

Speech

by H.E. Le Luong Minh

Secretary-General of ASEAN

**at the Forum for Responsible Business Conduct in ASEAN: Towards Shared
Principles for Corporate Social Responsibility and Sustainable Agriculture**

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**Excellencies, Fellow Members of the Board of Trustees of the ASEAN Foundation
and Members of the Committee of Permanent Representatives to ASEAN**

Dr. Makarim Wibisono, Executive Director of the ASEAN Foundation,

Mr. Edgardo Amistad, Chairman of the ASEAN CSR Network,

Distinguished Guests,

Ladies and Gentlemen,

Building the ASEAN Community entails the collective and concerted effort of all stakeholders from both public and private sectors. Corporations in the region have a very significant role in making sure that their business activities contribute to our goal of a people-oriented, people-centered ASEAN Community by 2015. I would like to express my gratitude to the ASEAN CSR Network for its kind invitation for me to share my thoughts on Corporate Social Responsibility (CSR) and its relation to ASEAN Community building.

CSR in ASEAN

The promotion of Corporate Social Responsibility is embodied in the Blueprint of the ASEAN Socio-Cultural Community (ASCC), which seeks to ensure that CSR is

incorporated in the corporate agenda and contribute towards sustainable socio-economic development in ASEAN Member States. Other than developing a model CSR policy or legal instrument as well as the adoption of internal CSR standards, ASEAN also hopes to engage the private sector to support the CSR activities of ASEAN's sectoral bodies and the ASEAN Foundation, thereby increasing CSR awareness and adoption in the region.

With CSR in ASEAN seen as a broad cross-cutting issue, it is undertaken by various relevant ASEAN organs and sectoral bodies. So far, the ASEAN Foundation has implemented a number of CSR-related activities including support for the establishment of the ASEAN CSR Network. Various ASEAN sectoral bodies are encouraged to undertake, and some have undertaken, the CSR-related action lines in the ASCC Blueprint.

One of the thematic areas of the ASEAN Labor Ministers Work Programme 2010-2015 is the promotion of CSR by (1) defining labor-related CSR goals in ASEAN and (2) developing an agenda for promoting labor-related CSR issues in the region. A working group under the Senior Labor Officials Meeting (SLOM) – Working Group on Progressive Labor Practices to Enhance Competitiveness in ASEAN is tasked to lead the implementation of these action lines.

With the Senior Officials Meeting on Social Welfare Development (SOMSWD), Thailand convened the Regional Workshop on ASEAN Action Plan on CSR in 2011. The Workshop adopted a set of 12 recommendations for the ASCC Council to consider in order to implement the CSR action lines of the ASCC Blueprint. Discussions over CSR-related action lines are on-going at the Senior Officials for the ASCC (SOCA), which has just completed the Mid-term Review of the implementation of the ASCC Blueprint.

Since 2007, the ASEAN Business Advisory (ASEAN-BAC) Council, an ASEAN-associated entity, has given the ASEAN Business Award to large companies as well as small and medium enterprises (SMEs) for having demonstrated CSR values and initiatives in their business activities. CSR is one of the four major award categories which also include excellence in innovation, growth and employment. To demonstrate CSR on its own, the ASEAN-BAC also launched a scholarship program for university students in 2010.

The ASEAN Intergovernmental Commission on Human Rights (AICHR) is also currently undertaking a study on CSR as it relates to the promotion and protection of human rights in the ASEAN region. With the aim of establishing a common regional framework to accelerate the promotion of CSR and human rights, the study will seek to understand the current state of CSR, including the application of international standards in the ASEAN context. It will also support CSR policy development in line with the ASCC Blueprint.

In view of the differing levels of economic and social development among ASEAN Member States with a wide range of business enterprises and industry sectors, the study calls for an understanding of the particular situations faced by each Member State in the area of CSR and its relationship with human rights and find common bases for future guidance. The baseline study will also reference established frameworks such as the UN “Protect, Respect and Remedy” Framework for Business and Human Rights and the Guiding Principles for Business and Human Rights.

CSR for ASEAN Community building

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It must be admitted that ASEAN's efforts to promote CSR at the regional level is still at a nascent stage. Thus, we welcome the initial efforts of ASEAN organs and sectoral bodies as well as the continuing contributions of the ASEAN CSR Network which since 2010, together with the ASEAN Foundation, has championed CSR by providing the platform for networking, knowledge-sharing and capacity building in the ASEAN region. Through these efforts, we hope that we build the momentum for a greater push for CSR at the regional level.

