://keystonedialogues.earth/wp-content/uploads/2016/12/Statement-signed.pdf>; <http://keystonedialogues.earth/>; <http://www.stockholmresilience.org/research/research-news/2016-12-14-international-seafood-business-commits-to-stronger-sustainability-efforts.html>



Individual seafood companies and associations increasingly undertake risk assessment and planning for occupational safety and health, or application and certification of ILO Convention 188 standards. Aquaculture companies active in different continents emphasize good working conditions as well as education, medical care and infrastructure development for their employees and local communities. Some large multi-national retailers pursue a corporate social responsibility policy for responsible sourcing from different partners through adopted codes of conduct or internal ethical charts applied to their suppliers covering a significant range of international labour standards.

### ***Action by multi-stakeholder partnerships***

Significantly, multi-stakeholder partnerships with supply chain participation are beginning to emerge, e.g. Seafood Task Force<sup>50</sup>, involving major international retailers, national industry and government, as well as Non-Governmental Organizations (NGOs), aiming to address the risks of forced labour, human trafficking and IUU fishing in certain seafood supply chains. The Index Initiative is exploring scope and methodologies for a “seafood stewardship index” for measurement, comparison and monitoring of good practice performance of seafood companies within supply chains, with the support from the Dutch government, and participation of invited seafood companies. The requirements for countries implementing the Fisheries Transparency Initiative (FiTI) standard<sup>51</sup> include information relating to enforcement of labour standards.

### ***Action by seafood auditing and certification schemes***

An International Institute for Sustainable Development (IISD) study<sup>52</sup> indicates that seafood auditing and certification schemes<sup>53</sup> are including or expanding social and labour criteria and standards in their programmes covering seafood commodities and fisheries supply chains. The envisaged social and labour criteria and standards embrace community involvement, human rights, labour rights, employment conditions and benefits, workers’ health and safety, etc.

The Global Sustainable Seafood Initiative<sup>54</sup>(GSSI) has decided to align its future priorities, including its benchmark operations, with the 2030 Agenda<sup>55</sup> and has included decent work and economic growth (SDG8) and responsible consumption and production (SDG12) in its priority targets. The GSSI is compiling information on social and labour criteria and standards for seafood commodities, as well as on interested auditing/certification schemes and other projects (e.g. Sustainable Fisheries Partnership<sup>56</sup>) working on such criteria and standards for use in fisheries supply chains.

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<sup>50</sup> Seafood task force: [www.seafoodtaskforce.global/](http://www.seafoodtaskforce.global/)

<sup>51</sup> Fisheries Transparency Initiative standard. [http://fisheriestransparency.org/wp-content/uploads/2017/05/FiTI\\_Standard2017EN.pdf](http://fisheriestransparency.org/wp-content/uploads/2017/05/FiTI_Standard2017EN.pdf)

<sup>52</sup> International Institute for Sustainable Development. 2016. State of Sustainability Initiatives: Standards and the Blue Economy. <http://www.iisd.org/sites/default/files/publications/ssi-blue-economy-2016.pdf>

<sup>53</sup> Marine Stewardship Council, Friends of the Sea, GlobalGAP, IFOAM, Aquaculture Stewardship Council, Global Aquaculture Alliance (Best Aquaculture Practices), Verité and others

<sup>54</sup> The Global Sustainable Seafood Initiative (GSSI - <http://www.ourgssi.org/>), a private-public partnership, is promoting comparability and transparency of eco-labelling of seafood products. In 2015, GSSI launched a benchmarking tool for seafood eco-labels developed on the basis of the FAO Guidelines for eco-labelling of fish and fishery products from capture fisheries and the FAO Technical Guidelines on Aquaculture Certification.

<sup>55</sup> GSSI Annual Report 2016. (Available at: <http://ourgssi.org/assets/Information-Package/Annual-Reports/GSSI-2016-Annual-Report-web.pdf>)

<sup>56</sup> Sustainable Fisheries Partnership: <https://www.sustainablefish.org/Programs/Science/Methodology-development>

### *Action by civil society organizations*

Many national and international civil society organizations<sup>57</sup>, including development and environmental NGOs, human rights groups, trade unions, scientists, etc., are actively advocating promotion and upholding of human and labour rights in fisheries, social protection for fishing communities and decent work conditions for all fish workers. They increasingly collaborate and address their calls to many national and international institutions and fora, including major seafood shows, media, and UN agencies such as ILO, International Organization for Migration (IOM), FAO, UNODC, Office of the United Nations High Commissioner for Human Rights (OHCHR)<sup>58</sup>.

