



Food and Agriculture
Organization of the
United Nations

Promoting the application of the ASEAN Guidelines for Responsible Investment in Food, Agriculture and Forestry

A practical handbook
for ASEAN
parliamentarians



With the technical support of:



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FOREWORD

I would like to take this opportunity to congratulate the Food and Agriculture Organization of the United Nations (FAO) and the International Institute for Sustainable Development (IISD) for publishing this practical handbook for ASEAN parliamentarians on promoting the application of the ASEAN Guidelines for Responsible Investment in Food, Agriculture, and Forestry (ASEAN RAI).

This valuable publication recognizes the role of parliamentarians in supporting the implementation of the ASEAN RAI. I am pleased to note that this work is in line with ASEAN's goal to improve food security and agri-food development, which has been one of the high priority matters in ASEAN. The adoption of the ASEAN RAI in 2018 and the Action Plan Implementation Strategy for the ASEAN RAI in 2019 are milestones for ASEAN in providing voluntary guidelines to its Member State governments and to agribusiness, and other key stakeholders in Southeast Asia.

Parliamentarians of the ASEAN Inter-Parliamentary Assembly (AIPA) acknowledge the critical importance of responsible investment in the development of agriculture and food systems to achieve the Sustainable Development Goals. Further, these parliamentarians have signalled their agreement in principle with the ASEAN RAI and committed to strengthen cooperation with ASEAN Member States to actively exercise the

implementation of the ASEAN RAI through parliament's legislative approach, as demonstrated during the AIPA webinar on Responsible Investment in Agriculture and Food Systems in 2021.

I hope this publication will provide helpful guidance to parliamentarians in the realization of the ASEAN RAI and will also be an insightful reading on the role of ASEAN parliamentarians in supporting the promotion of responsible investment food, agriculture, and forestry.

Thank you,



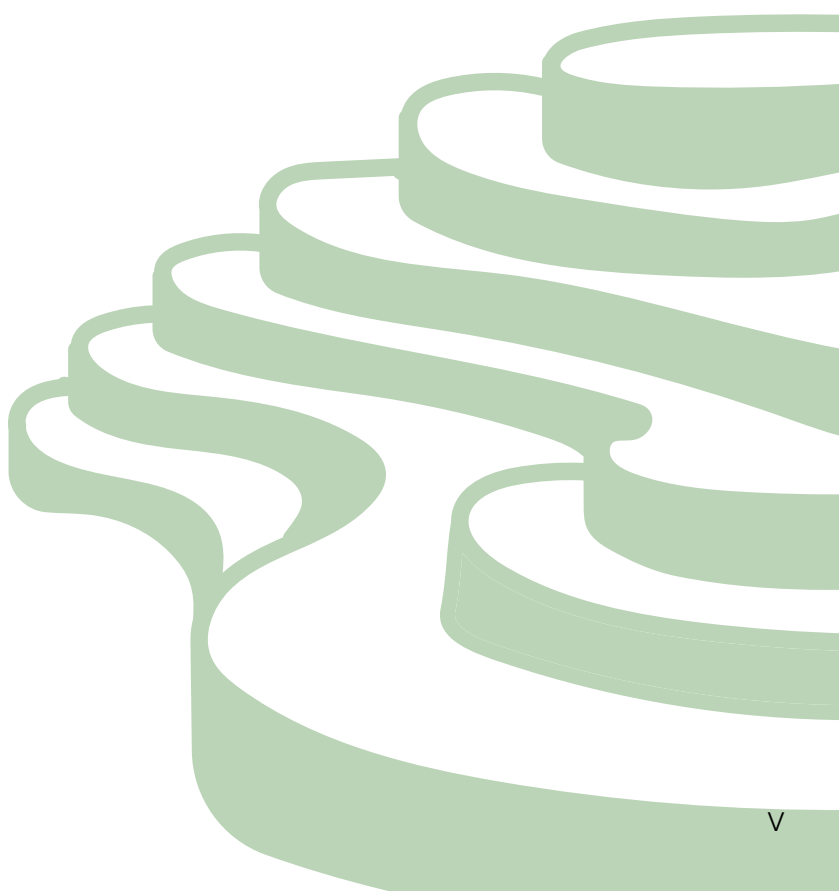
Nguyen Tuong Van
Secretary-General of AIPA (2019-2022)

A handwritten signature in blue ink, consisting of stylized cursive letters, positioned above a horizontal line.

ACKNOWLEDGEMENTS

The drafting of this handbook was led by Sean Woolfrey of the International Institute for Sustainable Development (IISD), in collaboration with Sarah Brewin, Francine Picard Mukazi and Ronald Tundang from IISD, and Emma Jessie Mcghie from the Food and Agriculture Organization of the United Nations (FAO). Valuable contributions to the Handbook were also made by experts from FAO, including Yannick Fiedler, Jana Herold, Teresa Lamas Menéndez, Andrew Nadeau, and Victor Quezada Navarro. The layout and graphic design work by Carolina Saiz Suárez is gratefully acknowledged, as well as inputs to the layout by Maria Barral and Sally Millet from IISD and Chiara Nicodemi from FAO.

FAO and IISD would like to thank the ASEAN Inter-Parliamentary Assembly (AIPA) Secretariat (Former Secretary General Nguyen Tuong Van and Royyan Hadela Isnanda) for organizing a webinar on Responsible Investment in Agriculture and Food Systems in November 2021, during which the idea for this Handbook started to take shape, and for gathering feedback from AIPA members on an earlier draft of the handbook. IISD and FAO would also like to thank the Legislative Research Service of the House of Representatives of the Republic of the Philippines for detailed feedback and Joseph Arbiol and colleagues from the ASEAN Secretariat for disseminating the draft Handbook for feedback from ASEAN Member State representatives.





