Launch: Mapping Industry and Investment Standards to the ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry

Webinar | 3 November 2020
Poll: What type of organization are you representing today?
# Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tr>
<td>4:30 PM – 4:35 PM</td>
<td>Welcome and Introduction</td>
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<td>4:35 PM – 4:55 PM</td>
<td>Report Highlights and Findings</td>
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<td>Erin Sweeney, Sustainable Business &amp; Investment Manager, Grow Asia</td>
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<td>4:55 PM – 5:20 PM</td>
<td>Reactions from Certifiers and Agribusiness</td>
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<td>Chandra Panjiwibowo, Country Director Indonesia, Rainforest Alliance</td>
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<td>Wouter De Smet, Green Coffee Sustainable Agriculture Development Manager, Nestlé ZAOA</td>
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<td>Tias van Moorsel, Director, Steward Redqueen</td>
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<td>5:20 PM – 5:45 PM</td>
<td>Moderated Discussion and Q&amp;A</td>
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<td>All webinar participants encouraged to engage</td>
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<td>5:45 PM – 5:55 PM</td>
<td>Looking Ahead: How Can We Engage with You?</td>
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Before We Begin

Housekeeping

- Chat – for technical issues
- Q&A – please send in your questions during this session. You may address it to a reactor by writing their name in ( )
- Raise Hand – the moderator will prompt when we are open for comments

Launch: Mapping Industry and Investment Standards to the ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry

Webinar | 3 November 2020
ASEAN Investment Landscape

Agriculture & forestry account for 12% of regional GDP [ASEANSTAT]

EU FDI increased by 350% from 2015-2019 in this sector [ASEANSTAT]
Environmental, Social, Governance Considerations

- Food & nutrition security
- Land rights
- Jobs & livelihoods
- Climate change & the environment
- Technical & institutional capacity
- Project failure & investor-state contracts
ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture & Forestry (ASEAN RAI)

1. Food nutrition security
2. Economic development
3. Women & young people
4. Tenure rights
5. Natural resources
6. Technology
7. Climate change
8. Rule of law & governance
9. Impact assessment & accountability
10. Regional approaches
Mapping Existing Standards to the ASEAN RAI
Poll: What motivates your organization to adopt responsible investment or supply chain practices?
Challenges

- Uncertain market
- Cost
- Lack of knowledge
- Plethora of standards
Incentives to Adopt Sustainable Practices

1. Respond to policy change
2. Be more competitive
3. Unlock sustainable financing
4. Communicate commitments
5. COVID-19
6. Learn from a network
Value Add

Aligned with 9+ SDGs

Applicable along diversified value chains

Adapted from international standards to fit ASEAN:
  • technology & innovation
  • climate change
  • regional approach

Voluntary for now, but will be embedded into policies
Report Purpose and Scope

**Purpose**
- Provide clarity about ease of adopting ASEAN RAI
- Show alignment between ASEAN RAI and existing standards
- Recommend next steps to increase impact

**Scope**
- 10 ASEAN RAI Guidelines
- 10 industry certifications and standards relevant to ASEAN
- 4 International Investment Principles and Standards
- 10 international banks
Methodology

1. Quick scan of 14 standards and 10 banks

2. Neutral approach

3. Alignment Strategy
   - 1:1 alignment = 1
   - Inexact connection = .5
   - No mention = 0
   - Actual points / 10

4. Quality control

5. Next steps
   - recommendations
   - feedback from today
Standards Reviewed

Sector-specific certifications and standard setters

Investment Standards and Principles
Report Highlights and Findings
Mapping Results: Food, Agriculture and Forestry

1. Aquaculture Stewardship Council: 90% Overall Match
2. Bonsucro: 80% Overall Match
3. Fairtrade International: 90% Overall Match
4. Forest Stewardship Council: 90% Overall Match
5. Marine Stewardship Council: 40% Overall Match

6. Programme for Endorsement of Forest Certification: 95% Overall Match
7. Rainforest Alliance: 85% Overall Match
8. Roundtable on Sustainable Palm Oil: 80% Overall Match
9. Roundtable on Sustainable Soy: 90% Overall Match
10. Sustainable Rice Platform: 80% Overall Match
Mapping Results: Investments

Equator Principles

90% Match

IFC Performance Standards

90% Match
# FAF Standards Uptake Among Banks

* reference to UTZ

“X” a policy is in place but there is no reference to the standard.