The above actions indicate that there is a plethora of efforts aiming to enhance social sustainability in fisheries and fish value chains.

### **2.3 Implications for fisheries value chains**

In response to the actions described above, often in view of possible implications for fish trade, some industry stakeholders call on governments to ensure more effective enforcement and compliance monitoring of existing labour legislation and standards including more efficient inspection, surveillance, and control at international and national levels. They advocate a level playing field approach to the application and compliance monitoring of human rights and labour standards. Some favour responsible sourcing, based on social risk assessment and/or certification of application of human rights and decent work standards, in addition to existing legislation. Others foresee that major seafood buyers will demand business-to-business evidence of application of due diligence measures sensitive to human and labour rights throughout their supply chains.

The call for more transparency and effective traceability of products in fish supply chains is increasingly including requests by consumers and buyers for demonstrated accountability and responsibility by all actors in fish supply chains. It is argued that human and labour rights abuses, seafood fraud and mislabelling, quality issues, illegal fishing and production practices could be addressed more successfully with full supply chain traceability, for example through catch documentation and associated risk-based due diligence reporting efforts.

There is concern however that social auditing and certification will exclude small and medium scale actors from fish value chains, and thereby contribute to their vulnerability and marginalization. Critics point to the high risk of “cherry-picking” of some social and labour criteria and standards while not covering all requirements set in existing international guidance instruments.

Yet other stakeholders consider that the emergence of numerous private social sustainability standards might affect fish value chains by acting as catalysts or impediments to development and trade, depending on specific circumstances of the value chain, fishery, country or region.

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<sup>57</sup> For example International Collective in Support of Fish Workers (ICSF), Environmental Justice Foundation, Greenpeace, International Transport Workers Federation (ITF), International Union of Farm Workers (IUF), Human Rights at Sea, Fairfood International, Conservation Alliance for Seafood Solutions, Conservation International, Ethical Trade Initiative, etc.

<sup>58</sup> Office of the United Nations High Commissioner for Human Rights, Special Rapporteur on Human Rights and the Environment. <http://www.ohchr.org/EN/pages/home.aspx>

As part of efforts to find a balance amongst all these considerations, some stakeholders are calling for the development of an international guidance document to assist stakeholders in the fisheries sector in implementing existing international labour standards in the whole seafood value chain, from production, processing to distribution and trade. Related proposals, suggested during the 2015 Vigo Dialogue<sup>59</sup>,<sup>60</sup> on Decent Employment in Fisheries and Aquaculture, included (i) the development of a practical guide on applicable and relevant legal instruments to protect the rights of fishers, fish farmers and those working in the post-harvest sector, and (ii) the compilation of international labour standards and instruments (ILO conventions, protocols, recommendations, etc.), with due reference to the human rights based approach and relevant human rights instruments. At the 2016 Vigo Dialogue<sup>61</sup>,<sup>62</sup> there was a strong call for the development of an international instrument providing for specific labour standards for the fisheries sector, along the whole seafood supply chain.

## 2.4 FAO activities

Based on the Code of Conduct for Responsible Fisheries and its recent Blue Growth approach, the FAO has been supporting states, regional fisheries bodies and a wide range of actors on sustainable fisheries policies, sustainable small-scale fisheries, decent work and safety at sea, fighting IUU fishing and traceability in fish value chains.

The FAO is developing a global umbrella programme in support of the Port State Measures Agreement<sup>63</sup> to strengthen the capacities of port States to set up effective inspections schemes and National Interagency Committees, including port, fisheries, labour and health authorities, all measures which will help governments discourage labour violations at sea. Within this programme, FAO's Voluntary Guidelines on Catch Documentation Schemes<sup>64</sup> (CDS) will enhance traceability, transparency and accountability in fish value chains and thereby help combat IUU fishing and, secondarily, instances of labour exploitation onboard fishing vessels. Suggested risk assessment criteria for catch documentation schemes include fisher's income and livelihood.