1. Introduction



1.1. Context

In Southeast Asia, almost 140 million people – just over one in five – are moderately or severely food insecure, while almost 350 million people cannot afford a healthy diet (FAO, IFAD, UNICEF, WFP & WHO, 2022). Substantial public and private investments in agriculture and food systems,¹ including in forestry and fisheries, are needed to improve food security and livelihoods in Southeast Asia.

With its abundance of natural resources, Southeast Asia already attracts billions of dollars a year in investment in agriculture, forestry and fisheries, a significant portion of which is intra-regional investment. While such investment is crucial for food security, poverty alleviation, economic growth and building resilience to climate change and other shocks, it can also present risks, including for the rights and livelihoods of local communities and for the environment.

What is really needed are responsible investments in agriculture and food systems. These are investments that contribute to sustainable development by generating positive socioeconomic and environmental impacts such as improved food security and nutrition, better protected ecosystems, and more sustainable use of natural resources. Responsible investments also respect, protect, and promote human rights, including the right to adequate food, as well as the rights of local communities.

Recognising the importance of responsible investment in agriculture and food systems for sustainable development in the region, Member States of the Association for Southeast Asian Nations (ASEAN) agreed to develop the **ASEAN Guidelines for Promoting Responsible Investment in Food, Agriculture and Forestry** (ASEAN RAI), which were adopted in 2018 (ATWGARD, 2018).² The ASEAN RAI, described in more detail in the following section, represent the first regional iteration of the **Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI)** adopted by the Committee on World Food Security (CFS) in 2014 (CFS, 2014).

In 2019, ASEAN Member States adopted a ten-year action plan to operationalise the ASEAN RAI by 2030. **The Action Plan** maps out the roles and responsibilities of different actors – government officials, parliamentarians, investors, civil society, and others – with regard to integrating the ASEAN RAI principles into national laws and policies, investing responsibly, and empowering stakeholders with knowledge to advocate for responsible investment.³

ASEAN's parliamentarians are key actors in operationalising the ASEAN RAI. These guidelines, like the CFS-RAI, are voluntary and non-binding. They need to be integrated into appropriate national laws, policies, and institutions to promote responsible investment in practice. With

¹ Agriculture and food systems encompass all activities involved in the production, processing, marketing, retail, consumption, and disposal of the food and non-food products of agriculture, pastoralism, fisheries, and forestry (CFS, 2014).

² At the 40th Meeting of the ASEAN Ministers of Agriculture and Forestry on 11 October 2018 in Hanoi, Vietnam.

³ A summary of the Action Plan can be found online at <https://www.aseanraiguidelines.org/action-plan>.

their legislative, budgetary and oversight powers, ASEAN's parliamentarians can ensure this happens and thereby contribute to enabling legal, policy, and institutional environments for responsible investment at the national level.

1.2. The Handbook

This handbook aims to help ASEAN parliamentarians play their role in operationalising the ASEAN RAI. It is based on *Responsible investments in agriculture and food systems: A practical handbook for parliamentarians and parliamentary advisors* published by the Food and Agriculture Organization of the United Nations (FAO) and the International Institute for Sustainable Development (IISD) in 2020. It adapts that global handbook to the ASEAN context and provides ASEAN parliamentarians with practical guidance on how to contribute to an enabling environment for responsible investment in agriculture and food systems in their countries, based on the ASEAN RAI.

In the following sections, this handbook introduces the ASEAN RAI and explains the role parliamentarians can play to support their implementation, especially by ensuring that the ASEAN RAI are reflected in domestic laws. The handbook also provides examples of ASEAN Member State laws and good practices to promote responsible investment in agriculture and food systems. The handbook concludes with a checklist for ASEAN's parliamentarians, summarising key actions they can take to promote application of the ASEAN RAI.





2. The role of ASEAN parliamentarians in promoting responsible investment in agriculture and food systems in Southeast Asia



2.1. The ASEAN Guidelines for Promoting Responsible Investment in Food, Agriculture, and Forestry

The **ASEAN RAI** are voluntary guidelines aimed at ASEAN Member State governments and other stakeholders in the region. They provide guidance on how to promote responsible public and private investment in food, agriculture, and forestry that contributes to regional economic development, improved food security and nutrition, greater food safety, and the sustainable use of the region's natural resources.⁴ They are inspired by and grounded in the CFS-RAI and the Sustainable Development Goals (SDGs) but adapted to specific challenges facing the ASEAN region, particularly those related to large-scale private investments.

The ASEAN RAI were developed through an inclusive, multistakeholder process⁵ to address increasing demand for food in the ASEAN region due to growing populations, rising incomes and urbanization.⁶ These trends mean that agriculture, including forestry and fisheries, will continue to attract significant foreign (including intra-regional) and domestic

investment, particularly in developing regions of ASEAN.

Such investment is needed to generate employment, sustain economic growth and livelihoods, and reduce rural poverty across the region, as well as to improve food security and nutrition for the region's large and increasingly urban population. Yet investment in agriculture and forestry (e.g., in farms and plantations) or in food processing (e.g., in processing plants and refineries) can entail social and environmental risks.⁷

Large-scale investments in land can worsen indigenous peoples' and local communities' food security, such as when land is diverted to produce non-food crops or products destined mainly for export. This problem has been particularly common in ASEAN Member States with large rural populations. Large-scale investments in land can also lead to the displacement and resettlement of local communities. Investments in food, agriculture, and forestry also risk exacerbating the unsustainable exploitation of natural resources, such as through deforestation of ASEAN's large tracts of rainforest.

⁴ More information on the ASEAN RAI can be found online at: <https://www.aseanraiguidelines.org/>.

⁵ Input was provided from stakeholders from government, the private sector and civil society.

