



# Unlocking Sustainable and Responsible Investment: *Toward a Green Agriculture in Viet Nam*

*Hanoi, 15 March 2022*



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# Agenda

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**Opening Remarks**

**Panel Discussion: *Responsible Investment in Vietnam's Agriculture Sector: Practices, Progress and Challenges***

**Q&A**

**Introduction to the ASEAN RAI Guidelines**

**Insight from Case Studies on Responsible Investing Practices**

**Group Discussion: *Aligning Investor Practices to the ASEAN RAI and the local context***

**Practical Private Sector-Driven Tools for Responsible Investments: How to Engage**

*ASEAN RAI Learning and Accreditation Program (LAP)*

*ASEAN RAI Scoring Tool*

**Q&A**

**Closing Remarks**

# Before We Start

The image shows a Zoom meeting interface with several callout boxes containing instructions. The interface includes a top bar with 'You are viewing Joe Fedewa's screen' and 'View Options', a main content area, a bottom toolbar with icons for Mute, Stop Video, Security, Manage Participants, Chat, Share Screen, Record, Interpretation, and Reactions, and a right sidebar with a 'Participants (2)' list and a 'Zoom Group Chat' section. Green arrows point from the callout boxes to the corresponding UI elements.

**1. Make sure to rename yourself**

**2. Select your presentation language**

**3. Want to speak to everyone?  
Raise your hand**

**4. Select Chat icon &  
Use the Chat box to ask questions to our speakers**

**5. Click Interpretation & select your respective language channel**

**6. Make sure your microphone is on mute.  
Unmute yourself before speaking**

**Technical issues:**

- Send a question in the Chat box
- Try logging off and on
- Turn off your video to preserve bandwidth

- Connect during the presentation with Comments/Recommendations. We will attempt to address comments at the end.



# POLL

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## Participant Profiles

# Opening Remarks

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**Dr. Pham Quang Minh**

**Head of the Food, Agriculture and Forestry Division (FAFD)**

**The ASEAN Secretariat**

# Opening Remarks

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**Mr. Sam Wood**

**Deputy Consul General and Head of the Department for International Trade  
British Consulate General in Ho Chi Minh City**



# PANEL DISCUSSION

*Responsible Investment in Vietnam's Agriculture Sector*

*Practices, Progress and Challenges*



# Q&A



# Introduction to the ASEAN RAI Guidelines

**Dr. Joshep Arbiol**  
Senior Officer of the ASEAN Secretariat



# Implementation Progress

## ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry (ASEAN RAI)



**Food, Agriculture and Forestry Division  
ASEAN Economic Community Department  
ASEAN Secretariat, Jakarta, Indonesia**

 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



# BACKGROUND

The ASEAN-RAI Guideline is one of the action programmes under Vision and Strategic Plan of Food, Agriculture and Forestry (2016-2025)

- **Strategic Thrust 1:** increasing the investment in the infrastructure and application of science and technology in agricultural value chain.
- **Key Performance Indicator:** ASEAN Guidelines on Promoting Responsible Investments in agriculture sector prepared, adopted and implemented.

In 2017, the 39<sup>th</sup> Meeting of the ASEAN Ministers of Agriculture and Forestry (AMAF) agreed to develop the ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry (ASEAN-RAI) as a priority deliverable for 2018.



# ASEAN-RAI GUIDELINES

- ASEAN-RAI draws upon major existing principles and guidelines
  - Committee on World Food Security's Principles for Responsible Investment in Agriculture and Food Systems
  - Voluntary Guidelines on the Responsible Governance of Tenure of Land, Forests and Fisheries
  - AMS regional experiences and international best practices
- In 11 October 2018, the 40<sup>th</sup> AMAF Meeting adopted the ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry Sectors.