FAO is strengthening fishers' organizations<sup>65</sup> and is promoting women's empowerment (through better access to resources and markets, reduced food losses), improved occupational health (through the provision of improved fish processing technologies), and the human rights-based approach as part of its effort to mainstream the Voluntary Guidelines for Securing Small-Scale Fisheries. In 2016, FAO organized two workshops to discuss how to implement the SSF Guidelines with a view to promote

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<sup>59</sup> D'Andrea, M. and U. Barg. 2017. Vigo Dialogue on benefits of decent employment in fisheries and aquaculture. <http://www.fao.org/3/a-i7091e.pdf>

<sup>60</sup> Gearing up for the Vigo dialogue on decent work in the seafood sector. <http://www.fao.org/blogs/blue-growth-blog/gearing-up-for-the-vigo-dialogue-on-decent-work-in-the-seafood-sector/en/>

<sup>61</sup> Sullivan, K., D'Andrea, M. U. Barg. 2016. Dialogue is great but action is better. Eurofish magazine.6/2016. [https://issuu.com/eurofish/docs/eurofish\\_magazine\\_6\\_2016/16](https://issuu.com/eurofish/docs/eurofish_magazine_6_2016/16).

<sup>62</sup> Exploring solutions to promote decent work in fisheries and aquaculture. <http://www.fao.org/blogs/blue-growth-blog/exploring-solutions-to-promote-decent-work-in-fisheries-and-aquaculture/en/>

<sup>63</sup> The FAO Port State Measures Agreement to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (PSMA) requires foreign vessels to submit to inspections at any port of call and for port states to share information on violations. An improvement on prior rules requiring countries to control the activities of their own fishing fleets, the new agreement is designed to raise the cost of IUU fishing as it prevents improperly caught fish being landed and entering markets.

[www.fao.org/port-state-measures/en/](http://www.fao.org/port-state-measures/en/); [www.fao.org/port-state-measures/background/en/](http://www.fao.org/port-state-measures/background/en/)

<sup>64</sup> A technical consultation (April 2017) finalized the draft CDS guidelines that will be submitted to the FAO Conference in July 2017. [www.fao.org/news/story/en/item/880154/icode/](http://www.fao.org/news/story/en/item/880154/icode/)

<sup>65</sup> FAO, 2016. Strengthening organizations and collective action in fisheries. Workshop report and case studies. 4-6 November 2014, Barbados. Available at: <http://www.fao.org/3/a-i6205e.pdf>

gender equality<sup>66</sup> and explore how to apply the human rights-based approach<sup>67</sup> to the SSF Guidelines implementation.

In addition, FAO, IMO and ILO have a longstanding cooperation in promoting safety at sea, which generated safety recommendations on the design, construction, equipment and protection of fishing vessels, and related training. The recommendations and guidelines foster cooperation between maritime, labour and fisheries authorities and other ministries. In 2014, COFI endorsed the creation of a Global Record of Fishing Vessels, Refrigerated Transport Vessels and Supply Vessels to facilitate sharing of information about vessels and vessel-related activities to combat IUU fishing.<sup>68</sup> FAO and ILO jointly developed a guidance<sup>69</sup> document on addressing child labour in fisheries and aquaculture. In 2014, FAO started a consultative multi-stakeholder process<sup>70</sup>, called the Vigo Dialogue on Decent Work in Fisheries and Aquaculture that includes fisheries and aquaculture representatives from government administrations, private sector industries, civil society organizations (small-scale fishers, workers' unions), auditing/certification schemes and international organizations. In 2015, the meeting recognized that promoting decent working conditions has become a central issue for sustainable business development, and stressed the need for governments to widely ratify the 2007 ILO Work in Fishing Convention (No. 188) and ensure legal protection of migrant and foreign workers. The 2016 Dialogue<sup>71</sup> highlighted that exploitative conditions affect fish workers in both poor and rich countries, and that employers and employees need to work together if conditions are to improve.

### 3. OPPORTUNITIES FOR ACTION AND COLLABORATION

A range of opportunities exists for stakeholders to improve social and labour conditions in fisheries value chains. Better understanding, effective collaboration, strong commitment and constructive consensus-building will be required from different stakeholders and actors in government authorities (e.g. administrations in charge of fisheries, labour, port control, migration, etc.), the private sector active in fish value chains, civil society organizations, and others. Some selected examples for possible action and collaboration are presented for consideration.