⁶ The ASEAN RAI were initiated by the ASEAN Secretariat, and developed at their request through an inclusive, multi-stakeholder process by **Grow Asia**, the **International Institute for Sustainable Development (IISD)**, and the **Food and Agriculture Organization of the United Nations (FAO)**. Their development was supported by the Swiss Agency for Development and Cooperation (SDC) and a World Bank Trust Fund, supported by the Japanese Ministry of Foreign Affairs.

⁷ For more information on such risks, see <https://www.aseanraiguidelines.org/risks-and-opportunities>.

The ASEAN RAI aim to mitigate such risks. They draw on the experience of ASEAN Member States and international good practices to provide tailored guidance to ASEAN governments, investors, and other stakeholders on how to ensure investments in food, agriculture and forestry contribute toward the achievement of social, economic, and environmental benefits, while minimizing negative impacts.




The ASEAN RAI aim to support the creation of favorable conditions to attract responsible investment in food, agriculture, and forestry in ASEAN by providing guidance to ASEAN Member States on how to establish clear and appropriate policy, legal, institutional, and regulatory frameworks. They also provide a framework and roadmap to guide other stakeholders (such as the private sector, communities and civil society) on their roles and responsibilities in promoting responsible agricultural investments and inclusive and sustainable agricultural value chains. The ASEAN RAI are aligned with other ASEAN initiatives on food, agriculture and forestry including the **Vision and Strategic Plan for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025)**, the **ASEAN Regional Guidelines on Food Security and Nutrition Policy (2017)**, the **ASEAN Public-Private Partnerships Regional Framework for Technology Development in the Food, Agriculture and Forestry (FAF) Sectors (2017)** and the **ASEAN Integrated Food Security (AIFS) Framework and Strategic Plan of Action on Food Security in the ASEAN Region (SPA-FS) 2021-2025**.



Figure 1 - Guidance for parliamentarians on the ASEAN RAI

Guidance for parliamentarians on the ASEAN RAI

Adapted from international standards to fit the ASEAN context, the ASEAN RAI comprise ten guiding principles to promote responsible investment in food, agriculture and forestry. These principles relate to:

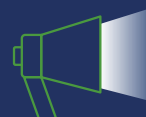
	GUIDELINE 1 Food security, food safety and nutrition
	GUIDELINE 2 Sustainable, equitable and inclusive economic development and poverty eradication
	GUIDELINE 3 Equality, engagement and empowerment for women, young people, indigenous peoples and marginalized groups
	GUIDELINE 4 Respect for tenure of land, fisheries and forests, and access to water
	GUIDELINE 5 Conservation and sustainable management of natural resources, especially forests
	GUIDELINE 6 Sustainable and appropriate technologies and practices
	GUIDELINE 7 Climate change mitigation and resilience to climate change, natural disasters and other shocks
	GUIDELINE 8 Good governance and rule of law
	GUIDELINE 9 Impact assessments and accountability
	GUIDELINE 10 Regional approaches to responsible investment

What can parliamentarians do to support the application of the ASEAN RAI?



Assess the consistency of domestic laws and regulations with the ASEAN RAI

Champion and enact legislative changes to promote responsible investments in food, agriculture and forestry, in line with the ASEAN RAI



Ensure sufficient budget is allocated to the food, agriculture and forestry sectors and to reforms for promoting responsible investment in these sectors

Provide oversight of the implementation of laws and regulations to promote responsible investment



Communicate the importance of responsible investment in food, agriculture and forestry to a wider national audience

For more on the ASEAN RAI see: <https://www.aseanraiguidelines.org/>

Source: Figure elaborated by the authors of this publication, 2023.

2.2. What is the role of parliamentarians with respect to the ASEAN RAI?

To effectively promote responsible investment, the ASEAN RAI need to be integrated into improved legal, policy, regulatory, and institutional frameworks at the national level, in accordance with the respective legal traditions of each ASEAN Member State. In this regard, ASEAN's parliamentarians are crucial actors in efforts to operationalize the ASEAN RAI addressing the needs and interests of their constituents.

This section presents five concrete actions ASEAN's parliamentarians can take to support the application of the ASEAN RAI in their countries. These actions are adapted from Part II of *Responsible investments in agriculture and food systems: A practical handbook for parliamentarians and parliamentary advisors*, and are based on the lawmaking, budget, oversight, and representation functions of national parliaments.





Action 1: Assess the consistency of policies, laws, and institutions with the ASEAN RAI

To establish appropriate legal, policy, and institutional frameworks to attract responsible investment in food, agriculture, and forestry, ASEAN Member States first need to assess how consistent their existing policies, laws and institutions are with the ASEAN RAI. For this purpose, the ASEAN Secretariat and its partners have developed an Alignment Assessment Tool for the ASEAN RAI (see box 1). The Tool was adopted by the ASEAN Member States in 2021 and is available on the [ASEAN website](#).

Box 1: Alignment Assessment Tool for the ASEAN RAI

The The Alignment Assessment Tool for the ASEAN Guidelines on Promoting Responsible Investment in Food, Agriculture, and Forestry (Alignment Assessment Tool) is a tool that has been developed to support the operationalization of the ASEAN RAI by helping ASEAN Member States determine the extent to which their legal, policy, and institutional frameworks are aligned with the ASEAN RAI, using a simple scoring system.

The results of this self-assessment, which can be peer reviewed by representatives of other ASEAN Member States, should help countries identify gaps or inconsistencies in their national frameworks. These could include, for instance, the absence of food, agriculture, and forestry sector plans (ASEAN RAI Guideline 1), inadequate involvement of smallholder farmers, consumers, or other stakeholders in investment policy- and decision-making processes (ASEAN RAI Guideline 2), or insufficient recognition of the economic social, cultural, and ecological value of forests and other natural resources (ASEAN RAI Guideline 5).

