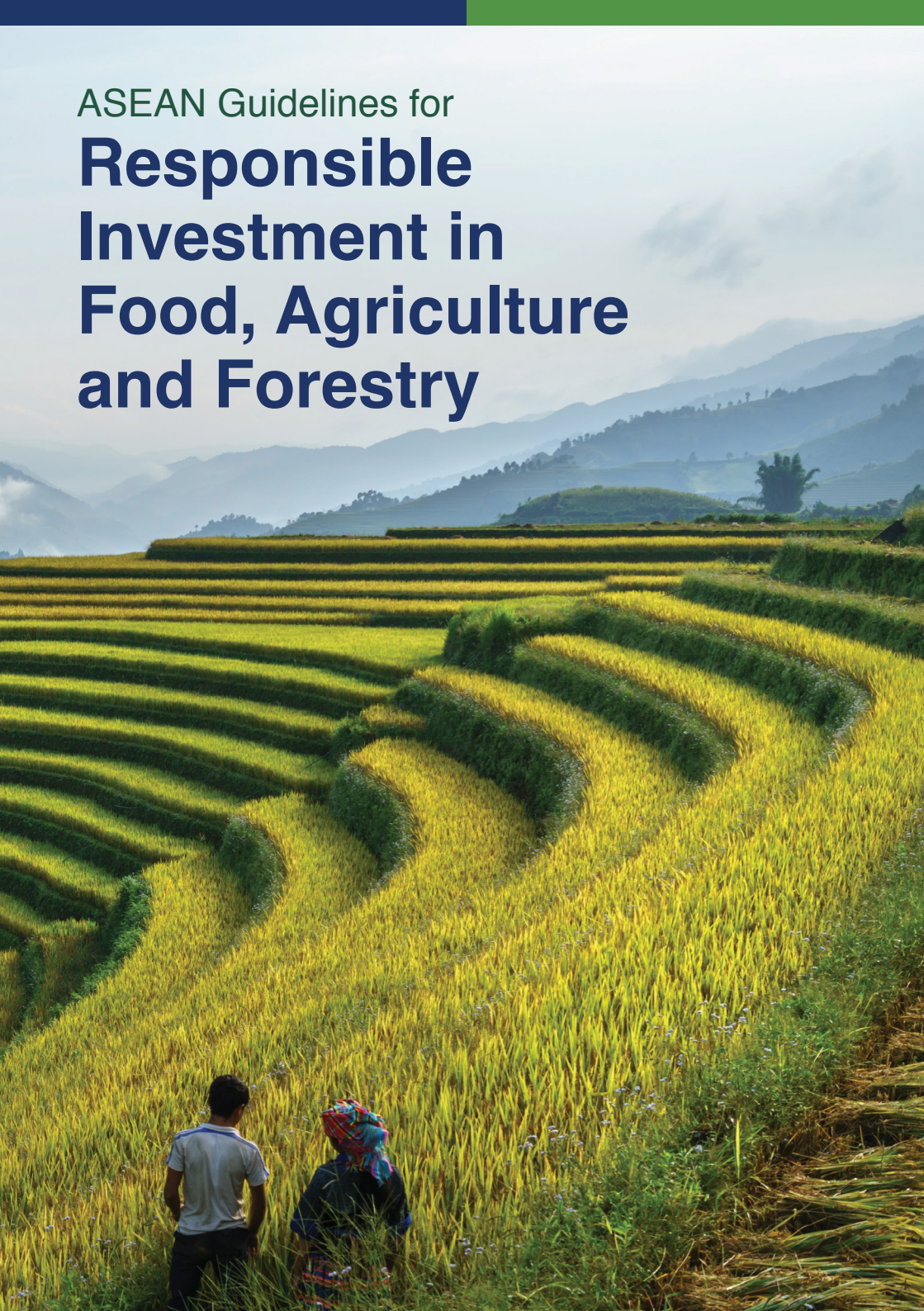


ASEAN Guidelines for  
**Responsible  
Investment in  
Food, Agriculture  
and Forestry**

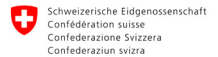








The ASEAN Guidelines for Responsible Investment in Food, Agriculture and Forestry were developed through an inclusive, multi-stakeholder process with support from the ASEAN Secretariat, Grow Asia, the Swiss Agency for Development and Cooperation (SDC), a World Bank trust fund and the International Institute for Sustainable Development (IISD).



