

FORUM ON SUSTAINABLE INVESTMENT IN ASEAN Concept Note and Programme

Background

The unprecedented coronavirus disease (COVID-19) pandemic crisis in 2020 has brought parallel disturbance to Southeast Asia's long period of economic growth. Economic recovery has been seen in 2021 although sustainability of the recovery remains uncertain depending on many factors including containment of the pandemic and various policy supports. The ability to continue attracting and retaining investment will be crucial for the recovery of ASEAN economies. This development also affects the capacity of countries in the world, including ASEAN Member States (AMS), in achieving the 17 Sustainable Development Goals (SDGs) by 2030, an initiative adopted by Leaders of 193 countries in the United Nations (UN) back in September 2015 which provides for *"a framework for shared action for people, planet and prosperity to be implemented by all countries and all stakeholders, acting in collaborative partnership"*.

As part of the regional efforts to address these challenges, ASEAN Leaders at the 37th ASEAN Summit on 12 November 2020 adopted the ASEAN Comprehensive Recovery Framework (ACRF), which called for a consolidated and coordinated exit strategy from the crisis. Sustainability is one of the key themes across the priorities, initiatives and programmes of the ACRF. The ACRF recognises that properly managed and implemented sustainable investment will improve economic and social resilience to future shocks. Pursuant to the ACRF Implementation Plan, the ASEAN Coordinating Committee on Investment (CCI) is expected to *"Explore initiatives to promote investment that contributes to the sustainable development goals, such as possible ASEAN Guidelines on Sustainable Investment."*

Furthermore, one of the initiatives under the 2016-2025 ASEAN Investment Work Programme, as adopted by the ASEAN Economic Ministers (AEM)-19th ASEAN Investment Area (AIA) Council on 3 August 2016, the CCI is supposed to conduct policy dialogues on new areas and emerging issues in investment rulemaking like responsible business conduct and sustainable development. It is intended to achieve the outcome of "responsive and proactive investment policymaking in the region".

Objectives

Pursuant to the ACRF, the main objective of the Forum is to promote sustainable and responsible investment in ASEAN. This will support the recovery of ASEAN, build more resilient economies, and contribute to achievement of SDGs.

Pursuant to the Investment Work Programme, as a sub-objective is to enhance analytical support and technical capacity for investment policy making and addressing investment issues in the region. Specifically, this will support the CCI in discussing, designing and implementing policies that promote sustainable investment.

Arrangements

Format

The Forum will be held virtually using Zoom platform on 4-5 November 2021 from 14:00 to 17:00, Jakarta time (GMT +7) to be hosted by the ASEAN Secretariat.

Participants

Invited participants include Members of the CCI, other relevant ASEAN bodies, other international organisations, as well as representatives from the private sector.

Programme:

Thursday, 4 November 2021

- 14:00 14:10 (10") **CCI Chair:** Opening Remarks
- Ms. Hoang Thanh Tam, Director, Investment Promotion Division, Foreign Investment Agency (FIA) Ministry of Planning and Investment, Viet Nam*
- 14:10 14:20 (10") **ASEAN Secretariat:** ASEAN Integration in Investment and the Importance of Sustainable Investment
- This session will provide overview of ASEAN's work in achieving free flow of investment and sustainable development, and the mandate to discuss sustainable investment.*
- Speaker: Mr. Tan Tai Hiong, Head of Services and Investment Division*
- 14:20 14:45 (25") **OECD:** Investment and Sustainable Development in ASEAN
- This session will provide an overarching picture of the linkages between investment and sustainable development, in ASEAN and elsewhere. It will draw on the Policy Framework for Investment and the experience of countries around the world gleaned from Investment Policy Reviews. The OECD will provide guidance, examples and comparative analysis on how well-crafted investment policies and promotion measures can support the SDGs.*
- Speaker: Dr. Stephen Thomsen, Head, Investment and Sustainable Development Unit and Mr. Alexandre de Crombrugghe, Project Manager, Investment Promotion and Facilitation*
- 14:45 15:10 (25") **WEF:** Sustainable Investment Policy and Practice Initiative
- This session will share some of the main policies and measures that have been identified as enabling sustainable investment flows. These policies and measures fall across five dimensions of the World Economic Forum's Sustainable Investment Framework: policies, promotion, facilitation, finance mobilisation, and development impact. These findings are the result of ongoing country projects that work with investors and policymakers to identify and implement sustainable investment policies and measures, as well as an international advisory group of investment practitioners. Findings have been captured in an Inventory of Concrete Measures to Facilitate the Flow of Sustainable FDI: What? Why? How? that*

can serve as a technical resource to inform efforts at increasing sustainable investment flows.

Speaker: Dr. Matthew Stephenson, Policy and Community Lead, International Trade and Investment, World Economic Forum and Manager, Global Investment Policy and Practice Initiative.

15:10 15:35 (25") **AJC:** Impact Investing in ASEAN

The session will discuss the essentials and latent potential of impact investing as a financing approach to accelerate realisation of the SDGs in ASEAN. Impact investing symbolises the 'new normal' in its intentionality in creating and measuring societal impact along with financial return, enabling to keep track of the SDGs progress. Impact investing is beyond mitigating risk and incorporating factors related to environment, society and governance (ESG). This session reveals the burgeoning state of the impact investing market in ASEAN, capturing over \$6 billion in 2017-2019. Challenges and actor-specific recommendations in ASEAN to further mobilise financial resources as part of the "Decade of Action" will also be highlighted.

