



Second ASEAN Inclusive Business Summit

Bangkok, 1 November 2019



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High-level public private dialogue on inclusive business

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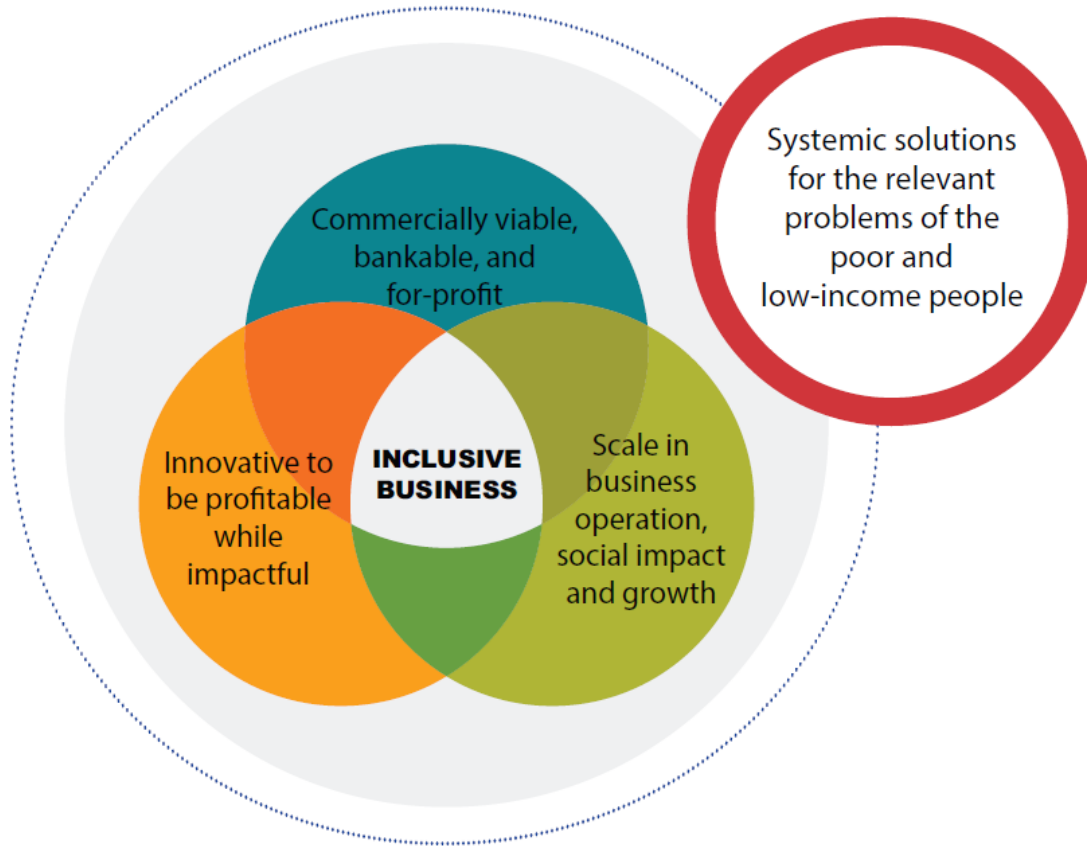
High-level public private dialogue on inclusive business

*Moderators: Ms. Marta Pérez Cusó, Economic Affairs Officer, United Nations ESCAP
Mr. Markus Dietrich, Director for Asia and Policy, iBAN*

Speakers:

- H.E. Mr. HENG Sokkung, State Secretary, Ministry of Industry and Handicraft, Cambodia
- Mr. Noor Azmi Mat Said, CEO SME Corp., Malaysia
- Mr. Jerry T. Clavesillas, Director, Bureau of Small and Medium Enterprise Development (BSMED), Dept. of Trade and Industry, The Philippines
- Ms. Trinh Huong, Director of Policy Development, Agency for Enterprise Development, Ministry of Planning and Investment, Viet Nam
- Mr. Arvind Narula, CEO, Urmatt, Thailand
- Mr. Joey A. Concepcion III, Co-chair of ASEAN BAC, The Philippines