Information extracted from:
<https://asean.org/wp-content/uploads/ASEAN-RAI-Alignment-Assessment-Tool-Guidance.pdf>

While the Tool is meant to be completed by government officials, parliamentarians could engage these officials to explore what role they could play in this process. Depending on what is appropriate in the specific country context, this could involve actively participating in the self-assessment, reviewing and validating the results of the self-assessment, or simply being informed of the full results of the self-assessment and of any plans by the government to use the results to prioritise policy, legislative, or institutional reforms, and actively supporting needed legislative reform.

A better understanding of gaps, inconsistencies and areas of misalignment could concretely serve as a basis for parliamentarians to prioritize legal reforms. These could include new laws or reforms that secure women's rights and improve their access to education and economic opportunities (ASEAN RAI Guideline 3) or that provide a fair and transparent system for tenure rights (ASEAN RAI Guideline 4).

In addition to the ASEAN RAI Alignment Assessment process, parliamentarians may wish to commission studies to identify critical challenges and problematic impacts on the environment or the society related to investment in food, agriculture, and forestry that are not adequately addressed in existing legislative and regulatory frameworks.

Results may point to unexploited investment opportunities in specific sub-sectors or by relevant potential investors, including young agri-entrepreneurs and women farmers, or the need for investment incentives.



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Action 2: Champion legislative changes to promote responsible investment in food, agriculture, and forestry, in line with the ASEAN RAI

Where a need for legal changes is identified, parliamentarians can lobby the executive on the importance of responsible investment for achieving national development objectives, and act as champions by persuading their fellow parliamentarians and joining forces with other like-minded parliamentarians to jointly advocate for new laws and reforms and to collaborate on the development of a text for a bill.

To build support for a new bill, parliamentarians should collaborate with different stakeholders, such as civil society organizations, academia, and the private sector to strengthen the content and to communicate its importance to a broader audience, thereby promoting public engagement in debates around the proposed bill. They should clearly identify the challenge the proposed new law or reform is trying to address and explain how it will address this challenge.

Finally, parliamentarians should also identify, and where possible find ways to work with, those who might try to block these legislative changes.

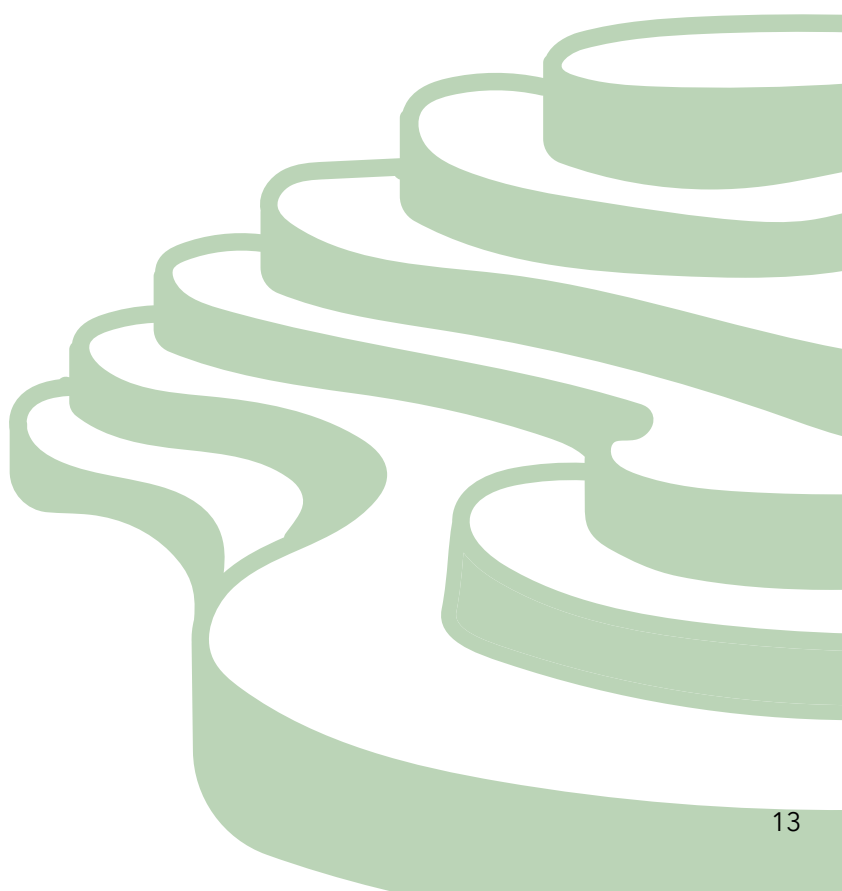




Action 3: Ensure adequate financing for the implementation of legal, policy and institutional reforms to promote responsible investments in food, agriculture, and forestry

In ASEAN Member States where parliaments play a significant role in the budgetary process, such as by participating in the development of sector plans or by authorizing budgetary spending, they can push for greater public investment in the food, agriculture, and forestry sectors. Where possible, parliamentarians should ensure sufficient budgetary allocations for the implementation, enforcement and monitoring of laws and reforms to promote responsible investment in these sectors, including to fund institutions promoting application of the ASEAN RAI.

Another way parliamentarians in ASEAN can ensure adequate financing for reforms is by providing approval to relevant government agencies to charge investors fees for their services. A percentage of the revenues generated can then be used to cover the implementation costs incurred by the agency, including those related to staffing, training, and capital expenditures, as well as costs related to monitoring, enforcing reforms, and establishing grievance mechanisms to address violations.





Action 4: Provide effective parliamentary oversight to monitor implementation of laws and regulations related to responsible investments in food, agriculture, and forestry

Laws and regulations to promote responsible investment in line with the ASEAN RAI will only be effective if they are properly implemented and enforced. Where ASEAN's parliaments have oversight authority and the legal power and capability to use oversight mechanisms such as parliamentary committees or commissions,⁸ parliamentarians should make use of these to oversee implementation of laws to promote responsible investment in food, agriculture and forestry and ensure these are enforced in a non-discriminatory way (in line with ASEAN RAI Guideline 8). They should also use these mechanisms to monitor the impact of new laws and reforms to assess their effectiveness and determine if amendments are needed. In this regard, parliamentarians can also commission independent studies to better understand the impact of new laws and reforms.