1. Food security, food safety and nutrition

2. Equitable, sustainable and inclusive economic development

3. Empowerment for women, youth and marginalised group

4. Respect for tenure rights

5. Conserve and manage natural resources

6. Generation and diffusion of technologies & practices

7. Resilience to climate change & other shocks

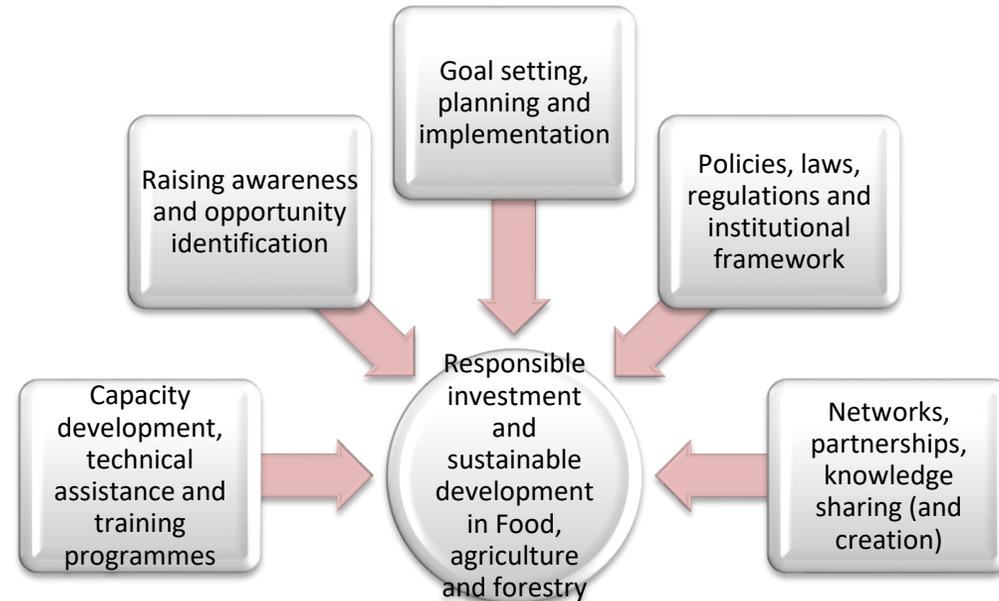
8. Transparent governance structure

9. Promote accountability

10. Strengthen regional approaches

# Action Plan Implementation Strategy

- Maps out the types of actions and activities required by all players in the sector, including: goal setting; raising awareness; embedding the ASEAN Guidelines into legal, policy and institutional frameworks; capacity development; and developing supporting networks and partnerships.
- The Action Plan was adopted at 41<sup>st</sup> AMAF Meeting on 15 October 2019.



# Learning & Accreditation Programme

- The project aims to train cadre of experts on ASEAN-RAI based on blended learning approach (e-learning and in-person training)
- Approved for funding under the Japan-ASEAN Integration Fund (JAIF) on 23 August 2021
- Grow Asia as the Implementing Agency is currently on the process of developing the curriculum of the learning and accreditation programme.

## Private Sector Engagement

- Develop case studies featuring company's investment practices and their alignment to the ASEAN RAI (Grow Asia)
- ASEAN Investment Inventory (IISD)

# Legal and technical assistance

- National Pilot Project for the Alignment Assessment of the ASEAN-RAI
  - The ASEAN-RAI Alignment Assessment Tool endorsed by SOM-AMAF on 6 January 2021.
  - The ToR of National Pilot Project for the Alignment Assessment of the ASEAN RAI was endorsed by SOM-AMAF on 12 August 2021.
  - IISD is providing legal and technical expertise and support in the ASEAN-RAI alignment process of pilot countries: **Indonesia** (January – April 2022); **Viet Nam** (January – April 2022); **Cambodia** (May – October 2022); and **Lao PDR** (May – October 2022)



