

FINAL



**OUTCOME REPORT**  
**FOURTH ASEAN**  
**INCLUSIVE BUSINESS SUMMIT**

**Building Inclusive Businesses  
to Build Back Better**

*Video Conference, 22 September 2021*

## OVERVIEW

ASEAN governments have been exploring means to encourage more inclusive businesses (IB) to emerge, replicate and scale-up, and some member states are introducing national strategies and programmes to promote IB. At its 52nd Meeting in August 2020, ASEAN Economic Ministers endorsed the [Guidelines for the Promotion of Inclusive Business in ASEAN](#).

The Fourth ASEAN Inclusive Business Summit, organised virtually on 22 September 2021, gathered government representatives, private sector, business leaders, investors and development organisations to discuss ASEAN's efforts in promoting IB to address the challenges posed by COVID-19 and build back better. It presented the diverse IB models in Southeast Asia to showcase essential elements that make a business model both inclusive and commercially viable. It also explored how governments can and have put into practice the Guidelines for the Promotion of Inclusive Business in ASEAN, in particular two of the core measures suggested in the Guidelines, namely the establishment of an IB accreditation and registration system and the provision of business coaching services for firms to develop IB models.

The Summit was hosted by Brunei Darussalam as part of its ASEAN Chairmanship 2021 and co-organised by Darussalam Enterprise (DARe), United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), Inclusive Business Action Network (iBAN), Organisation for Economic Co-operation and Development (OECD) and the ASEAN Secretariat. It was an activity of the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME), the sectoral body under the ASEAN Economic Community (AEC) pillar coordinating MSME development in the region and contributed to the implementation of the ASEAN Strategic Action Plan for SME Development 2016 – 2025.

## HIGHLIGHTS OF DISCUSSION

1. ASEAN has made significant headways to promote the IB models at both the national and regional levels, advancing the implementation of the Guidelines for the Promotion of Inclusive Business in ASEAN.
2. The pandemic provided an impetus for a policy reset among governments to address fundamental issues impeding the region in achieving sustainable development goals and for businesses to consider IB models for the region to move towards inclusive, sustainable and resilient recovery post-pandemic.
3. There are diverse ways on how businesses can be inclusive; they differ in scale, scope, maturity and depth of impact.
4. Given the commercial opportunities on being inclusive, there is a growing need to provide a platform for businesses to share and support programmes to learn how to design IB models with the BoP in mind.
5. Impact investors want to see strong financial returns combined with a greater focus on sustainability, responsibility and inclusion.

6. MSMEs are the key to the region's inclusive recovery. Including them as part of the IB value chain gives the opportunity, especially to the micro and small enterprises, to enhance their productivity and competitiveness.
7. There are opportunities to leverage ASEAN's strengths and ongoing regional integration efforts to create interests among business leaders to invest in the IB space.
8. Governments have played and will continue to play a critical role as market shapers and investors to encourage and enable business leaders to introduce new IB models and scale social enterprises.
9. ASEAN is committed to continuing its work in promoting IB models into 2022.

## KEY MESSAGES OF THE SUMMIT

1. **ASEAN has made significant headways to promote the inclusive business models at both the national and regional levels, advancing the implementation of the Guidelines for the Promotion of Inclusive Business in ASEAN including through the establishment of an inclusive business accreditation at the national level.**

To promote utilisation of the Guidelines in ASEAN Member States (AMS), briefing notes summarising the key points of the Guidelines were being prepared in the national languages of AMS. An e-learning module has been developed to encourage learning on IB among ASEAN policymakers, accessible on the [ASEAN SME Academy](#). In collaboration with the ASEAN Business Advisory Council (ASEAN-BAC), ASEAN recognised ten companies with the ASEAN Inclusive Business Awards in 2020, awarded during ASEAN-BAC's annual ASEAN Business Awards in November 2020, while another ten companies would be awarded in 2021. In addition to recognition through business awards, the Inclusive Business Impact Stories showcasing good IB Practices were also being produced.