With only two more years before 2015, the business sector has, more than ever, a greater role to play in building the ASEAN Community that we are striving for. Companies must strive to build businesses that add value to the communities where they operate and not just generate wealth for its shareholders. CSR is about how companies operate in a sustainable and ethical manner – mindful of its impact not only on the economy but also to the society and environment as a whole.

Thus, when a company minimizes the environmental impacts of its operations in a fishing village in an ASEAN Member State, it ensures not only the health and well-being of the people but also serves to protect their livelihood. When a company respects the local culture and indigenous practices of a local community in an ASEAN Member State, it ensures that the identity and way of life of these ASEAN peoples are valued and preserved. When a company hires local employees and uses locally-sourced materials in

an ASEAN Member State, it shares the economic benefits and contributes to the local economy.

Achieved in part through CSR practices - having healthy peoples, pursuing gainful livelihoods, preserving cultures, and sustaining local economies are, in essence, the very same goals of the people-oriented, people-centred ASEAN Community. If corporations replicate these CSR practices in all ASEAN Member States, then ASEAN is moving closer to achieving our 2015 goals. When companies pursue Corporate Social Responsibility, they become real partners in building the ASEAN Community.

Sustainable Agriculture in ASEAN

Excellencies,

Ladies and Gentlemen,

Agriculture is a high priority area for ASEAN cooperation, with 27% of ASEAN's total land area devoted to agriculture and 50% of ASEAN's population dependent on it for their livelihood. With such important place in the ASEAN Economic Community, there is a greater impetus to ensure that agricultural production remains the engine of economic growth in almost all ASEAN Member States.

How can this be done?

First, we should focus on the plight of farmers who are at the heart of the agriculture sector. Lack of access to natural resources, capital, education and infrastructure are among the many challenges that they face. As part of the rural poor

targeted by the Millennium Development Goals, it is necessary that CSR-imbued corporate investments in the agricultural sector expand the access for opportunities for ASEAN farmers.

Secondly, we should also ensure that agricultural production in ASEAN is sustainable. Sustainable agriculture with a more systemic approach will preserve and restore natural resources and increase the resilience of farming systems. When companies pursue farming practices and methods that are profitable, environmentally sound and beneficial for communities, their CSR practices help sustain our farmers, resources and communities.

For ASEAN's part, we have promoted sustainable agriculture through the implementation of key programmes and activities:

- (1) The adoption of the ASEAN Good Agricultural Practices (ASEAN-GAP) as a voluntary standard in 2006, as part of our efforts for sustainable management of land-based resources in the region. This covers food safety, product quality, environmental management, as well as worker's health, safety and welfare.
- (2) The promotion of ASEAN Animal Husbandry Practices and ASEAN Aquaculture Practices to ensure that the products are safe for all consumers in the region and will contribute to better trade and sustainable development of these sub-sectors.
- (3) The initiative to develop the ASEAN standard of organic agriculture.

- (4) The endorsement of (a) the ASEAN Criteria and Indicators for Sustainable Management of Tropical Forests and (b) the Monitoring, Assessment and Reporting Format for Sustainable Forest Management in ASEAN.
- (5) The implementation of strategic measures related to the fisheries sector outlined in the ASEAN Blueprints and IAI Work Plan.

Sustainable agriculture is further linked to ASEAN's efforts on environmental sustainability and food security. In the **ASEAN Declaration on Environmental Sustainability**, we are committed to strengthen cooperation over a wide range of activities, including highlighting the issues of conservation and sustainable management of natural resources. Through the **ASEAN Integrated Food Security (AIFS) Framework**, we are committed to attain long-term food security, strengthen our agriculture sector and improved the livelihood of the farmers in the region.

Excellencies,

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ASEAN has adopted the necessary guidelines and standards as well as promoted the application of sustainable agricultural practices in the region. In turn, ASEAN is encouraging corporations to incorporate these sustainable practices in their agricultural ventures.

In so doing, corporations that conduct business anchored by strong CSR principles and values, are able to contribute significantly to ASEAN's more encompassing goals of poverty alleviation, food security and environmental sustainability. Corporations that

conduct business by embracing its Corporate Social Responsibility become valuable partners in building a people-oriented, people-centered ASEAN Community by 2015.

Before I take my leave I would like to make a special mention of appreciation to Pak Makarim for his leadership and vigour in the last three years as the Executive Director of the ASEAN Foundation. Despite the challenges faced by the ASEAN Foundation, Pak Makarim's leadership has enhanced the Foundation's visibility, helped to promote greater awareness of ASEAN and fostered greater interaction among the ASEAN peoples. His contribution to the ASEAN Community Building process is truly appreciated.

I wish you all a successful Forum!