X** The bank does not have a specific policy for this sector.

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# Investment Standards and Principles Uptake Among Banks

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Finding #1: Easy to align to ASEAN RAI

1. Food nutrition & security (80% Overall Match)
2. Economic Development (90% Overall Match)
3. Women & young people (90% Overall Match)
4. Tenure rights (80% Overall Match)
5. Natural Resources (100% Overall Match)
6. Technology (80% Overall Match)
7. Climate Change (90% Overall Match)
8. Rule of law & governance (100% Overall Match)
9. Impact assessment & accountability (100% Overall Match)
10. Regional approaches (5% Overall Match)
Finding #2: Strengthen the Regional Approach

**ASEAN Member States**
- Harmonize standards & regulations
- Drive a ‘race to the top’ through incentives
- Adopt international good practices & standards
- Cooperate between home & host countries

**Private Sector**

**Agribusiness**
- Join regional FAF organizations
- Mitigate negative cross-border externalities

**Financial Institutions**
- Share insights during regional dialogues
- ID investments that adopt the Guidelines’ themes
Finding #3: Alignment to RAI + Uptake by Banks

Match with ASEAN RAI Guidelines
Finding #3: Alignment to RAI + Uptake by Banks

Alignment with ASEAN RAI Guidelines
What’s Next
Poll: What incentives or support are most likely to encourage your organization to follow responsible investment practices?
Engage the private sector in adopting the ASEAN RAI by:

- showcasing the significant overlap between existing FAF standards and certifications and ASEAN RAI Guidelines
- providing tools to understand how to practically apply the ASEAN RAI during investment processes.

Explore landscape of regional and country-level financial institutions

and their commitments to national, regional and international FAF and investment certifications, standards and principles.

Include ASEAN and member state banks when studying the uptake of standards

to determine if local banks and/or MDBs operate differently and/or perhaps focus more on regional challenges (Guideline 10).
By 2030, facilitate a **measurable increase in responsible & sustainable private sector investment** in ASEAN’s food, agriculture and forestry sectors

1. National Legal & Policy Services
   - Integrate RAI into national policies through expert technical assistance

2. Learning & Accreditation Program
   - Train 400+ experts to guide future investments

3. Regional & National Capacity Building
   - Inspire private sector RAI uptake through knowledge sharing
   - Build capacity of NGOs, farming communities

4. Investor Engagement & Impact Management
   - Encourage investors to adopt RAI through case studies, tools
   - Develop metrics to evaluate & monitor long-term impact
Existing Tools & Resources

IISD’s State of Sustainability Initiatives
IFC’s GMAP tool
Fair Finance Asia’s Methodology for ESG Performance

OECD-FAO Guidance for Responsible Agricultural Supply Chains
ITC’s Sustainability Standards Map
WWF’s SUSBA tool

WEF’s ESG Ecosystem Map
Interactive map to show how the ASEAN RAI Guidelines align to international targets (e.g. SDGs) and standards (e.g. UNGC)
Key Takeaways

1. Commitments to sustainability standards may mean investors are already aligned to ASEAN RAI

2. ASEAN RAI brings in regional perspective, which may benefit investors through harmonized policies

3. Uptake of standards differ among banks; banks may accept variety of sustainability commitments

4. Need look at ASEAN-level FI commitments and markets for certified products
Reactions from Agribusiness & Certifiers
Reactors

Erin Sweeney
Manager, Sustainable Business and Investment
Grow Asia (Moderator)

Chandra Panjiwibowo, Country Director Indonesia Rainforest Alliance

Natcha Tulyasuwan, Sustainability Manager for APAC Barry Callebaut

Wouter De Smet, Green Coffee Sustainable Agriculture Development Manager Nestlé ZAOA

Tias van Moorsel, Director Asia Markets Steward Redqueen (Report Author)
Moderated Discussion
Looking Ahead
Get Involved

Investor Engagement
Showcase a recent investment in our case study series

Learning Program
Join our Learning and Accreditation Program

Regional Events
Attend and hear from investors’ learnings and best practices

National Legal & Policy Services
AMS only: technical assistance to embed ASEAN RAI in policy
Poll: How useful was the information presented in this webinar to you? Will you recommend similar webinars?
Read the Report

URL https://tinyurl.com/RAImapping
Web www.aseanraiguidelines.org

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