

Advancing Responsible Investment in Food, Agriculture, and Forestry in ASEAN: Opportunities, Risks, and Pathways to Sustainable and Inclusive Development

On 21 May 2026, Dr. Siti Amanah, representing IPB University (also known as Bogor Agricultural University) and RASSEA, had the opportunity to attend the workshop on responsible investment in Food, Agriculture, and Forestry in ASEAN, organized by the House of Representatives of the Republic of Indonesia (DPR RI) in collaboration with the ASEAN Inter-Parliamentary Assembly (AIPA) and supported by the Food and Agriculture Organization of the United Nations (FAO). The insights from the meeting are as follows.

The Association of Southeast Asian Nations (ASEAN) increasingly recognizes that food, agriculture, and forestry are strategic sectors that affect not only economic development but also food security, environmental sustainability, rural livelihoods, and social stability across the region. Millions of individuals in Southeast Asia depend directly on agriculture, fisheries, plantations, and forests for employment, income, and daily sustenance. Concurrently, ASEAN continues to attract substantial domestic and international investment in agricultural production, food processing, land development, commodity trade, forestry, and natural resource management.

While investment is essential for enhancing productivity, infrastructure, trade, and economic modernization, ASEAN nations also recognize that it can have both positive and negative effects. Poorly managed or unsustainable investments may lead to deforestation, biodiversity loss, land disputes, labor exploitation, inequality, environmental degradation, and social exclusion. In recognition of these opportunities and challenges, ASEAN adopted the *ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture, and Forestry* (ASEAN RAI Guidelines) in 2018 through the ASEAN Ministers on Agriculture and Forestry (AMAF).

The ASEAN RAI Guidelines provide a regional framework that promotes investments that are economically viable, socially inclusive, environmentally sustainable, and ethically responsible. Importantly, the Guidelines are voluntary and non-binding. Rather than serving as legal enforcement mechanisms, they offer practical guidance for governments, investors, businesses, financial institutions, farmer organizations, civil society groups, and development partners to improve the quality and sustainability of investment practices throughout ASEAN.

The voluntary nature of the Guidelines exemplifies ASEAN's consensus-driven and collaborative approach to regional development. ASEAN Member States exhibit a variety of economic structures, governance frameworks, institutional capacities, and agricultural contexts. Accordingly, the Guidelines permit member countries to tailor their implementation to national priorities and development circumstances while promoting shared regional principles and objectives.

The ASEAN RAI Guidelines were formulated in accordance with internationally recognized frameworks, notably the *Principles for Responsible Investment in Agriculture and Food Systems* (CFS-RAI), endorsed by the United Nations Committee on World Food Security. Nonetheless, ASEAN tailored these principles to the distinct circumstances of Southeast Asia, emphasizing the

importance of smallholder farmers, rural communities, food security, climate vulnerability, and the region's reliance on natural resources.

The Guidelines encompass several key principles, including promoting food security and nutrition, sustainable economic development, environmental protection, climate resilience, transparency, accountability, equitable participation, respect for legitimate tenure rights, and support for women, indigenous peoples, youth, and marginalized groups. These principles guide ASEAN in ensuring that investment contributes not only to economic growth but also to social welfare, ecological sustainability, and long-term resilience.

Responsible investment has become increasingly important amid the global challenges facing Southeast Asia. Climate change continues to threaten agricultural productivity through rising temperatures, floods, droughts, sea-level rise, altered rainfall patterns, and extreme weather events. Furthermore, population growth, urbanization, and evolving consumption patterns are intensifying pressure on land, water, forests, and ecosystems. Concurrently, international markets are increasingly setting sustainability standards, traceability systems, and responsible sourcing practices. In light of these circumstances, unwise investment decisions may pose long-term economic, environmental, and social risks.

Environmental degradation is one of the most significant risks associated with investment in food, agriculture, and forestry. Large-scale agricultural expansion, plantation development, logging, and infrastructure projects can contribute to deforestation, biodiversity loss, soil erosion, water pollution, peatland destruction, and greenhouse gas emissions. In Southeast Asia, where forests are essential for biodiversity conservation, climate regulation, and local livelihoods, unsustainable land conversion poses serious threats to ecosystems and communities alike.

The ASEAN RAI Guidelines underscore the importance of sustainable natural resource management and environmental stewardship. Mitigation efforts include environmental impact assessments, climate-smart agriculture, sustainable land-use planning, reforestation projects, ecosystem restoration, certification systems that promote sustainability, and enhanced environmental governance. These initiatives are designed to ensure that investments do not compromise ecological sustainability or future agricultural productivity.

Another major risk is land tenure disputes and community displacement. Agricultural and forestry investments often require large tracts of land, which can create conflicts over ownership, customary rights, and access to resources. Smallholder farmers, indigenous peoples, and rural communities are particularly vulnerable when tenure systems are weak or unclear. In some cases, irresponsible investment can lead to the loss of livelihoods, forced displacement, and social tensions.

To address these challenges, the ASEAN RAI Guidelines emphasize the significance of respecting legitimate tenure rights and enhancing inclusive governance. Transparent land acquisition procedures, community participation, conflict resolution mechanisms, recognition of customary rights, and participatory consultations are vital mitigation strategies. Governments are additionally encouraged to improve land governance systems and to reinforce legal protections for vulnerable communities.