To strengthen their oversight role, ASEAN's parliamentarians will need to improve their knowledge on responsible investment in

food, agriculture, and forestry, which is a cross-cutting issue relevant to several policy and legislative areas, including those related to land rights, rural (and urban) development, health, the environment, and social welfare. As well as familiarising themselves with relevant literature and data sources, parliamentarians and their advisors should participate in targeted training and capacity development that equips them with the knowledge and skills to play their oversight role effectively.



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⁸ Parliamentary committees and commissions can exercise oversight through consulting the executive, posing questions to or holding hearings with relevant government officials and requiring relevant officials to report to parliament on the implementation of specific legislation.



Action 5: Enhance communication and collaboration to convey the importance of responsible investment in food, agriculture, and forestry

ASEAN's parliamentarians should use various communication channels, including traditional and social media, to raise awareness of the importance and benefits of responsible investment among government representatives, fellow parliamentarians, civil society, and the public at large.⁹ Such communication is essential for building broader societal support for responsible investment. To ensure effective communication, ASEAN's parliamentarians should tailor their key messages to the needs and interests of their various target audiences.

One key target audience for ASEAN's parliamentarians is fellow parliamentarians, including colleagues at national level and fellow ASEAN parliamentarians from across the region. To build support for operationalizing the ASEAN RAI, ASEAN's parliamentarians need to communicate clearly how responsible investment in food, agriculture, and forestry can contribute to achieving national sustainable development objectives such as addressing rural poverty

or food insecurity. Key messages they can use in this regard include that responsible investment in food, agriculture, and forestry:

- Can help mitigate the adverse socio-economic effects of the COVID-19 pandemic, strategically support recovery, and build resilience to future shocks;
- Is one of the most effective strategies for reducing hunger and poverty and is crucial for increasing food production in the context of climate change and diminishing natural resources;
- Is essential for closing the generation gap in agriculture as well as the gender gap in food security and nutrition; and
- Contributes to the realization of the right to food and the achievement of the SDGs.

Communication between parliamentarians can be enhanced through the establishment of parliamentary alliances, networks, or platforms, at national or regional level, such as the various parliamentary alliances on food security and nutrition that have been created in other regions (see Box 2). These groupings can be used to address specific issues, as is the case with the Economic Community of West African States (ECOWAS) Network of Parliamentarians on Gender Equality and Agriculture Investment and Food Security, which aims to foster inclusive and gender equitable agricultural

⁹ For more on how to increase effective communication and collaboration with specific stakeholders to promote an enabling environment for responsible investments in agriculture and food systems see also: <https://www.fao.org/3/cb1991en/cb1991en.pdf>.

investment that is conducive to food and nutrition security and poverty reduction. They can be also used to share experiences and lessons to inspire parliamentary action and to inform the development of legislation. Intra-regional collaboration and lesson-sharing between ASEAN's parliamentarians would also be in line with ASEAN RAI Guideline 10.

Box 2: Regional parliamentary collaboration through the ASEAN Inter-Parliamentary Assembly (AIPA)

The ASEAN Inter-Parliamentary Assembly (AIPA) is a regional parliamentary organization that facilitates communication and information sharing between the parliaments of the ten ASEAN Member States and seeks to familiarise the peoples of Southeast Asia with ASEAN Policies. As such, AIPA represents an important platform for parliamentary communication, collaboration, lesson-sharing and action on the ASEAN-RAI Guidelines. In seeking to perform such a role, AIPA could take inspiration from similar organisations such as the Latin-American Parliament (PARLATINO), which has helped establish regional networks and alliances in Latin America to promote responsible investment in agriculture and has even adopted a declaration on responsible investment in agriculture and food systems, together with FAO.







3. Using legislation to promote responsible investments in food, agriculture, and forestry



This section provides two examples of recent national legislation introduced by ASEAN Member States to promote investment. The first example, from Lao People's Democratic Republic, contains several provisions that are at least partly aligned with specific ASEAN RAI guidelines. The second example, from Cambodia, is less explicitly aligned with the ASEAN RAI, but nonetheless creates a legal framework for the Cambodian government to promote responsible investment.

3.1. Lao People's Democratic Republic's Amended Law on Investment Promotion

3.1.1. Context

Lao PDR's 2016 Amended Law on Investment Promotion aims to "enable convenient, expeditious, transparent and proper investments, as protected by the Government to ensure the rights and benefits of investors, the state, collective and people, (...) contributing to the continuous growth of national socio-economic development in line with green growth and sustainability" (Article 1). It provides greater clarity to investors on their rights and incentives, with a view to create a favorable investment climate in Lao PDR.

It also includes several provisions aligned with the ASEAN RAI.¹⁰

3.1.2. Alignment with the ASEAN RAI

The Law explicitly encourages investors to "promote employment of Lao labour, especially women and ethnic people", with a focus on labour skills development (Article 72) and provides clear social obligations for the investor (Article 73), in line with **ASEAN RAI Guideline 2** on sustainable, equitable and inclusive economic development and poverty eradication and **ASEAN RAI Guideline 3** on equality, engagement and empowerment for women, young people, indigenous peoples and marginalized groups. Article 9 indicates that "activities promoting rural development and poverty reduction" are entitled to incentives.

In line with **ASEAN RAI Guideline 5** which sets out the principle that responsible investment should contribute to the conservation and sustainable management of natural resources, the Law states that investment promotion shall follow the principle of protecting "natural resources effectively in compliance with the policy of green growth and sustainability" (Article 5). It indicates that sectors making use of environmentally friendly technology and efficient use of natural resources, toxic-free agriculture and those protecting the environment and biodiversity are entitled to investment incentives (Article 9) and that investors have the obligation to promote green growth and development and to protect the environment, including contributing financially to environmental work (Article 74).