# Insights from Case Studies on Responsible Investing Practices

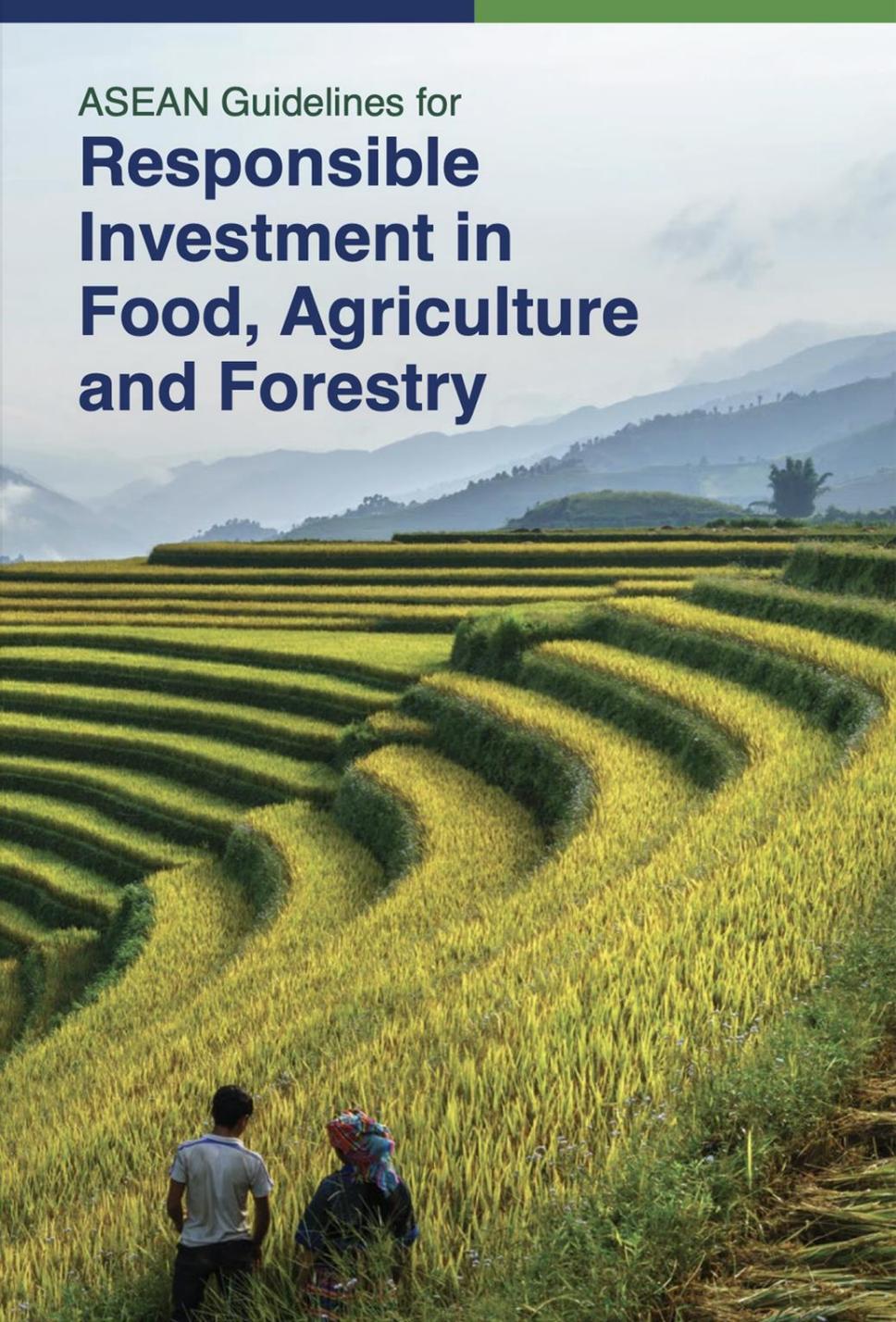
Consultant Team



# Outline

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- Overview of the ASEAN RAI Case Study Series
- Research Methodology and Questions
- Profile of Business Cases under Study
- Key Findings
- Learnings and Implications



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

# Overview of Case Study Series

Part of a series of case studies:

- How recent agribusiness investments (**agribusinesses** and **investors**) in food, agriculture and forestry sectors are delivering social, environmental and financial results through their investments
- How the **ASEAN Guidelines on Responsible Investment in Food, Agriculture and Forestry (ASEAN RAI)** can help achieve those results

**Focuses on financial investors**

# Overview of Case Study Series

## To Showcase:

1. How current investments in the FAF space are already closely aligned with the principles outlined in the ASEAN RAI
2. The business case for financial investors to encourage responsible practices among their agri-SME investees.