On the progress made by AMS, Cambodia shared that it has developed the Inclusive Business Enabling Environment for Cambodia (IBeeC) Strategy, which will be tabled for high-level approval and endorsement. The IBeeC Strategy serves as a reference document to ensure effective coordination on mainstreaming IB in Cambodia, directly guided by Cambodia's Senior Minister Cham Prasidh. Cambodia had also established an IB steering group, IB accreditation committee and IB secretariat to streamline the implementation of the IBeeC, including but not limited to accreditation, awareness-raising, and business coaching. Cambodia also shared that it had accredited 18 companies with IB models. During its sharing, Cambodia estimated that the implementation of the IBeeC was expected to produce 80 new IB investments benefiting cumulatively 4.8 million people and creating revenue at about 0.9 billion USD per year.

An inclusive business bill has been filed for deliberation in the upper house and the lower house of the Philippines, which championed the promotion of IB models in ASEAN during its ASEAN Chairmanship in

2017. Viet Nam had completed the Landscape Study on Inclusive Business in Viet Nam and was seeking to promote IB as part of a proposed national programme to support the private sector to apply sustainable business. Based on the key findings of the landscape study, a roadmap presenting five key strategies to develop IB in Viet Nam had already been submitted to the higher levels for consideration.

*“As a result of efforts to promote inclusive business at the national levels, ASEAN Member States are actively engaging in inclusive business policy development and capacity building to better understand the inclusive business concept and approaches among its policymakers and businesses” - Pengiran Hajah Zety Sufina Binti Pengiran Dato Paduka Haji Sani, Permanent Secretary (Industry) at the Ministry of Finance and Economy, Brunei Darussalam*

**2. The pandemic provided an impetus for a policy reset among governments to address fundamental issues impeding the region in achieving the sustainable development goals, and for businesses to consider inclusive business model for the region to move towards inclusive, sustainable and resilient recovery post-pandemic.**

For businesses, being inclusive is not only an opportunity to do good but is also a commercial opportunity to appeal to both consumers and investors, as consumers are increasingly aware of the importance of sustainable production and consumption, and also increasing appetite for impact investments within the region. On green recovery, the Malaysian Green Technology and Climate Change Centre shared on the implementation of the Green Technology Financing Scheme, introduced in 2010 to promote green investments by providing easier access to financing and at a lower cost.

*“...in the face of increasing pressure from consumers, from investors, and from employees, businesses are beginning to look more seriously at realigning their priorities with the broader hopes and aspirations of people. Inclusive businesses have shown that it is possible to provide goods services and livelihoods on a commercially viable basis to people often forgotten by businesses and often left behind. It is possible to target low-income people and innovate and at the same time do good at scale.” - Mr Kaveh Zahedi, ESCAP Deputy Executive Secretary, United Nations ESCAP*

**3. There are diverse ways on how businesses can be inclusive, they differ in scale, scope, maturity and depth of impact.**

The Summit introduced participants to the different measures that make business inclusive, ranging from making goods and services more affordable and available to those at the Base of the Economic Pyramid (BoP) by practising dual pricing strategies, introducing gender and cultural lens, putting in place inclusive employment practices, integrating SMEs in the value chain as suppliers and distributors, as well as

enabling marginalised groups to harness digital technologies for learning trading managing businesses and accessing finance.

To illustrate the diversity of the IB models in ASEAN, Passa Paa, a lifestyle enterprise in Lao PDR, empowers the Hmong people by giving them the opportunity to share their textile cultures in Lao and beyond. Find Folk Co., Ltd., Thailand operates in the tourism sector, positioning itself as the one-stop service for sustainable tourism by acting as a responsible tourism developer, experience provider, social impact partner, and social impact solution provider.