¹⁰ For an unofficial translation of the Law, see: <https://investmentpolicy.unctad.org/investment-laws/laws/177/lao-people-s-democratic-republic-investment-law>.

In line with **ASEAN RAI Guideline 6**, that responsible investment should support sustainable and appropriate technologies and that this can be facilitated through providing effective legal frameworks for intellectual property rights, the Law indicates that sectors using “modern technology” and engaging in “research and development” are eligible for investment incentives (Article 9), while also creating the obligation for investors to transfer technology to Lao employees (Article 72). Under the Law, the establishment of Special Economic Zones is regulated, to attract investments which apply high, innovative technologies to produce agricultural products using less natural resources and energy (Article 57). The Law also reinforces that the Lao PDR government recognises and protects the intellectual property of investors under the Law on Intellectual Property Rights of the Lao PDR (Article 24).

In line with **ASEAN RAI Guideline 9** on assessing impacts of responsible investment, the Law requires an environmental, social, and natural impact assessment for concession investments (Article 44) and an economic-technical as well as socio-environmental impact assessment (with positive results) for the establishment of a special economic zone (Article 59). In line with **ASEAN RAI Guideline 10** on regional cooperation, the Law notes that the Lao government promotes regional cooperation in investment promotion “by sharing lessons, information, technology and experiences in the promotion and management of investment, marketing, trade, sources of capital, compliance with international treaties and agreements” (Article 7) and gives the Central Committee for



Investment Promotion and Management the responsibility for interacting with other countries in the region regarding investment promotion (Article 77).

Another important change introduced by the Amended Law is the power it grants to the National Assembly to approve investments contracts in the case of investments involving conversion of a national reserved forest and protected forest and those having a serious impact on environment, nature, and society, especially those causing the diversion of a natural water flow, the resettlement of over five hundred families or the concession of land of ten thousand hectares or more (Article 49). These are all situations that could arise in the case of certain types of large-scale agricultural investments, and hence it is significant that in such cases the Lao parliamentarians will have the opportunity to ensure that contracts are only awarded to those investors that comply with the ASEAN RAI guidelines, including those relating to the protection of natural resources (**ASEAN RAI Guideline 5**) and to tenure rights and the right of access to water (**ASEAN RAI Guideline 4**).

3.2. Cambodia's new Law on Investment

3.2.1. Context

In October 2021, Cambodia promulgated the Law on Investment in the Kingdom of Cambodia (Investment Law of 2021), which was approved after consultation

with relevant stakeholders, including the National Assembly's Third Committee on agriculture investment, rural development, environment, and water resources and the private sector (Kunmakara, 2021; Vanyuth, 2021). The Law aims to "establish an open, transparent, predictable and favorable legal framework to attract and promote quality, effective and efficient investments by Cambodian nationals or foreigners for socio-economic development in the Kingdom of Cambodia" (Article 1). This is intended to support efforts to promote industrial diversification in Cambodia and increase the competitiveness of the Cambodian economy (Amarthalingam, 2022).

3.2.2. Alignment with the ASEAN RAI

While the new Investment Law does not specifically refer to responsible investment, it does seek to promote "quality investment",¹¹ and provides for an investment project to be nullified if it adversely affects the environment, public interests, or people's welfare (Article 31).

The new Investment Law provides for investment incentives to be granted to investors in priority sectors, including in "agriculture, agro-industry, agro-processing industry and food processing industries serving the domestic market or export", "small and medium-sized enterprises", "environmental management and protection, and biodiversity conservation", and "technology contributing to climate change adaptation and mitigation" (Article 24), thus linking to **ASEAN RAI Guideline 2** (support to smallholders), **5** (sustainable

¹¹ A term not defined in the Law.

management of natural resources) and **7** (climate change mitigation and adaptation).

The Law requires implementing regulation in the form of a Sub-Decree to be issued by the Government of Cambodia. This presents an opportunity for better aligning the law with the ASEAN RAI by, for example, further specifying that quality investment is investment that promotes inclusive, sustainable development (Try, Bulman & Berger, 2022).

Cambodia's parliamentarians could advocate for further consultation on the Sub-Decree to ensure that the new Investment Law is implemented in a manner that promotes the type of quality investment that responds to the needs and circumstances of different stakeholders in Cambodia's food, agriculture, and forestry sector, including smallholder farmers, women, and youth. This would be in line with **ASEAN RAI Guideline 8** and its focus on meaningful consultation.

The Sub-Decree for the implementation of the new Investment Law is also meant to elaborate the new investment screening process introduced by the Investment Law (Article 12); this should be done in line with **ASEAN RAI Guideline 9**, which encourages countries to put in place effective and efficient screening processes for large-scale investors.

Investment screening is generally used to assess whether an investment plan is economically feasible and what impacts it is likely to have on local communities and the environment. The screening process in Cambodia could be used to assess

investors' commitment to sustainable development and responsible business conduct, as well as their plans for the use of natural resources, for mitigating climate impacts and for engaging local communities and empowering women and youth (Try, Bulman & Berger, 2022). Investors whose plans are insufficiently aligned with Cambodia's sustainable development objectives can then be filtered out. The introduction of this investment screening process would therefore provide an important opportunity for the Cambodian government to ensure that investments in food, agriculture, and forestry in Cambodia are better aligned with the ASEAN RAI.





4. Supporting sustainable and appropriate technologies and practices for resource efficient, productive, and safe food, agriculture, and forestry systems



One area in which the ASEAN RAI are specifically tailored to the needs and interest of ASEAN stakeholders is that of technology, and in particular, the role of investment as a driver of technology development and upgrading for food, agriculture, and forestry. ASEAN RAI Guideline 6 specifically emphasises the importance of sustainable and appropriate technologies and practices for resource efficient, productive, and safe food, agriculture, and forestry systems.