For more information,  
visit [www.aseanraiguidelines.org](http://www.aseanraiguidelines.org)







**As the demand for food increases due to growing populations, rising incomes, and urbanization in ASEAN, agriculture will continue to attract foreign and domestic investment, particularly in developing regions.**

## Responsible Agricultural Investment in ASEAN

The ASEAN Guidelines for Responsible Investment in Food, Agriculture and Forestry<sup>1</sup> are inspired by and grounded in the Committee on World Food Security's Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI). They are addressed to ASEAN Member States (AMS) governments and adapted to the group's specific challenges, while also foreseeing key roles and responsibilities for stakeholders outside of government, including large-scale private actors. These Guidelines are also inspired by the United Nations' Sustainable Development Goals (SDGs), and refer to them where appropriate. The Guidelines are voluntary in nature.

The primary purpose of the Guidelines is to promote investment in food, agriculture and forestry in the ASEAN region that contributes to regional economic development, food and nutrition security, food safety and equitable benefits, as well as the sustainable use of natural resources. Other objectives include:

Establishing favorable conditions to attract responsible investment in Food, Agriculture and Forestry (FAF) sectors through a clear policy and regulatory framework nationally and a more coherent approach across ASEAN.

Striking a balance between interests– including strengthening the capacities of other stakeholders, contractually requiring investors to meet their obligations and creating instruments and tools to further cooperation – supports the primary purpose of the Guidelines.

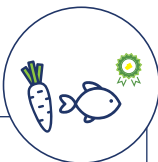
Creating a framework to guide AMS, large and small investors, and other actors in the development of responsible and sustainable agricultural investment and value chains in the region.

Creating a set of interests, which serves as a reference for decisions, behaviors and actions over the mid- to long- term.

<sup>1</sup> In September 2017, the ASEAN Ministers on Agriculture and Forestry (AMAF) agreed to develop the ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry (the "Guidelines") at their 39th annual meeting. In October 2017, Grow Asia was approached by the ASEAN Secretariat (ASEC) to provide expertise, funding and to bring a wider range of voices to the development of the Guidelines – especially within the private sector. Project funding was raised from The Swiss Agency for Development and Cooperation (SDC), a World Bank trust fund, and expertise was brought in principally from the International Institute for Sustainable Development (IISD) Geneva.

# What do the guidelines want to achieve for governments

## Guideline 1



### Contribute to food security, food safety and better nutrition by:

- Respecting the right to freedom from hunger.
- Pursuing SDG 2 (ending hunger) and related ASEAN goals.
- Securing sustainable supplies of affordable, safe and nutritious food.
- Respecting farmers' rights to seed diversity.

#### To achieve this, consider:

- Providing an enabling environment for responsible investment.
- Developing food, agriculture and forestry (FAF) sector plans and food security strategies.
- Supporting food fortification programmes and public-private partnerships (PPPs).
- Developing rural financing to improve access to markets and infrastructure.
- Monitoring the impact of investments on food security.

## Guideline 2



### Contribute to sustainable, equitable and inclusive economic development and poverty eradication, by:

- Encouraging equitable growth that reduces poverty and supports gender equality.
- Creating decent, safe, and sustainable jobs and livelihoods.
- Supporting quality upgrading and standards compliance for smallholders.
- Ensuring balanced, enforceable contractual commitments between investors and host states.
- Requiring fairer, more transparent contracts between buyers and producers.
- Respecting and promoting sustainable forest livelihoods.

#### To achieve this, consider:

- Adopting contractual investor commitments for local business development and training.
- Exploring alternatives to large-scale land concessions, like inclusive contract farming.
- Introducing community engagement strategies in investor-state contracts
- Developing better contracts and awareness of contractual rights and obligations.
- Increasing smallholders' and consumers involvement in investment policy and decision-making.
- Developing inclusion strategies for women and marginalized groups in investment projects.
- Establishing microfinance, rural credit, market linkage, small enterprise development programmes.

