

Build Back Better

Agri-food Supply Chain Advocacy Coalition

Solidaridad en Fairtrade Netherlands

Co-signed by:

Voice Network

Fairfood

Hivos

ICCO

IDH, The Sustainable Trade Initiative

Oxfam Novib

Rainforest Alliance

Save the Children Netherlands

SNV Netherlands Development Organisation



Build Back Better: Sustainable, fair and resilient

The impact of the COVID-19 pandemic shows that it is time for real change. Time for a resilient society in which everyone has access to healthcare, food and a basic income. A society that prioritises caring for our planet and all its inhabitants.

The pandemic has magnified and made clear the vulnerability of our global and interconnected food system. The lack of preparedness and resilience, along with the growing inequality that underlies the global economy, has become painfully obvious. And as with many crises, the most vulnerable groups are finding themselves disproportionately affected. It is the case in the Netherlands, but it is especially relevant beyond our borders, in low- and middle-income countries.

Acute famine and further poverty now threaten a multitude of people¹, including millions of smallholder farmers and workers at the beginning of our supply chains. Measures being enacted here leave them with even less capacity to protect themselves and to recover from the economic consequences of the COVID-19 pandemic². The Dutch government has rightfully stated that 'only together we can get the coronavirus under control'. That idea of 'together' should not stop at the Dutch border. If there is one thing that this crisis has made clear, it is that we are all connected. What happens here will have an impact there, and vice versa.

We cannot close our eyes to the likelihood of yet another crisis following the COVID-19 pandemic. In the coming years, climate change will only aggravate the vulnerability and inequality of millions of smallholder farmers and workers at the beginning of our supply chains. We will never arrive at a structural solution if we continue to exclude the majority of the world. In the Netherlands we are well on our way to recovering from the initial shock and see a gradual relaxation of the restrictions occurring in the weeks ahead of us. Now is the time to make a real and sincere effort not to fall back into our old habits.

We are calling for action:

There is another way. We must do better. We must not return to the 'untenable normal', but instead ensure that we rebuild a society that focuses on resilience, global cooperation, social, economic and environmental sustainability, and justice.

Prioritising a living income for farmers and a living wage for workers at the beginning of our supply chains is more relevant than ever. Entrepreneurs and workers – wherever they are in the world – must be able to earn a decent living, for otherwise they will remain extremely vulnerable. Governmental actors, businesses, financial institutions and civil society have a crucial role to play in making a living income and a living wage possible. Therefore, they are responsible for making a genuine and sincere contribution towards rebuilding a better, more sustainable and just society.

¹ NOS nieuws, 16 mei 2020. Hongerpandemie dreigt: 'Niet corona zelf, maar gevolgen maken meeste slachtoffers', <https://tinyurl.com/y8xovgb6>

² UNDP, 20 april 2020. How to soften the impact of coronavirus during conflict. <https://tinyurl.com/yayoglss>



DUTCH GOVERNMENT:

Put people first and ensure sustainable and fair trade.

Take steps to ensure a sustainable transition.

Demonstrate leadership towards the EU and G20 in collaboration with governments of producing countries with regard to their economic recovery following the COVID-19 pandemic.

Insist on an integrated approach that enhances the resilience and sustainability of global supply chains and prioritises a living income and a living wage.

Ensure that 10% of the Dutch support package benefits people in low- and middle-income countries working in international production chains³.

Enact measures now to prevent businesses from shirking their responsibilities with regard to human rights and the environment within their respective supply chains, particularly in the countries where they purchase goods and/or materials. Ensure that due diligence in connection with international supply chains is a vital component of the Netherlands' response to the COVID-19 pandemic.

Define a living income and a living wage as a human right and as a starting point.

Establish a living income and a living wage as a guiding principle within all Ministries.

Be persistent in the necessity of quantifying a living income and a living wage.

Follow up concretely on the commitment to support the development of a living income reference price⁴. Make paying a price that provides sufficient income for producers in the chain a benchmark in the current initiatives such as the RBC covenants, the Dutch Initiative on Sustainable Cocoa (DISCO), and other sector-wide agreements.

Actively emphasise the importance of international RBC and continue to promote it within the Dutch business community.

Focus on actively shaping and creating markets that deliver sustainable and inclusive growth, and ensure that partnerships with businesses that involve government funding are driven by public interest, and not purely by profit. Include IRBC criteria in public tenders: ensure that the price paid for each and every product that enters our country is sufficient to allow the person who produced that product to earn a living income or a living wage.

Both the causes and effects of the current crisis demonstrate the urgency of more stringent regulation. Accelerate efforts to achieve a 'smart mix' of policy measures, including mandatory due diligence legislation for businesses to promote respect for human rights and the environment in international supply chains, and to promote the use of authoritative instruments such as the UNGPs and the OECD Guidelines.

Accelerate the realisation of climate change ambitions.

Connect support measures to sustainability goals and ambitious policies to combat climate change and environmental damage, and promote fair supply chains. Demand that businesses make their climate impact public and put forward sincere plans to lower their footprints. Ensure that the investments being made now will help make global supply chains more sustainable and climate resilient in accordance with the SDGs and initiatives such as the EU's Green Deal. Seize the UN climate change conference COP26 as an ideal opportunity for the joint development of a new, international approach.