ASEAN Member States are encouraged to follow this guideline by adopting policies, laws, regulations, and practices that support the development, commercialization, and distribution of appropriate technologies, including laws and policies that provide effective protection for intellectual property rights. They are also encouraged to create an enabling environment for technology transfer, including through processes for screening and selecting investments that promote the use of sustainable technologies and through multi-stakeholder engagement on innovation and knowledge-sharing. This implies an important role for parliamentarians in ensuring that investment can be a driver of responsible technological adoption and upgrading in food, agriculture, and forestry in ASEAN.

The example of Lao PDR's Amended Law on Investment Promotion presented in Section 3.1 illustrates how ASEAN's parliamentarians can adopt specific laws that directly integrate principles set out in ASEAN RAI, including in relation to supporting sustainable and appropriate

technologies. But there are other important steps ASEAN's parliamentarians can and should take to create an enabling environment for technology transfer, development, and upgrading. The following examples demonstrate how parliamentarians can help ensure that their country's laws contribute to a supportive and coherent environment that facilitates technology transfer while also safeguarding the interests and rights of firms and citizens that use technology, and how they can contribute to sufficient financing for efforts to promote sustainable and appropriate technologies for food and agriculture.

4.1. Promoting agricultural technology transfer and upgrading while safeguarding the interests and rights of technology users: Thailand's data protection reforms

4.1.1. Driving technological transformation of the food and agriculture sector

The Thai government is implementing a set of strategies to drive the technological and digital transformation of the food and agriculture sector in Thailand, including through applying the use of big data in

agriculture and supporting technology transfer to producers (Neo, 2022). The collection, aggregation, and use of data for better decision-making and innovation are considered crucial for the technological and digital transformation of agriculture (Jouanjean, Casalini, Wiseman & Gray, 2020). Data can be used to generate insights to help producers be more efficient and sustainable and can be used by input providers to innovate their products and services. Data can also be used by policymakers to develop better targeted policy interventions (Casalini, Gray & Jouanjean, 2021).

As a result, many new agricultural technologies, and particularly those associated with precision agriculture, collect the data of farmers that use them. This can include data about farm location and size, soil type and quality, input usage and cultivation practices. When aggregated, such data can be used to spur innovation and better targeted policymaking. However, the collection of such data has raised concerns among farmers about their lack of control over this data and how it is shared, used, and reused, for example when sold to fertilizer and seed companies for marketing purposes (Casalini, Gray & Jouanjean, 2021).

Such concerns can leave farmers unwilling to adopt new technologies and digital solutions, thereby reducing the availability of data to inform technological and digital transformation. To promote uptake of new precision agriculture technologies and digital solutions, governments need to establish a clear and coherent framework for data governance that protects the rights of farmers and ensures their



concerns about data usage are addressed (Casalini, Gray & Jouanjean, 2021). Thailand's new Personal Data Protection Act 2019 (PDPA) represents an important step in that direction.

4.1.2. Protecting data rights of farmers through the Personal Data Protection Act

The Personal Data Protection Act (PDPA), which was approved by the country's National Assembly in February 2019, and entered into force in June 2022, acknowledges the right of individuals to control how their personal data is collected, stored, processed, and disseminated by "data controllers" (DLA Piper, 2023). The law requires that "data controllers" and "data processors" must receive consent from data owners and use it only for "expressed purposes" (International Trade Administration, 2022).

While the PDPA does not directly focus on technology transfer and upgrading, it nonetheless represents an important piece of a broader legal framework that should support technology transfer and upgrading in the country's food and agriculture sector. By approving the PDPA and paving the way for its entry into force, Thailand's parliamentarians have contributed to the strengthening of a data governance framework that protects farmers' rights over their personal data and should thereby alleviate concerns about the collection and use of personal data in the context of specific agricultural technologies and digital applications. This in turn should facilitate greater uptake of such technologies and applications.

It is also worth noting that the PDPA and its supporting legislation (sub-regulations) were developed through a participatory process involving public hearings and submissions from stakeholders (Baker McKenzie, 2018; Sharon, 2022). The entry into force of the PDPA was also delayed so that stakeholders, and particularly small and medium enterprises (SMEs), would have sufficient opportunity to address any challenges they may face in complying with the new law (DLA Piper, 2023).

4.2. Ensuring sufficient financing for initiatives to promote technology-led agricultural transformation: Singapore's Agri-Food Cluster Transformation Fund

4.2.1. Budgeting for the Agri-Food Cluster Transformation Fund

In his 2021 Budget speech to the Singapore Parliament, Singapore's Deputy Prime Minister and Finance Minister Heng Swee



Keat identified technology as a game-changer for opening up new possibilities, overcoming constraints and tackling the impacts of climate change. In this spirit, the Singapore government's 2021 Budget allocated SGD 60 million for a new Agri-Food Cluster Transformation (ACT) Fund to promote the adoption of technology in the agri-food sector.¹²

The ACT Fund aims to support “the transformation of the agri-food sector into one that is highly productive, climate-resilient and resource-efficient” (Singapore Food Agency, 2022). The Fund provides co-funding for local farmers to invest in their production capacities and capabilities. It provides co-funding for purchasing farming equipment and systems and conducting trials to raise farm productivity, improve resource efficiency and reduce pollution and waste. It also provides co-funding for farms to prototype, develop, test, and demonstrate the feasibility of innovative farming technologies and systems that improve productivity, sustainability, and circularity of resource use.