School of Concepts Pte Ltd, Singapore and Happy Grocers, Thailand, both utilise digital technology to reach out to their communities, with the former providing access to quality education to marginalised children, while the latter supports local farmers earn higher incomes and enhance their skills on sustainable agriculture practices.

**4. Given the commercial opportunities on being inclusive, there is a growing need to provide a platform for businesses to share and support programmes to learn how to design inclusive business models with those at the BoP in mind.**

There is a growing demand by companies for advice on designing the IB models. Governments have put in place various MSME support programmes to support their growths. Those existing **programmes could be leveraged** and tailored to introduce IB perspectives to support and encourage businesses to be more inclusive.

On **elements to be included in a coaching programme**, the panellists stressed the importance of being part of a network to promote peer learning and exchanges, and to a certain extent, provide access to new market opportunities. Case studies are an effective tool to make lessons relatable and digital technology can be utilised to gain outreach and network.

*“Democratise information, democratise lessons, and help each other out.” – Callum Yap, Okra Solar, Cambodia*

On **coaching methods**, the form of delivery depends on the stage of business maturity. It may be more effective to deliver coaching through cohorts for businesses in the earlier stage of businesses trying to nail down their business models, while businesses at the growth stage would benefit from one-to-one coaching, where coaches can provide targeted interventions based on the specific needs of the country. For businesses entering foreign markets, localised coaching programmes for inclusive businesses to synchronise their practices to the specific nuances, customs, languages, and regulations of their target markets would be valuable and much welcomed. To maximise cost and time efficiency,

a blended approach to coaching methods is advised. While free coaching sessions are not endlessly scalable, online platforms can help as a resource of introduction into IB and support the process. The full potential of e-learning has yet to be explored.

*“We think it's really important that companies understand what inclusive business is but also how to make it practical for their business. What I've really personally seen is that once you sit down with a business leader, and that can be at any level, once you talk through what does this mean for your business and how do you make this concrete and practical that's when they really like get down to it and get excited and want to get into it. So, I think that's a really important one, putting the consumer first.” - Ms. Britt de Lange, Country Manager, Bopinc, Myanmar*

Multi-stakeholder partnerships between Governments, the private sector, large firms, civil society organisations should be explored to distribute the costs of delivering advisory services and **make coaching accessible**, especially to the smaller enterprises and sustainable for practitioners or service providers.

**5. Impact investors want to see strong financial returns combined with a greater focus on sustainability, responsibility and inclusion.**

Impact investors are not only seeking out businesses that already reflect these values, but they are in a position to influence business leaders through dialogues, corporate governance activities and make changes to their investment strategies or by co-investing with these companies in specific projects. As an example, the LGT Venture Philanthropy, a global impact investor supporting organisations with outstanding social and environmental impact, has invested in Kennemer Foods International, Inc. in the Philippines. Through this venture, smallholder cocoa farmers were being empowered by increasing their farm yields and income up to four times. About 35,000 farmers were integrated into its value chain by the end of 2020. LGT Venture Philanthropy supported Kennemer Foods International not only by being a shareholder but also by leveraging its network of contacts to help grow businesses.

Governments play an important role to create an attractive market for impact investors to invest in. Investors find it hard to get buy-in from internal stakeholders for the types of long-term investments that are needed to grow inclusive businesses. In response, Governments could put in place incentive mechanisms to encourage businesses to innovate by integrating the BoP communities in their business model.

**6. MSMEs are the key to the region’s inclusive recovery. Including them as part of the IB value chain gives the opportunity especially to the micro and small enterprises, to enhance their productivity and competitiveness.**

MSMEs contribute up to 85% of employment in ASEAN. The informal sector is also high in most of AMS - the figures vary by sector, but it is estimated that there are about 62 million informal businesses employing 96 million employees across ASEAN. Many of the MSMEs operate informally, and this made them vulnerable during the COVID-19 crisis as they were not able in most cases to benefit from public support. Supporting MSMEs resilience and helping them bounce back from the pandemic is thus vital given their contribution to the ASEAN economy, especially on creating jobs across regions and sectors, including for the low-skilled. They provide opportunities for skills development and help support their employees’ access to healthcare and social services, and help address the issue of informal business in ASEAN. This could also be done through the formalisation of MSMEs.