### Guideline 3



#### Contribute to equality, engagement and empowerment for women, young people, indigenous peoples and marginalized groups, by:

- Supporting equitable access to opportunities and protecting human rights.
- Acknowledging women and young people's contribution and importance to the FAF sector.
- Recognizing the central role of FAF in promoting inclusive business models to ensure access to employment and entrepreneurship.
- Increasing access to land, resources, services, education, markets and information.
- Addressing increased vulnerability to impacts of natural disasters and climate change.
- Ensuring meaningful participation in decision-making, leadership and partnerships.

#### To achieve this, consider:

- Improving women's access to education, legal redress and right to organize.
- Providing gender-sensitive extension services to smallholders and small and medium-sized enterprises (SMEs).
- Recognizing women's key role in family and community food security.
- Facilitating partnerships and networks among civil society organizations, farmers' groups, indigenous peoples' groups and women cooperatives.
- Ensuring young people's access to resources, markets opportunities.

### Guideline 4



#### Respect tenure of land, fisheries and forests, as well as access to water, by:

- Respecting legitimate tenure right holders and indigenous peoples' and local communities' rights to free, prior and informed consent (FPIC).
- Assessing social impacts of investment activities on all legitimate tenure rights holders.
- Acting to avoid displacement and resettlement of all legitimate tenure rights holders.

#### To achieve this, consider:

- Strengthening land laws and policies and fair, transparent systems for tenure rights.
- Facilitating collective, communal and individual land titling.
- Improving tenure rights awareness and negotiation capacity among communities.
- Building awareness of and compliance with the VGGT.<sup>2</sup>
- Minimizing any unavoidable resettlement and mitigating related negative impacts.

<sup>2</sup>VGGT refers to the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

### Guideline 5



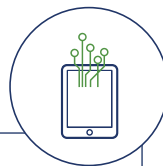
#### Contribute to the conservation and sustainable management of natural resources, especially forests, by:

- Preventing, minimizing and remedying negative impacts on natural resources.
- Supporting sustainable forest management practices.
- Recognizing forests' economic, social, cultural and ecological value.
- Balancing the economy, conservation, and communities' and indigenous peoples' needs.
- Supporting sustainable sourcing and environmental and social certification for FAF products.
- Increasing production efficiency and productive use of waste and by-products.
- Encouraging sustainable consumption.
- Ensuring robust, participatory planning, management and governance of natural resources.

#### To achieve this, consider:

- Supporting comprehensive natural resource management systems.
- Managing water equitably and efficiently.
- Ensuring water access that is in line with human rights obligations.
- Developing national forest plans that explicitly address investment issues.
- Supporting forest management decentralization and devolution processes.
- Providing for inter-ministerial coordination, standard setting, planning and monitoring.
- Promoting alternative livelihoods in forested areas.

### Guideline 6



#### Support sustainable and appropriate technologies and practices for resource efficient, productive and safe FAF systems, by:

- Investing in research and development (R&D) infrastructure and human capacity, while fostering a 'lab to field' ethos.
- Implementing policies for technology development, commercialization and distribution.
- Promoting collaboration and coordination among AMS for R&D.
- Leveraging private sector investment in innovation through strategic PPPs.
- Supporting inclusive business models to encourage technology transfer.
- Strengthening multi-stakeholder forums for information exchange, innovation and knowledge sharing.
- Recognizing and respecting traditional knowledge and related intellectual property (IP) rights.

#### To achieve this, consider:

- Developing skills in technology commercialization and PPPs.
- Establishing innovation systems involving government, non-governmental organizations (NGOs), the private sector and smallholders.
- Funding the initial procurement of technologies for smallholders and SMEs.
- Developing processes for screening and selecting investments that ensure the use of sustainable technologies.
- Providing enterprise and crop-specific technical support to smallholders.
- Linking agricultural research institutions and technology NGOs.
- Creating an enabling environment for agricultural technology and knowledge transfer PPPs.
- Providing effective legal and policy frameworks for intellectual property rights.