By promoting technology upscaling, the ACT Fund is clearly aligned with ASEAN RAI Guideline 6, which calls for ASEAN Member State governments to support sustainable and appropriate technologies and practices by implementing policies for technology development, commercialization, and distribution. Through its focus on promoting

innovation that improves the resource-efficiency of food production, it is also aligned to ASEAN RAI Guideline 5, which calls on ASEAN Member States to conserve natural resources by increasing production efficiency.

4.2.2. The role of parliamentarians in the budget process

By approving the 2021 Budget, and with it the establishment of the ACT Fund, the Singapore Parliament made an important contribution to ensuring sufficient financing for efforts to promote sustainable and appropriate technologies for food and agriculture in Singapore. Before doing so, parliamentarians participated in debates on the Budget and scrutinised it through the “Committee of Supply” system. During this process parliamentarians took the opportunity to ask the government questions about the Fund and its scope.¹³ In months following parliament's approval of the 2021 Budget, parliamentarians submitted questions to the Singapore government regarding, among other things, the rationale for determining the amount of co-funding provided by the Fund for production of different types of foods, the number and types of successful co-funding applicants and the range of grant amounts given to farms.¹⁴ In doing so, Singapore's parliamentarians exercised their oversight role with respect to the implementation (and effectiveness) of the ACT Fund.

¹² The ACT Fund replaced an existing fund called the Agriculture Productivity Fund. See https://www.mof.gov.sg/docs/librariesprovider3/budget2021/download/pdf/fy2021_budget_statement.pdf.

¹³ See a response to one such question: <https://www.mse.gov.sg/resource-room/category/2021-speech-by-minister-of-state-desmond-tan-at-cos-2021>.

¹⁴ Find more information about the Parliamentary Questions and related answers in the Written Reply to Parliamentary Question on Agri-Food Cluster Transformation Fund by Ms Grace Fu, Minister for Sustainability and the Environment on 6 July 2021 (<https://www.mse.gov.sg/resource-room/category/2021-07-06-written-reply-to-pq-on-agri-food-cluster-transformation-fund/>) and 11 January 2022 (<https://www.mse.gov.sg/resource-room/category/2022-01-11-written-reply-to-pq-on-act-fund/>).





5. Checklist for parliamentarians



The actions listed below summarize the different roles that you, as members of parliament can play with respect to promoting responsible investment in agriculture and food systems, in line with the ASEAN RAI. These actions are not exhaustive, and their relevance may vary depending on the context.



Assess the consistency of your country's laws, policies, and institutions with respect to the ASEAN RAI

- Engage with your government's self-assessment of the alignment of your country's laws, policies, and institutions with the ASEAN RAI to better understand what legislative changes are needed to create a more conducive environment for responsible investment.
- Where useful, commission studies to identify critical challenges and opportunities relating to responsible investment in food, agriculture, and forestry that are not adequately addressed in your country's existing legislative frameworks.



Champion legislative changes to promote responsible investments in food, agriculture, and forestry, in line with the ASEAN RAI

- Lobby the executive branch of government on the importance and benefits of legislative changes that promote responsible investment in food, agriculture, and forestry for national development.
- Through parliamentary debates, committees, and other spaces, persuade fellow parliamentarians of the importance of responsible investment in food, agriculture, and forestry and the need for a coherent and transparent enabling legal framework for attracting such investment.
- Join forces with like-minded parliamentarians to advocate for new laws and legal reforms in line with the ASEAN RAI and to craft laws that promote responsible investment while protecting the rights of citizens, including small-scale farmers, women, youth, and indigenous peoples, and enable their participation in investment decision-making.
- Collaborate with stakeholders from civil society, academia, and the private sector to inform the development of relevant laws and to communicate the importance of these laws to a broader audience, thereby promoting public engagement in debates around proposed legislative changes.





Ensure adequate financing for the implementation of legal, policy and institutional reforms to promote responsible investments in food, agriculture, and forestry

- Use your role in the national budgeting process to ensure adequate funds are allocated for the implementation, enforcement and monitoring of laws and policies related to responsible investment in food, agriculture, and forestry and to the activities and institutions promoting and implementing the ASEAN RAI.



Provide effective parliamentary oversight to monitor implementation of laws and regulations related to responsible investments in food, agriculture, and forestry

- Use parliamentary committees, commissions, or other oversight mechanisms to oversee the government's implementation of legislative reforms to promote responsible investment in food, agriculture, and forestry, and to monitor the impact and effectiveness of these reforms to determine if amendments are needed.

- Seek out and participate in tailored training and capacity development about key issues related to responsible investment in food, agriculture, and forestry in ASEAN to become better equipped to play an effective oversight role.



Enhance communication and collaboration to convey the importance of responsible investment in food, agriculture, and forestry

- Raise awareness of the ASEAN RAI and build support for promoting responsible investment in food, agriculture, and forestry among fellow parliamentarians by clearly communicating how such investment can contribute to achieving national sustainable development objectives such as addressing rural poverty or food insecurity.
- Join or establish parliamentary alliances, networks, or platforms, at national or regional level to enhance communication between parliamentarians and address specific issues, share experiences and lessons, to inspire parliamentary action.

- Use traditional and social media channels to raise awareness of the ASEAN RAI and of the importance and benefits of responsible investment in food, agriculture, and forestry among a broader range of stakeholders, including civil society and the private sector, and to build broader societal support for efforts to promote such investment.
- Seek out and participate in tailored training and capacity development to become more effective in communicating about the importance of responsible investment in food, agriculture, and forestry.



FOR MORE INFORMATION:

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

<https://www.aseanraiguidelines.org/>

AIPA

<https://aipasecretariat.org/>

aipa@aipasecretariat.org

FAO: the Responsible agricultural investment team

<https://www.fao.org/in-action/responsible-agricultural-investments/en/>;

responsible-investment@fao.org

IISD: the Sustainable Agriculture team

[https://www.iisd.org/topics/food-and-agriculture](https://www.iisd.org/topics/food-and-agriculture;);

agriculture@iisd.org

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