Speaker: Dr. Aya Ono, Junior Programme Manager, Trade and Investment Cluster, ASEAN Japan Centre

15:35 16:00 (25") **AKC:** Enhancing ASEAN-Korea partnership through promoting sustainable investment

In this session, AKC in cooperation with KOTRA will provide Korea's Foreign Investment Ombudsmen and Aftercare services, in particular in relation to the Foreign Investment Ombudsman and Home Doctors to settle grievance in relation to labour, tax, finance, accounting, law and construction sectors. It is envisaged that Foreign Investment Ombudsmen and Aftercare services will support FDI attraction and contributes to the sustainable growth of the Korean economy.

Speaker: Mr. Yeong Yeol Yoo, Specialist in International Finance, Korea Foreign Investment Ombudsman System & Aftercare Services, ASEAN Korea Centre

16:00 17:00 (60") **5 AMS:** Policies and Views on Sustainable Investment

In this session, each of the representative of 5 AMS will provide 10 minutes overview of the policies, initiatives, and/or views of their respective countries with regard to sustainable investment.

AMS Speakers:

Brunei Darussalam:

Mr. Ariffin Haji Sulaiman, Assistant Head and Portfolio Lead for Downstream and ICT, FDI Action Support Centre (FAST)

Cambodia:

Mr. Suon Sophal, Director of the Public Relations and Promotion of Private Investment Department, Cambodia Investment Board

Indonesia:

Mr. Fajar Usman, Director of Regional and Multilateral Cooperation, Ministry of Investment/Investment Coordinating Board

Lao PDR:

Mr. Phonethavong Singhalath, Director, Investment Promotion Department, Ministry of Planning and Investment

Malaysia:

Mr. Syed Mohd Faizal Syed Mohd Dardin, Director, Ministry of International Trade and Industry (MITI)

Friday, 5 November 2021

14:00 14:20 (20") **OECD:** FDI Qualities Initiative

In this session, the OECD will provide a deep dive discussion of policies for improving FDI impacts on sustainable development outcomes, more particularly: productivity and innovation; employment, job quality and skills; gender equality; and low-carbon transition. Participants will discuss challenges and opportunities for an appropriate policy mix in different country contexts to enhance positive sustainability impacts of FDI.

Speaker: Mr. Martin Wermelinger, Head, FDI Qualities Initiative

14:20 14:40 (20") **WEF:** Sustainable Finance for ASEAN

In this session, the Sustainable Development Investment Partnership (a joint collaboration between the World Economic Forum and the OECD) will provide a high level overview of the current state of sustainable finance and innovations and how these might relate to, and benefit, efforts in ASEAN. In particular, the intervention could touch on: (a) conditions for capital to flow into sustainable investments – lessons learnt/best practices; (b) the catalytic role of public-private collaboration to address financing bottlenecks; (c) tools and frameworks to accelerate action on sustainable finance (e.g. country financing roadmaps, financing sprints, innovation & technology); and (d) practical examples (e.g. financing the energy transition & financing nature and biodiversity in ASEAN).

Speaker: Ms. Nikki Kemp, ASEAN Hub Director, Sustainable Development Investment Partnership

14:40 15:00 (20") **UNESCAP:** SDG General & Specific FDI Indicators

This session will conceptually introduce participants to a framework developed by UN ESCAP to enable countries to better evaluate the sustainable development contribution of FDI at the project level. The framework provides country customisable templates for developing weighted general and sector-specific sustainability indicators to assess a proposed FDI project against national sustainable development priorities and plans.

*Speaker: Heather Taylor-Strauss, PhD, Economist,
Trade Investment and Innovation Division, UNESCAP*

15:00 16:00 (60") **5 AMS:** Policies and Views on Sustainable Investment

Continuing from similar session of the previous day, each of the representative of the other 5 AMS will provide 10 minutes overview of the policies, initiatives, and/or views of their respective countries with regard to sustainable investment.

AMS Speakers:

Myanmar:

*Ms. Phyu Hnin Wutyi, Director
Directorate of Investment and Company Administration, Ministry of
Investment and Foreign Economic Relations*

Philippines:

*Ms. Sandra Marie S. Recolizado, Director
Investments Policy and Planning, Board of Investments*

Singapore:

*Mr. Troy Ang, Assistant Director
ASEAN Division, Ministry of Trade and Industry*

Thailand:

*Ms. Tanita Sirisup, Executive Director
International Affairs Bureau, Thailand Board of Investment*

Viet Nam:

*Mr. Nguyen Quang Long, Official
Foreign Investment Agency, Ministry of Planning and Investment*

16:00 16:20 (20") **OECD:** Responsible Business Conduct

The session will provide an overview of how promoting and enabling RBC links with investment policies can help maximise the sustainable development potential of investment while minimise environmental and social risks that may be associated with business operations. The OECD will provide examples of recent global trends and expectations for business operations in global supply chains as related also to COVID-19 recovery, examples of international and national RBC policies as well as examples of tools

that governments have employed to promote, incentivise and facilitate RBC due diligence.

*Speaker: Ms. Tihana Bule, Manager, Asia
OECD Centre for Responsible Business Conduct*

16:20 17:00 (40") **Open Session:** Towards Development of ASEAN Guidelines on Sustainable Investment

This will be a final concluding session where each participating organisations will be invited to share their 5 minutes remarks on the next step going forward for ASEAN, followed by open discussions with the participants.

Moderator: ASEAN Secretariat

17:00 **Closing Remarks**

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