Social inequality and exclusion pose additional risks to investment processes. Without inclusive approaches, investments may disproportionately benefit large corporations or elite groups while marginalizing smallholders, women, youth, migrant workers, and indigenous peoples. Despite their central roles in food systems and rural economies, women often face unequal access to land, finance, training, markets, and decision-making opportunities.

The ASEAN RAI Guidelines place strong emphasis on gender equality, social inclusion, and equitable economic development. Mitigation measures include strengthening smallholder participation in value chains, promoting farmer cooperatives, empowering women, improving access to finance and technology, and ensuring marginalized groups' inclusion in decision-making processes. Inclusive investment models can help distribute benefits more equitably while strengthening community resilience and social cohesion.

Labor-related risks are also highly relevant across the food, agriculture, and forestry sectors. Issues such as hazardous working conditions, inadequate remuneration, informal employment arrangements, child labor, forced labor, and insufficient labor protections continue to pose challenges in certain regions. Unsatisfactory labor practices not only constitute violations of human rights but also have the potential to impair corporate reputation, diminish productivity, and create market and legal liabilities.

The ASEAN RAI Guidelines advocate that investors and governments uphold labor rights and standards for decent work. Mitigation strategies include enhancing occupational safety, ensuring fair wages, eliminating exploitative labor practices, strengthening worker protections, and improving monitoring across supply chains. Adherence to responsible labor practices fosters long-term productivity, social stability, and business sustainability.

Climate change poses a direct threat as well as an amplifier of prevailing vulnerabilities. Agricultural and forestry systems are highly susceptible to climate variability and extreme weather events. Investments that neglect to integrate climate adaptation strategies risk becoming economically unviable in the future.

Consequently, the ASEAN RAI Guidelines promote climate-resilient and adaptive investment approaches. Climate-smart agriculture, resilient crop systems, water-efficient technologies, agroforestry, renewable energy use, and disaster risk reduction strategies are increasingly important mitigation measures. Integrating climate resilience into investment planning helps protect communities, ecosystems, and businesses from future shocks and losses.

Governance and transparency challenges remain significant concerns. Weak institutions, corruption, inadequate law enforcement, limited transparency, and poor accountability mechanisms can hinder responsible investment initiatives. Furthermore, insufficient stakeholder participation may diminish trust and elevate the risk of social conflict.

To mitigate governance risks, the ASEAN RAI Guidelines emphasize transparency, accountability, the rule of law, and multi-stakeholder collaboration. Governments are encouraged to strengthen institutional coordination, improve policy coherence, enhance public access to information, and establish effective grievance mechanisms. Investors are similarly encouraged to

adopt responsible business conduct, transparent reporting, and environmental, social, and governance (ESG) standards.

Indonesia offers an important example of how ASEAN Member States are increasingly aligning national policies and practices with ASEAN RAI principles. As one of the world's largest producers of palm oil, cocoa, rubber, fisheries products, and timber commodities, Indonesia faces both significant economic opportunities and sustainability challenges. The country has introduced initiatives such as the Indonesian Sustainable Palm Oil (ISPO) certification system, social forestry programs, peatland restoration efforts, and climate mitigation policies, reflecting an increasing commitment to responsible investment and environmental governance.

Indonesia's social forestry initiatives, which aim to expand communities' legal access to forest management, align closely with ASEAN RAI principles on community participation, equitable development, and tenure rights. At the same time, Indonesia continues to face challenges, including land conflicts, deforestation pressures, institutional coordination, and unequal access to finance and technology among smallholders.

Vietnam also demonstrates significant progress in promoting sustainable and responsible investment in the agriculture and forestry sectors. As a leading exporter of rice, coffee, seafood, pepper, and timber products, Vietnam has increasingly prioritized green growth, climate-smart agriculture, sustainable forest management, and inclusive value chain development. Efforts to strengthen traceability systems, improve environmental standards, support farmer cooperatives, and encourage responsible private-sector participation align closely with ASEAN RAI objectives.

However, Vietnam remains vulnerable to the impacts of climate change, particularly in areas such as the Mekong Delta, where sea-level rise, salinity intrusion, and water scarcity threaten agricultural systems and livelihoods. Consequently, responsible investment is increasingly viewed not only as an economic necessity but also as a strategy for climate adaptation and long-term resilience.

The voluntary nature of the ASEAN RAI Guidelines should not be interpreted as a limitation. Instead, the guidelines offer a flexible framework that fosters ongoing improvement, policy learning, innovation, and regional collaboration. ASEAN's diversity necessitates adaptable approaches capable of evolving in accordance with national contexts and institutional capacities.

Ultimately, responsible investment in food, agriculture, and forestry transcends mere harm prevention. It focuses on fostering sustainable opportunities for economic growth, food security, rural development, environmental stewardship, climate resilience, and social justice. Such responsible investment has the potential to fortify food systems, enhance livelihoods, improve market competitiveness, mitigate social conflicts, and conserve natural resources for the benefit of future generations.

The ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture and Forestry thus embody a collective regional aspiration towards a more inclusive, sustainable, resilient, and equitable future. Nations such as Indonesia and Vietnam exemplify how even voluntary regional

frameworks can shape policies, strengthen sustainability commitments, and foster transformative change when backed by political will, institutional cooperation, and stakeholder engagement.

As ASEAN progresses in addressing the intertwined issues of climate change, food insecurity, environmental degradation, and economic transformation, responsible investment will continue to serve as a vital foundation to guarantee that development benefits extend beyond economies and investors to include communities, ecosystems, and future generations throughout Southeast Asia.