## Ultimate goals:

1. Increase investors' understanding of value-add of the ASEAN RAI
2. Encourage other investors to leverage capital as a tool to foster more responsible practices among MSMEs and agribusinesses





# Research Methodology

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1-2 hour structured interview with each investor focusing on:

- Investment profile, structure, objectives
- Investment process and results
- Successes and Facilitating Factors
- Constraints and Challenges
- Lessons learnt

Following the interviews, a draft of Case Studies were circulated to the respective individuals interviewed for review and comment.

- Compare ASEAN RAI principles and investors' /agribusinesses' practices
- How ASEAN RAI can help improve the investment performance

*NOT formal statements of any individual research provider's position on responsible investment or the capital markets.*

# Profile of Business Cases under Study

	Case Study 1	Case Study 2	Case Study 3
<b>Investor</b>	International financial institution	Impact investor headquartered in Viet Nam	Venture capital firm headquartered in Singapore
<b>Investment Location</b>	Viet Nam (Indonesia in pipeline)	Indonesia	Viet Nam
<b>Timeline</b>	2021 - 2026	2014-present	2017-present
<b>Commodity</b>	Pepper and spices	Coconut	Agtech
<b>Business Stage</b>	N/A	Series B	Series A
<b>Investment Form</b>	Supplier Finance (Supply Chain Finance)	Equity capital	Minor equity capital



# Key Findings

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- Investors demand both sustainability/impact and profitability
- High(er) alignment with the principles outlined in the ASEAN RAI
- Institutional investors' incorporation of ESG metrics into their capital allocation
- No 'one-size-fits-all' approach to how investors are incorporating responsible investing/ESG issues into their investment decisions
- Multiplicity of ESG ratings. Some investors develop their own tools and their own information requests
- Time-consuming to translate responsible investments in agribusiness (including agtech) into financial results for shareholders



Photo: Shutterstock

# Learnings and Implications

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- Both institutional investors and companies need to embrace responsible investing
  - Global standards could enhance investments' economic efficiency and improving capital allocation
  - Need for patient capital in investing in early-stage (agtech) solutions.
  - Need for early involvement of competent authorities, stronger public-private partnerships
  - Critical roles of long-term strategic investors in supporting a business's sustainable transition to the next level.
- More enabling frameworks needed to increase demand for innovative financing instruments
- Institutional investors are in good position to push their holdings in the direction of long-term sustainability (through such measures as voting proxies and shareholder resolutions—or by initiating open dialogue with company leaders)
- ESG investment strategies need particular tailoring in emerging markets
- Need ESG reporting guidelines consistent across borders (ASEAN RAI could be a reference).



Thank you!



# Group DISCUSSION

*Aligning Investor Practices*

*to the ASEAN RAI and the local context*



***Practical Private Sector-Driven Tools  
for Responsible Investments:  
How to Engage***



# ASEAN RAI Learning and Accreditation Program (LAP)

Ms. Erin Sweeney  
Lead, Sustainable Investment & Inclusion - Grow Asia



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC



Japan-ASEAN Cooperation



GrowAsia

# ASEAN RAI Learning and Accreditation Programme



GrowAsia



IISD

International Institute for  
Sustainable Development



Food and Agriculture  
Organization of the  
United Nations

# Regional Scope



## Designed for any learners in ASEAN

- Trains learners on how to practically apply the ASEAN RAI on the ground
- Design project to implement at work
- Open to public, private and NGO sectors
- Fees covered for pilot

2022 – Pilot for 50 person cohort

2022 – 2030 – train 400+ people

# Topics Covered

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## **Online Modules**

- How the 10 RAI Thematic Areas are applied at the local level
- How to avoid risks and challenges
- How to engage communities during consultations
- How to navigate contracts
- How to build strong and transparent relationships with government

## **In person, group activities**

- Brainstorming solutions to real-world investment risks or challenges
- Analyzing case studies (positive and negative)
- Problem solving by role play
- How to build partnerships during investments

# Target Participants

## Private sector (mid-level)

- Agribusiness
  - Operations
  - Procurement
  - Finance & Legal
  - Sustainability
- Financiers
  - Impact investors
  - Banks
  - VCs