INCLUSIVE BUSINESS: Definition

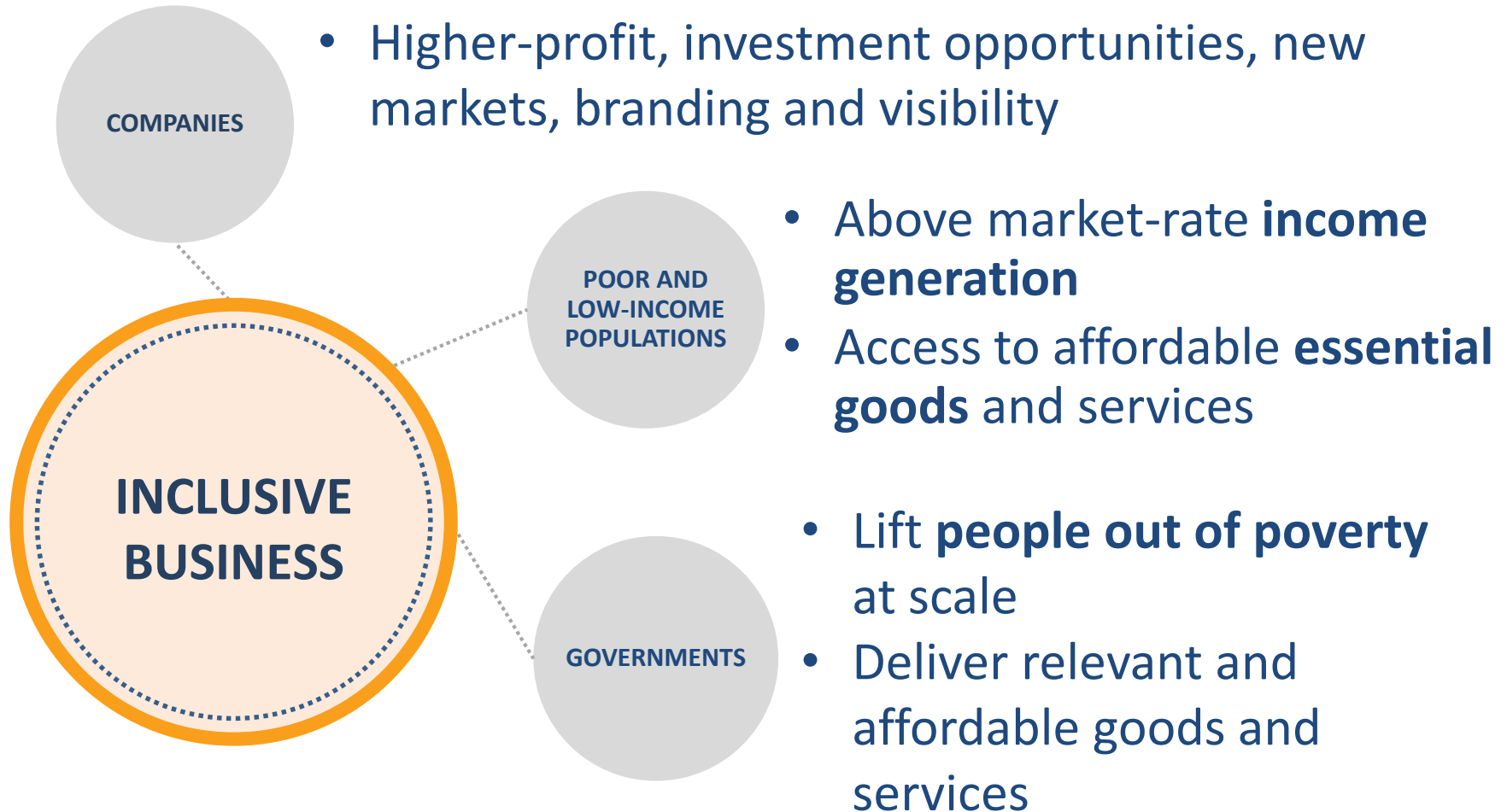


Inclusive businesses provide **goods, services, and livelihoods to people living at the base of the economic pyramid**; and engage them at scale as suppliers, distributors, retailers or consumers¹

IBs provide solutions to the income and access problems of the poor and low-income people

¹ As defined by the G20 IB Framework and referenced by the ASEAN IB Framework

INCLUSIVE BUSINESS: Triple wins for the poor, the private sector, and for society



IB in ASEAN – A shared agenda

“We called for **greater emphasis on creating an enabling environment for Inclusive Businesses in ASEAN Member States**”