### Guideline 7



#### **Increase resilience to climate change, natural disasters and other shocks, while contributing to climate change mitigation and adaptation by:**

- Recognizing FAF's potential to contribute to climate change adaptation and mitigation.
- Developing, testing and scaling up climate adaptation measures.
- Promoting risk products for smallholders and SMEs for climate change and disasters.
- Respecting indigenous and traditional knowledge and practices in climate adaptation.
- Addressing women, young people's, and marginalized groups' higher vulnerability to climate change.

#### **To achieve this, consider:**

- Increasing funds for climate change-related research, extension services and technologies.
- Developing legal and policy frameworks for innovative climate insurance products.
- Identifying measures that address specific climate action areas, within the context of investment projects.

### Guideline 8



#### **Respect the rule of law and incorporate inclusive and transparent governance structures, processes and grievance mechanisms by:**

- Abiding by national laws in letter and in spirit.
- Refraining from corrupt practices and bribery.
- Proactively and inclusively sharing information relevant to an investment.
- Promoting access to mediation, grievance, and dispute resolution mechanisms.
- Addressing legacy land issues. Consulting meaningfully and responsively to ensure active, free, effective and informed participation.
- Promoting a transparent, coherent, and consistent legal and policy environment.

#### **To achieve this, consider:**

- Establishing guidelines for periodic disclosure of relevant, accurate, timely and accessible information.
- Strengthening local communities' and indigenous peoples' access to pro bono legal services and legal aid.
- Overseeing investor-community consultations, negotiations and grievance redress.
- Ensuring access to effective, affordable judicial and other remedies.
- Enabling the meaningful participation of stakeholders in investment policy-making.
- Improving cross-government coordination and communication.
- Promoting equal access to information, services, incentives and resources.
- Ensuring non-discriminatory enforcement of laws and regulations.



### Guideline 9

#### Assess and address impacts of responsible FAF investments and promote accountability by:

- Requiring independent and transparent impact assessments.
- Defining baseline data and indicators for monitoring and assessing impact in an inclusive way.
- Screening investments for alignment with development priorities and community needs.
- Identifying impact mitigation measures to address negative impacts.
- Ensuring assessments are publicly available and accessible.
- Regularly assessing changes and communicating results to stakeholders.
- Implementing effective remedies and/or compensation for negative impacts.

#### To achieve this, consider:

- Strengthening the implementation of impact assessment regulations.
- Integrating impact assessment results into management plans.
- Regularly monitoring and reviewing impact, while including all relevant stakeholders in this process.
- Making publicly available the results of monitoring activities.
- Enacting effective and efficient screening processes for large-scale investors.



### Guideline 10

#### Strengthen regional approaches to responsible investment in FAF in ASEAN by:

- Harmonizing standards, regulations and approaches while allowing flexibility.
- Promoting a 'race to the top' through incentives for responsible business practices.
- Collaborating on capacity building and networks to share information and raise regional standards.

#### To achieve this, consider:

- Developing shared approaches to FAF investment promotion and facilitation.
- Promoting intra-regional assistance, experience sharing and capacity building.
- Adopting at a regional level international good practices and standards.
- Promoting bilateral cooperation between home and host countries to monitor investments jointly.



## Roles and Responsibilities for Other Stakeholders

There are crucial roles and responsibilities for all FAF stakeholders, particularly agribusinesses and large-scale investors, but also smallholders, cooperatives, SMEs, communities, civil society and financial institutions.

### Ensure that investments support local food availability and diversity by:

- Assessing a project's impact on local food security and mitigating any adverse effects.
- Addressing food security during community consultations.
- Providing decent, stable and well-paying jobs, and paying fair prices.

### Contribute to inclusive, equitable, and sustainable economic development by:

- Helping local businesses meet higher quality and performance standards.
- Nurturing local entrepreneurship.
- Lessening negative impacts of pricing and marketing on smallholders.

### Support women's inclusion in decision-making, meaningful employment and economic empowerment by:

- Actively promoting women's participation.
- Building a diverse talent pipeline at all levels.
- Adopting anti-discrimination and harassment policies and training.