Public authorities could:

- support the implementation of ILO's Work in Fishing Convention C188, the forced labour protocol, child labour conventions and other international labour standards in the fish sector;
- support multi-agency (labour, ports, fisheries, etc) inspection of national and foreign fishing vessels;
- support national and international efforts of implementing the SSF Guidelines.

<sup>66</sup> FAO. 2017. Towards gender-equitable small-scale fisheries. Proceedings of the Expert workshop on gender-equitable small-scale fisheries in the context of the implementation of the SSF Guidelines, 28–30 November 2016, Rome, Italy. FAO Fisheries and Aquaculture Proceedings No. 54. <http://www.fao.org/3/a-i6947e.pdf>.

<sup>67</sup> FAO. 2017. Exploring the human rights-based approach in the context of the implementation and monitoring of the SSF Guidelines. Workshop proceedings, 24 – 26 October 2016, Rome, Italy. FAO Fisheries and Aquaculture Proceedings No. 53. [www.fao.org/3/a-i6933e.pdf](http://www.fao.org/3/a-i6933e.pdf)

<sup>68</sup> While an IMO identification number exist for propelled boats, no obligation exist for fishing vessels to carry such a number. The creation of the Global record as an international repository of industrial fishing vessels information would help overcoming the lack of unified and certified information on fishing vessels (including flag, name and ownership). The main component of the Global Record is the Unique Vessel Identifier (UVI), an international number staying with the vessels during its entire life, regardless changes in name, flag, ownership or activities.

<sup>69</sup> FAO and ILO. 2013. Guidance on addressing child labour in fisheries and aquaculture. [www.fao.org/docrep/018/i3318e/i3318e.pdf](http://www.fao.org/docrep/018/i3318e/i3318e.pdf)

<sup>70</sup> [www.fao.org/blogs/blue-growth-blog/gearing-up-for-the-vigo-dialogue-on-decent-work-in-the-seafood-sector/en/](http://www.fao.org/blogs/blue-growth-blog/gearing-up-for-the-vigo-dialogue-on-decent-work-in-the-seafood-sector/en/) (2015 report available here: <http://www.fao.org/3/a-i7091e.pdf>)

<sup>71</sup> Sullivan, K., D'Andrea, M. U. Barg. 2016. Dialogue is great but action is better. Eurofish magazine.6/2016. [https://issuu.com/eurofish/docs/eurofish\\_magazine\\_6\\_2016/16](https://issuu.com/eurofish/docs/eurofish_magazine_6_2016/16)

Private compliance initiatives, e.g. covering auditing and certification schemes, may continue their efforts of enhancing the range of social standards and their application in their programmes. Fishery industries and businesses will have to increase their commitments to meet such social standards in order to be certified.

Social partners (i.e. fish industry and trade unions) may:

- concur to develop joint initiatives to start and improve stakeholder dialogues (as done in other sectors such as the World Banana Forum<sup>72</sup>);
- subscribe to joint negotiations leading towards labour framework agreements between fish industry and unions.

#### **4. FUTURE POSSIBLE ACTION BY FAO**

FAO proposes that it continues to collaborate with ILO, IMO and other partner organizations on its efforts to:

- generate and provide information and raise awareness of social sustainability issues in fisheries and fish value chains, and related initiatives;
- support the implementation of the SSF Guidelines
- promote measures that facilitate and protect access of small scale fishers, aquafarmers and fish processors to fish value chains;
- provide technical assistance to national policy making and implementation of social governance measures in the fisheries and aquaculture sector;
- implement the social protection and decent work components of FAO's Strategic Programme on Poverty Reduction with a focus on the fisheries and aquaculture sectors;
- facilitate multi-stakeholder dialogues and processes, including the facilitation of inter-agency efforts, on social sustainability in fish value chains at national, regional and global levels;
- support the implementation of the PSMA and other efforts of combating IUU fishing while integrating measures to improve social and labour conditions of fish workers and fishing communities, including safety at sea provisions.

Given the plethora of initiatives advocating social responsibility (especially regarding human and labour rights) in fish value chains, FAO could, if requested, explore and pursue the need for a FAO guidance document to assist fish value chain actors in the implementation of existing relevant criteria and measures covering responsible business conduct, human rights and international labour standards. General guidance by FAO and partners on sustainable food value chains and responsible agricultural supply chains is available, and could be used, together with other relevant international guidance documentation, as key references for such a guidance document. For ease of reference, Annex 1 highlights selected key guiding principles<sup>73</sup> on developing sustainable food value chains as well as the five-step framework<sup>74</sup> for risk-based due diligence along agricultural supply chains.