– Chairman’s statement ASEAN Summit 2017

- 1st ASEAN IB Summit; the **ASEAN IB Framework** is adopted (2017)
- **IB features in ASEAN leader’s statement** (2017)
- **ACCMSME** (ASEAN Coordinating Committee on MSMEs Development) takes on the task to **advance the IB agenda in ASEAN** (2017)
- **ASEAN IB Policy Development Programme with iBAN** launched (2018-19)
 - Focal points in each ASEAN member state
 - Three policy forums (Singapore June’18; NPT Nov’18; Bangkok Sept’19)

IB in Member States – Policy development

In several ASEAN countries, the IB agenda has advanced over the past two years

Philippines: IB accreditation system and tax incentives implemented

Viet Nam: Landscape study launched

Malaysia: Landscape study launched

Cambodia: Development of a Strategic Framework ongoing

Indonesia: Market scoping study developed. Design of Roadmap for IB in wellness tourism launched

Myanmar: Strategic Framework developed



Inclusive business policy blueprint – Eight strategic recommendations



1. **Awareness:** through workshops, publications, websites and IB awards



2. **Coordination:** IB focal points in government agencies and private sector associations and Steering Committees for aligned action



3. **Accreditation:** to recognize IB and enhance participation of companies and monitor social impact



4. **Procurement:** pro-poor targets in government contracts



5. **Incentives:** to stimulate the adoption and growth of IB models



6. **Finance:** innovative financial products (e.g. de-risking for investors)



7. **Technical assistance:** dedicated facility to support IBs through business coaching, and to strengthen the overall ecosystem for IBs



8. **Monitoring:** monitor and systematically report on the contributions of IBs to the SDGs

The Philippines



The Philippines was the first in ASEAN to introduce IB incentives

Leadership:



POLICY INSTRUMENTS

- **Registration system** for inclusive business models
- **Financial incentives**
 - The 2017–2019 Investment Priorities Plan provides fiscal incentives to firms with IB models in agribusiness & tourism;
- **Capacity-building programmes** to facilitate inclusive businesses.

RESULTS

- 5 inclusive business models in agriculture & tourism approved
- Collectively target to source \$55 million worth of goods and services from MSEs
- Directly hire at least 185 and engage over 1,000 individuals, at least 30% of which are women, from marginalized sectors

IB policy formulation process

1. National Studies

First step in the design of inclusive business policies



Developed with significant inputs from the private sector

PUBLIC PRIVATE
ENGAGEMENT

2. Consultations

Broad participatory approaches, bringing together public & private actors

National government agencies coordinated these exercises, bringing in businesses



CEO of Lyly Foods talks at 1st Inclusive Business Forum for Cambodia, 2019

PUBLIC-PRIVATE
DIALOGUE

3. Design & implementation

Opportunities for public-private partnerships

Technical assistance

- For governments to design the policy instruments
- For businesses to develop and strengthen IB models

PUBLIC-PRIVATE
PARTNERSHIPS

Cambodia

A committed public and private sector rapidly advance on IB promotion

Leadership:



POLICY DEVELOPMENT – IBeeC Strategy

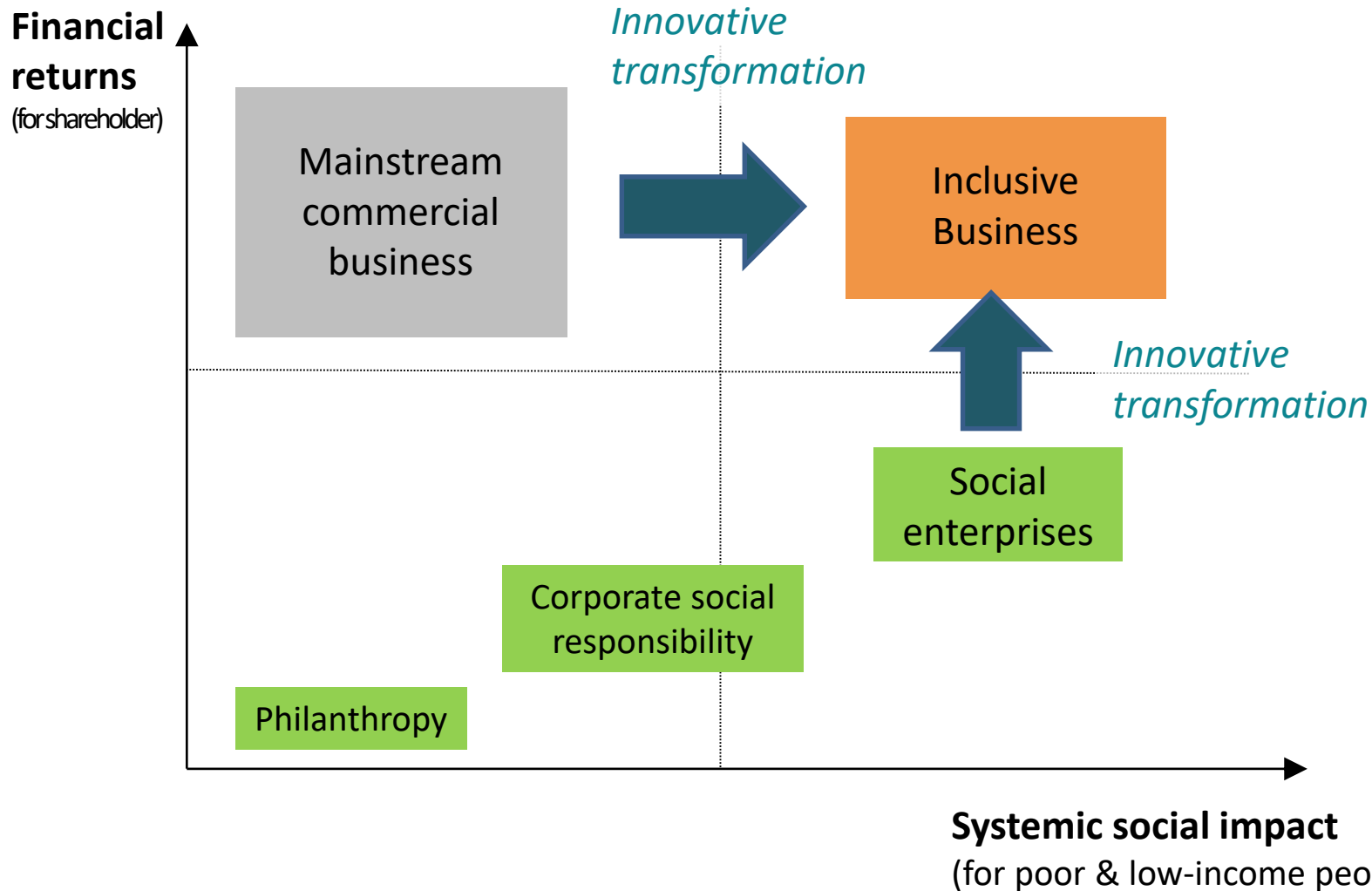
- Inclusive business landscape study developed
- IB focal points in key government and business agencies appointed
- Draft IB strategy developed with eight recommendations
- IB steering committee & accreditation expected to be launched by early 2020
- Focusing on the creation of a technical assistance facility

POTENTIAL IMPACT OF IBs

In the next 3 years, it is estimated that IBs in Cambodia could:

- Create 100,000 new income generation opportunities
- Provide healthcare to 20,000 people
- Provide housing and related services to 70,000 households

Inclusive Business - Can be build through innovative transformation



IB is about:

Structural transformation and

No trade-off between profit and social impact

Innovation to reduce business risk and enhance social impact (not just doing good on a small scale)

Malaysia

Exploring inclusive business promotion to support national shared prosperity goal

Leadership:



POLICY DEVELOPMENT

- Inclusive business landscape study being developed
- Seeking to include IB in the new 12th Five-year Development Plan (2021-25) that sees the implementation of the national Shared Prosperity Goal
- Exploring IB as a complement/supplement to well developed MSME and social enterprise development policies and programmes

Mainstreaming or housing of IB under existing MSME, SEs and CSR frameworks has been a common trend



Viet Nam

Exploring inclusive business promotion to support inclusive growth

Leadership:



LANDSCAPE STUDY

- Identifies so far 19 potential IB models
- Predominance in income models and in agribusiness
- Much potential for IB development
- Greater innovation, in particular business innovation, could make a difference

POLICY DEVELOPMENT

- Inclusive business landscape study being developed
- Exploring the establishment of focal points and a steering group, generating awareness about IB and piloting IB accreditation



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