### **Assist young people in developing the skills needed to integrate into the FAF sector, including by:**

- Offering training, internships, mentoring, scholarships and loans.
- Targeting young people for participation in outgrower programs.
- Supporting youth entrepreneurship.
- Partnering with civil society organizations (CSOs) that support youth empowerment.

### **Respect local communities' tenure of land, fisheries, and forests by:**

- Recognizing and researching local contexts and tenure systems.
- Negotiating directly with legitimate tenure rights holders.
- Preventing displacement and resettlement.
- Ensuring resettlement meets international best practices, should resettlement prove unavoidable.
- Ensuring active, free, effective and meaningful consent of communities on decisions involving these resources.
- Reviewing procedures for 'prepared' land to ensure international standards were met.

### **Respect local communities' access to water by:**

- Highlighting potential impacts on water access and quality in inclusive consultations.
- Using environmental and social impact assessments and management plans.
- Ensuring a sustainable net positive effect on community water access.

### **Support the generation and diffusion of sustainable technologies and practices by:**

- Acknowledging barriers to improved technology and helping smallholders and SMEs overcome them.
- Ensuring inclusive technology decision-making processes. Investing in strong after-sales technical support and product stewardship programmes.
- Training local producers to showcase and spread technology.
- Providing services to support technology adoption, like financing and tech support.
- Investing in local R&D capacity.

### **Play a role in improving resilience, mitigation and adaptation to climate change, natural disasters, and other shocks, including by:**

- Supporting research, including by participating in PPPs.
- Using business networks to help scale up best climate practices.
- Supporting community adoption of climate-smart mitigation and adaptation practices.
- Avoiding business practices that exacerbate climate change.

### **Promote meaningful community engagement and accountability, by:**

- Understanding the local community context, demographics and power dynamics.
- Establishing effective communication, transparency, and trust with communities.

- Actively disclosing all relevant information in an understandable way.
- Training staff to deal respectfully and sensitively with community members.
- Setting up a consultative, publicized and transparent grievance resolution mechanism.

**Effectively assess, address and monitor investment project impacts by:**

- Assessing environmental and social impacts and incorporating these considerations into the project design.
- Regularly monitoring environmental and social performance.
- Using a management information system and technology in monitoring and recording these impacts.
- Monitoring and mitigating accidents, injuries and worker health impacts.
- Using independent certification bodies to check compliance with best practice.

**Contribute to strengthening regional approaches to responsible investment in FAF in ASEAN, including by:**

- Joining regional and global FAF organizations.
- Assessing and mitigating negative cross-border externalities arising from the project.





**Smallholders and SMEs can help support the implementation of the Guidelines by:**

- Participating in opportunities for information, technology and knowledge exchange.
- Engaging with business development and training programs.
- Ensuring strong and inclusive producers' cooperatives and SME networks.
- Applying guidelines for larger investors to the highest degree possible.



**Communities can help support the implementation of the Guidelines by:**

- Using an inclusive, representative body to engage with investors and promote rights.
- Putting in place agreements with investors on how the relationship will be conducted.
- Holding community forums to make decisions and share information.
- Participating in community training and capacity development programs.
- Participating actively in consultations and community-based monitoring.
- Sharing indigenous knowledge and traditional practices in climate change adaptation.



**Civil society groups can help support the implementation of the Guidelines by:**

- Reflecting and implementing the Guidelines in their workstreams and programmes.



- Assisting states in implementing aspects of the guidelines.
- Partnering with other stakeholders to support 'on the ground' implementation of the Guidelines.
- Using the Guidelines in campaigning, education and advocacy activities.
- Supporting communities with training and capacity development programmes.



**Financial sector actors can help support the implementation of the Guidelines by:**

- Developing climate insurance and other financial products for smallholders.
- Using innovative financial technologies to increase access to finance.
- Funding investments that adopt the principles of these Guidelines.



**Home states of AMS investors can help support the Guidelines by:**

- Respecting host countries' right to food when investing to export food back to the home country.
- Building partnerships to promote sustainable investment.
- Providing appropriate and responsible incentives to encourage sustainable investment.
- Coordinating with host states to implement investment projects.
- Regulating the business activities of outward investors.