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<sup>72</sup> <http://www.fao.org/world-banana-forum/en/>

<sup>73</sup> FAO.2014. Developing sustainable food value chains. Guiding principles. [www.fao.org/3/a-i3953e.pdf](http://www.fao.org/3/a-i3953e.pdf)

<sup>74</sup> OECD-FAO. 2016. Guidance for Responsible Agricultural Supply Chains: <http://mneguidelines.oecd.org/OECD-FAO-Guidance.pdf>

## **5. SUMMARY CONCLUSIONS**

International attention on cases of human rights violations and labour exploitation in fisheries has raised awareness and concern over irresponsible and unethical practices in the sector. Many stakeholders including communities, consumers, the private sector, media, policy and lawmakers are recognizing the need to respond to the call for more social accountability in fisheries supply chains, i.e. for supply chain actors to commit to the production, processing and sale of socially responsible and ethically acceptable seafood commodities. The paper provides an overview of ongoing processes and initiatives promoting social sustainability in fish value chains and explores the related implications for fish value chains. It suggests opportunities for collaboration and actions by public authorities, private compliance initiatives, social partners and multi-agency partnerships. It also presents possible future actions by FAO.

## ANNEX 1

### 1. Developing sustainable food value chains - guiding principles

FAO (2014<sup>75</sup>) suggests the following guiding principles for consideration when developing sustainable food value chains; see also subsequent Figure 1:

#### **Ten Guiding Principles for Sustainable Food Value Chain Development**

- Principle 1: Sustainable food value chain development is economically sustainable**

✓ Ensuring the sustainability in food value chain development starts with the identification of sizeable opportunities to add economic value
- Principle 2: Sustainable food value chain development is socially sustainable**

✓ The development of sustainable food value chains requires that the value added by upgrading has broad-based benefits for society and results in no socially unacceptable costs
- Principle 3: Sustainable food value chain development is environmentally sustainable**

✓ Sustainability in food chains depends on minimizing negative impacts on the non-renewable natural resources on which the agrifood system critically depends
- Principle 4: Sustainable food value chain development is a dynamic, systems-based process**

✓ Only by identifying and addressing the root causes of underperformance in the system can truly sustainable food value chains be realized at scale
- Principle 5: Sustainable food value chain development is centred on governance**

✓ Strategies that take behavioural assumptions and governance mechanisms, and the factors that influence them, into account are more likely to result in high levels of impact
- Principle 6: Sustainable food value chain development is driven by the end market**

✓ Value is ultimately determined in the end market, and therefore any upgrading strategy has to be directly and clearly linked to end-market opportunities
- Principle 7: Sustainable food value chain development is driven by vision and strategy**

✓ Only by carefully targeting realistic development goals and targeting particular points and stakeholders in the value chain can SFVCD be effective
- Principle 8: Sustainable food value chain development is focused on upgrading**