³ Vice Versa, 16 april 2020. Corona vereist ook steun aan kwetsbare buitenlandse toeleveranciers. <https://tinyurl.com/y8738hxl>

⁴ Speech by Birgitta Tazelaar, Deputy Director-General for International Cooperation, Dutch Ministry of Foreign Affairs, on 'The Only Way is Up! International Conference on Living Wages and Incomes in agrifood, Rotterdam, 6 November 2019. <https://tinyurl.com/y8orhl6p>



DUTCH COMPANIES:

Enable the producers you buy from to economically endure the current crisis, and aim for sustainable and responsible business conduct.

Make sustainability the norm. Re-evaluate the value of people and the environment, and address the issue of economic equality in your supply chain.

Stop using the 'race to the bottom', i.e. the lowest price, as a business model. Redefine profit, taking into account those who are currently paying the price: farmers, workers, and the environment. Put people and the environment at the centre of doing business, and apply purchasing practices and prices that will increase farmers' incomes and workers' wages as well as positively contribute to reaching climate goals. Comply with the principles and guidelines of the UNGP and the OECD on corporate social responsibility and follow proper due diligence throughout the entire supply chain. Advocate for legislation in this area in order to create a level playing field.

Use any support packages received in the light of this call. We are interlinked and dependent on other countries, and the farmers and workers who live there. Using all available resources only to further your own company interests is short-sighted in the long run. Be ambitious. Become a sustainability leader and accelerate the realisation of the ambitions regarding the climate, our environment, and the SDGs.

Prioritise the strengthening of the position and resilience of producers and workers in international supply chains.

Show leadership and ambition, and make products or deliver services that benefit society as a whole. Start with a thorough chain analysis and identify vulnerable stakeholders within the supply chain. Pay a price for your product or raw material that at least covers the costs of its sustainable production, with proper care for people and the environment, and which is necessary for the realization of a living income and a living wage.

Cooperate with members of the civil society and local stakeholders. Elaborate on scenarios for the various risks faced by small-scale farmers and workers. Develop, based on these scenarios and in cooperation with the civil society and local stakeholders, an inclusive strategy and a concrete, step-by-step plan to achieve the sustainability goals. Integrate the goals into corporate policies, processes, services and the creation of (re)newed business models, and implement these plans. Expand the existing sourcing dialogues to include social dialogue. Encourage the importance of sound industrial relationships, decent work and livelihoods in supply chains in the conversations and operations. Take the lead by setting an example in constructive dialogue for local employers and employees.

Accelerate efforts aimed at commercial relationships based on joint redistribution of economic value in the supply chain and between employers, employees and farmers, including service providers and temporary workers.

Be sincere and transparent in your actions.

Report annually on progress and dilemmas. Measure the progress with stakeholders by assessing the changes in the farmers' income, and not the number of farmers or workers above a certain income level. Measure the impact on the ones most vulnerable in the supply chain in terms of wages and the environment.



FINANCIAL INSTITUTIONS:

Make sustainable production the standard, not the exception.

Show leadership by putting people and the environment first, and clearly demonstrate that long-term universal return is more important than relative short-term business performance.

Acknowledge the fundamental risk for supply chains when farmers do not earn enough income to meet their basic needs. Enforce a long-term focus in taking investment-related decisions, and apply the principle of stakeholder over shareholder.

Intensify the dialogue with companies in the agri-food sector and encourage them to actively work towards a new balance in the economy – one that will focus on the re-evaluation of people and the environment within the chain. Send a clear message to companies and encourage them to improve their long-term sustainability efforts, and to integrate a living income and a living wage as the cornerstones of their supply chain management. Reward companies that enable farmers and workers in their supply chains to build back better through active support and better purchasing practices. Disengage if no progress is being made towards sustainable business practices within supply chains.

CIVIL SOCIETY ORGANISATIONS:

Set a good example!

Demand accountability from the government and companies when necessary and ensure that the most marginalised have a voice.

Monitor the impact of the crisis on producers, and advocate for measures to protect and prioritise the most vulnerable producers in both the short and the long term. Establish active and inclusive feedback loops that will help to inform decision-making regarding government priorities during the emergency and recovery phases of the response. Ensure that resources reach their intended destination, and be transparent with regard to progress made, challenges encountered, and lessons learnt in implementing the programmes.

Join forces, make cooperation the main goal, and be a reliable partner to others.

Avoid competing with other partners for available funding and work together instead. Support strong and active social structures, and help one another to ensure that the needs of the most vulnerable people are given priority during recovery efforts. Establish a living income and a living wage as indicators of success within all programmes. Initiate and/or collaborate in the development of benchmarks for the purpose of jointly defining more reference incomes and gaining insight into the income/wage gap.

Emphasise the urgency of realising a living wage and income to improve farmers' livelihoods and resilience. Call for an integrated approach that will include price in the mix of existing and new interventions to enable the achievement of a living income and a living wage. Work together towards a universal reference price for important commodities to provide the government and companies with a standard to apply where it comes to a living income and a living wage.



Collaborate with companies to close the gap between the current and a living wage/income, for example, through the development of meaningful roadmaps and the implementation of programmes in producing countries.

Continue to build on the online possibilities offered by this crisis, and reduce your ecological footprint.

Travel less, conduct more of your meetings and discussions online. Promote an online think tank aimed at facilitating the transition to a resilient supply chain.