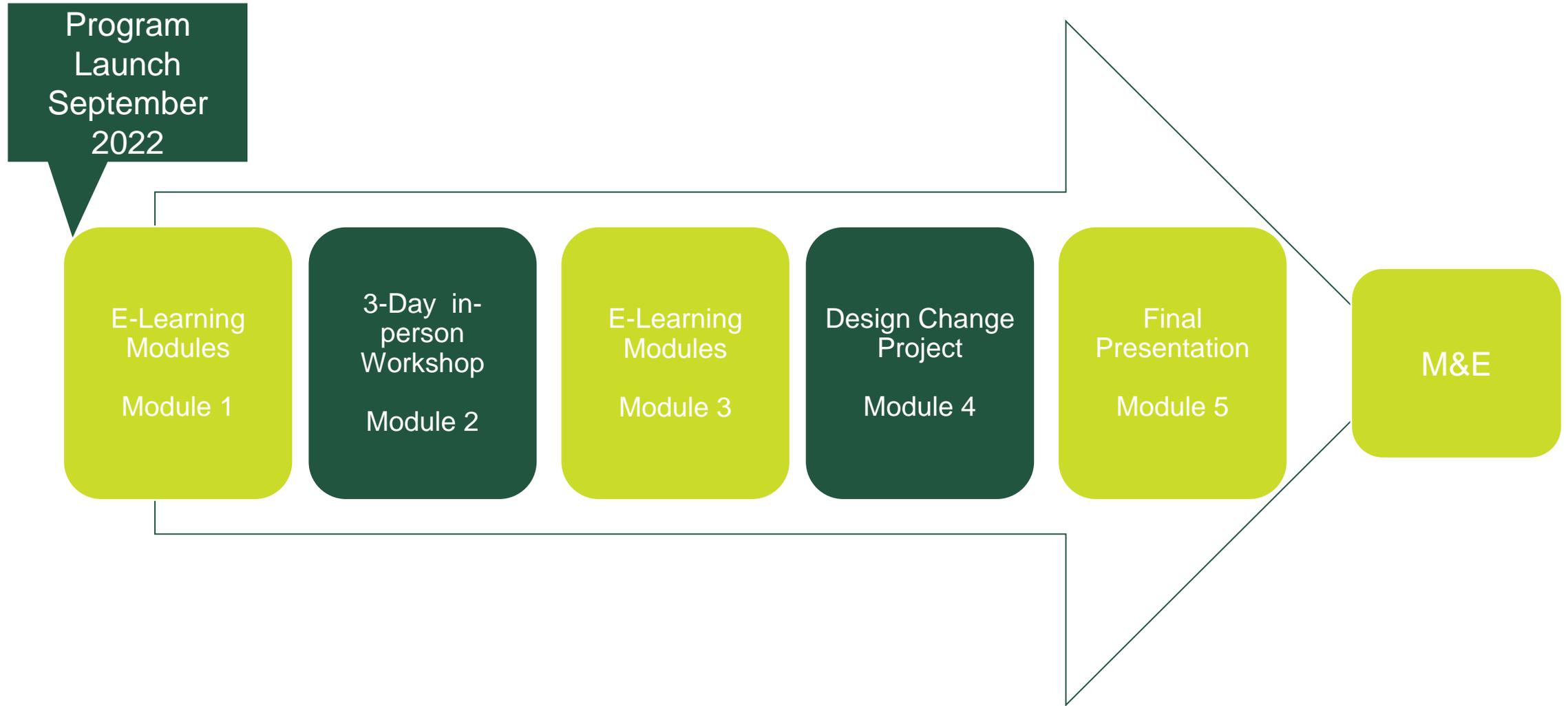
## Public sector

- District or Provincial
  - Rural Development
  - Planning & Investment
  - Environment
- Development banks

## CSOs & Farmer organizations

- Lead farmers
- Farmer cooperatives
- Local CSOs
- Regional NGOs
- International NGOs with country scope

# 5-month Blended Learning = Online + In-person



# Register your interest

Please email:

Hendrietta Retno  
Assistant Program Manager  
[retno@growasia.org](mailto:retno@growasia.org)

Visit the website:  
[www.aseanraiguidelines.org](http://www.aseanraiguidelines.org)





# ASEAN RAI Scoring Tool



**Ms. Marion Allet**  
Head of Environment & Impact  
CERISE



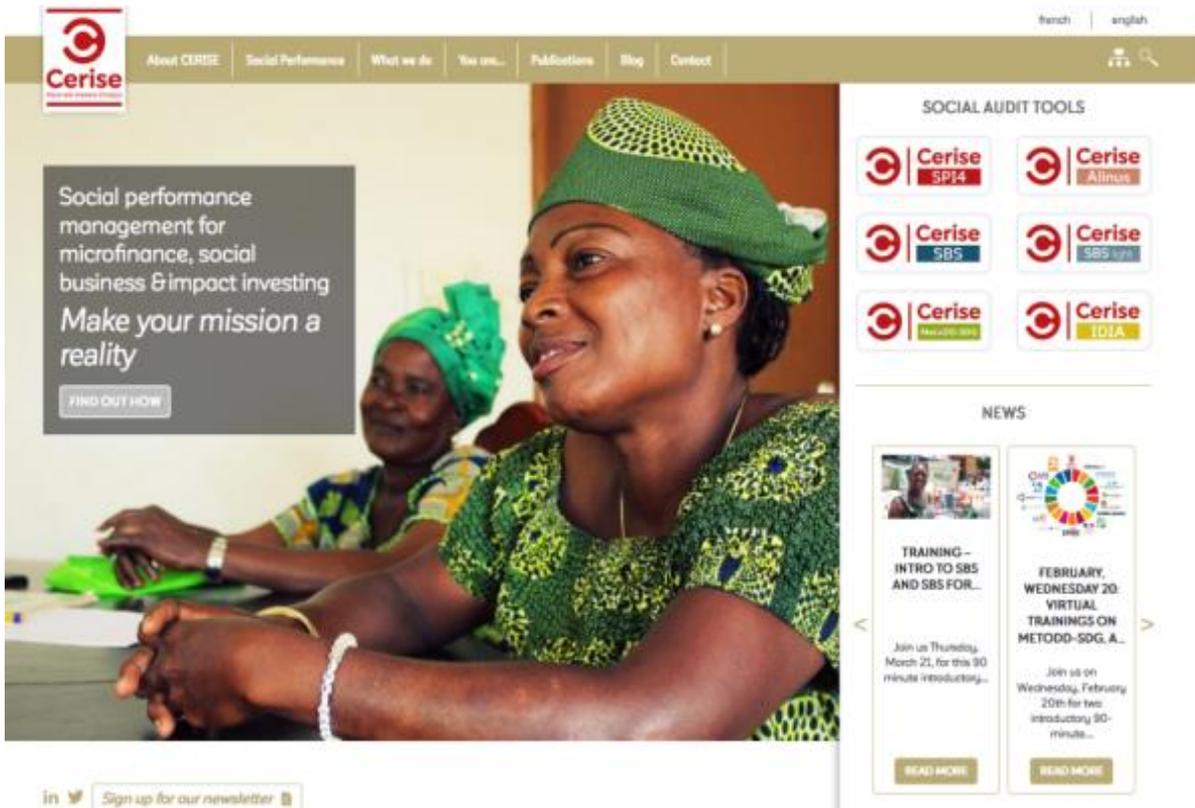
**Dr. Hafiz Mirza**  
Lead, Responsible Agricultural  
Investment Research  
IISD



## The RAI Scoring Tool (The Responsible Agricultural Investment Scoring Tool)



# About us



- Large Think Tank, headquartered in Canada, with regional hubs in Geneva and elsewhere.
- Mission: To accelerate solutions for a stable climate, sustainable resources and fair economics.
- International trade, investment and agriculture team based in Geneva.
- Part of the ASEAN RAI Implementation programme with Grow Asia, FAO (and ASEC)