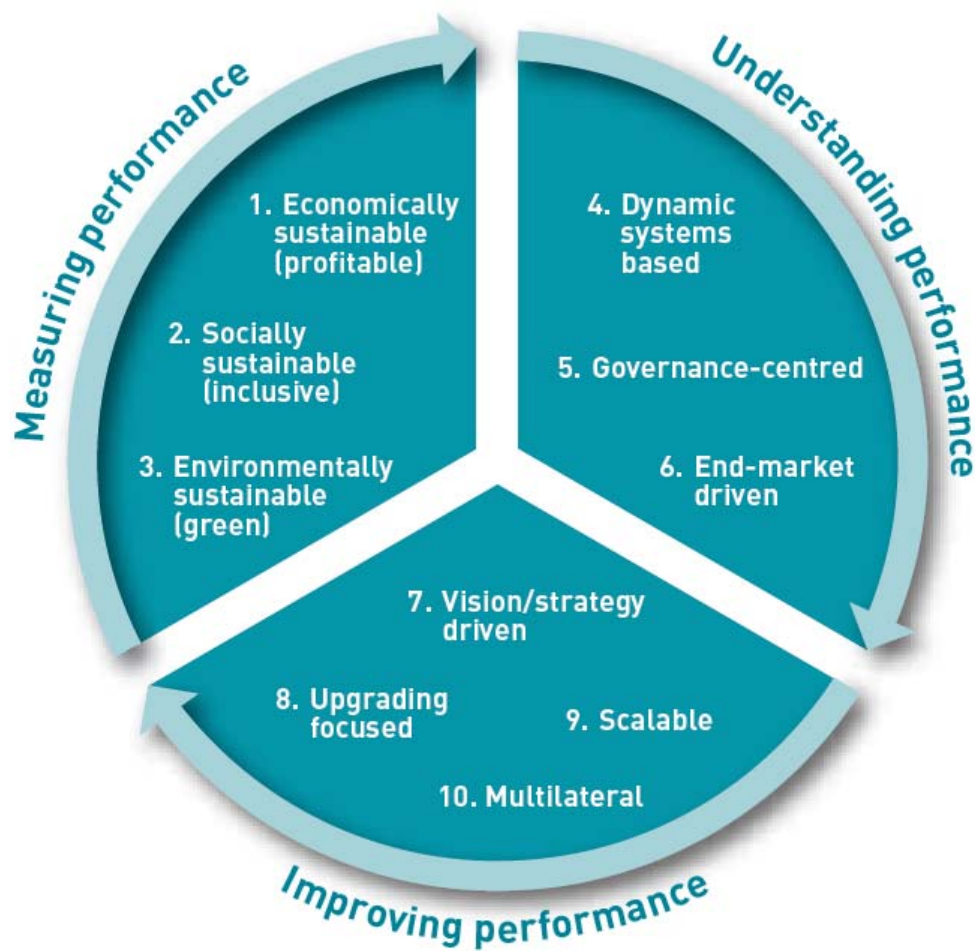
✓ In value chain development, successful translation of a vision and strategy into an effective plan that increases competitiveness requires a realistic and complete set of carefully assessed and often innovative upgrading activities
- Principle 9: Sustainable food value chain development is scalable**

✓ Achieving scale, i.e. transformational change, will require that interventions focus on points of leverage or put in motion a demonstration and replication process that is based on realistic assumptions
- Principle 10: Sustainable food value chain development is multilateral**

✓ Successful upgrading of a food value chain requires coordinated and collaborative efforts by the private sector, as the driver of the process, and the public sector, donors and civil society as its facilitators

<sup>75</sup> FAO.2014. Developing sustainable food value chains. Guiding principles. [www.fao.org/3/a-i3953e.pdf](http://www.fao.org/3/a-i3953e.pdf)

**Figure 1. Measuring, understanding and improving performance of sustainable food supply chain development (FAO. 2014)**





## 2. Five-step framework for risk-based due diligence along agricultural supply chains

The OECD/FAO guidance (2016<sup>76</sup>) recommends that enterprises should implement the following five-step framework for risk-based due diligence along agricultural supply chains (Box):

### Box 1. Five-Step Framework for Due Diligence

- Step 1: Establish strong enterprise management systems for responsible supply chains.
  - Step 2: Identify, assess and prioritise risks in the supply chain.
  - Step 3: Design and implement a strategy to respond to identified risks in the supply chain
  - Step 4: Verify supply chain due diligence.
  - Step 5: Report on supply chain due diligence.
- While all enterprises should conduct due diligence, the implementation of this five-step framework should be tailored to their position and the type of involvement in the supply chain, the context and location of their operations, as well as their size and capacities.
- As the same enterprise may cover various stages of the supply chain, ensuring good co-ordination cross different departments of the enterprise can help implement due diligence. With due regard to competition and data privacy issues, enterprises can carry out due diligence by collaborating within the industry to ensure that the process is mutually reinforcing and reduce costs through:
- industry-wide co-operation, for instance through initiatives created and managed by an industry organisation to support and advance adherence to international standards
  - cost-sharing within industry for specific due diligence tasks
  - co-ordination between industry members who share the same suppliers
  - co-operation between different segments of the supply chain, such as upstream and downstream enterprises.
- Partnerships with international and civil society organisations can also support due diligence. Industry-driven programmes are most credible when they involve not only business but also civil society organisations, trade unions and relevant experts and allow building consensus among them. However, enterprises retain individual responsibility for their due diligence.

<sup>76</sup> OECD-FAO. 2016. Guidance for Responsible Agricultural Supply Chains: <http://mneguidelines.oecd.org/OECD-FAO-Guidance.pdf>