# Purpose of the RAI scoring tool

- Part of a **suite of tools** to help support the **public** and **private** sectors understand and **implement** the **ASEAN-RAI Principles**.
- This tool is for the **private sector** (agribusinesses) and allows organisations to determine how **compliant** their **practices** are with the ASEAN-RAI
  - Gaps in compliance can be acted upon
  - **Performance** vis-à-vis ASEAN-RAI can be assessed (based on **targets** and **metrics**/measurement for relevant practices)
- **Importantly:**
- The RAI scoring tool is not intended to replace existing tools. For example, compliance may be because of practices arising from existing international or industry standards and principles.
- The tool is structured around business operations and functions (strategy, HR, production, distribution...) – it fits with how organisations work.
- Wide adoption of the tool will facilitate benchmarking between peers

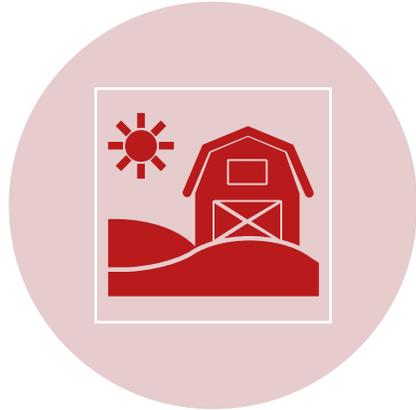
Responsible  
Investment in  
Food, Agriculture  
and Forestry



RESPONSIBLE  
INVESTMENT IN  
AGRICULTURE AND  
FOOD SYSTEMS



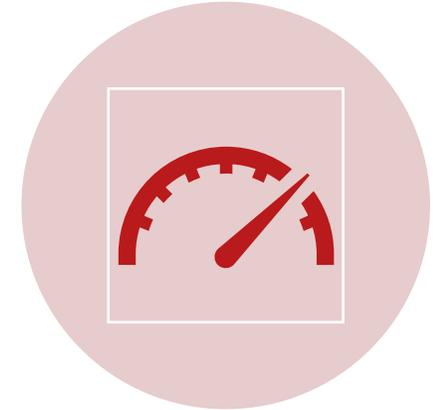
# Scope of the Tool



DESIGNED FOR **AGRIBUSINESSES** / AGRICULTURAL VALUE-CHAIN ACTORS (AVCAS) / AGRICULTURAL SMES THAT ARE INVOLVED IN THE **PRODUCTION, PROCESSING AND/OR TRADING** OF AGRICULTURAL AND FOOD PRODUCTS, AND THAT **DIRECTLY WORK WITH SMALLHOLDER FARMERS** AND **SOURCE** AGRICULTURAL PRODUCTS FROM THEM ;



LOOKING BOTH AT **PRACTICES** AND **OUTCOMES**;



BUILDING ON **EXISTING** KEY PRACTICES AND PERFORMANCE INDICATORS:



# Structure of the Tool

1. **ID card** – Information on an Agribusiness' profile

2. **Practices** – Looking at operations, practices and procedures along 7 Dimensions



3. **Outcomes** – Set of outputs and outcomes indicators

(nb of employees, nb of farmers reached, % of farmers satisfied with their relationship with the agribusiness, energy / water consumption, etc.)

# Where do we stand?



# Case Studies



# Purpose of the case studies

- An assessment of Agribusinesses' compliance with RAI principles.
  - Guided by researchers
  - Including by use of the RAI Scoring Tool.
  - Facilitate insights into gaps in compliance with the ASEAN-RAI
  - Assessment of overall impact, outcomes
- Identification of areas of improvement by **Agribusinesses**. In terms of their management and operational processes and practices:
  - Overall 'score' of compliance, as well as by key functions and activities.
  - To ensure better outcomes and impact in the future.
- Recommendations to **Financial Investors** vis-à-vis further investment in Agribusinesses.
  - Includes identification of what financial investors can do to support their investees
  - Both in terms of financial and technical assistance.
- First Cases in Africa, ASEAN to commence later in 2022

# CONTACT DETAILS



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Hafiz Mirza –  
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<https://www.iisd.org/>



# Q&A



# POLL

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## Interest to Engage

# Closing Remarks



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