Ghanim International Corporation Sdn Bhd, Brunei Darussalam, is a government-linked company established as part of the government’s larger strategic project, Brunei Food Industry Development (BFID), to play a key role in the development of the food industry and diversification of Brunei’s economy by developing, marketing and promoting *bruneihalalfoods* products in Brunei Darussalam and internationally. With the set-up of BFID, Ghanim establishes opportunities for MSMEs, including home-based businesses, to expand product range and portfolio, develop and create products that meet international standards and competitiveness, import substitute products, and reach into the international market. It engages MSMEs as part of its value chain, sets up facility for MSMEs to manufacture their products, provides training and coaching programmes as well connect MSMEs to financing facilities. Ghanim is also actively engaging small-scale farmers through its Buy Local Produce Campaign, which provides local growers alternative avenues and wider market access for their produce, including direct supply to their retail networks.

**7. There are opportunities to leverage ASEAN’s strengths and ongoing regional integration efforts to create interests among business leaders to invest in the inclusive business space.**

ASEAN Economic Community envisions ASEAN as a single market with a unique single production base characterised by the free flow of goods, services, investments, capital and labour. Taking this into consideration, ASEAN could work strategically to promote across border IB supply chains with the support of its governments, playing into the strengths and availability of national resources of each ASEAN country, as well as the presence of the regional and global value chain within the region. Further, ASEAN could advocate trade facilitation initiatives or preferential trade agreements for inclusive businesses and social enterprises. Cross-country sharing of business development services

expertise, resources, and network is also crucial for inclusive businesses and social enterprises to obtain country-specific support, particularly in accessing new markets.

*“Now the time has come, to broaden the discussion beyond the converted and reach out to other communities not aware of IB's potential yet. To be able to fully harvest the potential of IB we now need more collaborative effort.” - Dr Christian Jahn, Executive Director, Inclusive Business Action Network (iBAN)*

**8. Governments have played and will continue to play a critical role as market shapers and investors to encourage and enable business leaders to introduce new inclusive business models and scale social enterprises.**

There is a need to promote more infrastructure both soft and hard, to provide an enabling business environment and to help IB improve business models to scale up. There are needs to support impact measurement, develop capacities around digitalisation, provide coaching programmes and support financial literacy.

The Guidelines on Promotion of Inclusive Business in ASEAN provided a common reference point for ASEAN policymakers to mainstream IB in national and regional policies. To support the implementation of the Guidelines, it will be important to continue providing examples from pioneering countries, focusing on raising awareness, setting up accreditation and providing business coaching.

To encourage more businesses to consider the IB model, ASEAN governments should recognise and encourage business leaders through awards and incentivise them, which could be made possible through accreditation systems. Nevertheless, considering the complexity of establishing the accreditation systems, for a start, AMS could alternatively consider membership mechanism instead, as in the case of RaiSE, Singapore. On facilitating access to finance, Governments could consider dedicated support to encourage social enterprises in the early stages and mechanisms to leverage private investments once these enterprises are in the growth stages.

Throughout the Summit, the importance of building strategic partnerships with different stakeholders and partners along the value chain was repeatedly highlighted. One example of partnerships required is those that convene producers, IB and farmer associations to build farmers capabilities and address aggregation inefficiencies. Governments could consider partnerships to catalyse investments and development funds that can be used to reduce investment risks and therefore leverage private investments to finance the development of IB models.

**9. ASEAN is committed to continuing its work in promoting inclusive business models into 2022.**

Cambodia, the incoming Chair of ASEAN in 2022, announced the hosting of the Fifth ASEAN Inclusive Business Summit, as well as its plans to produce an impact report of the region's work on IB to date. Cambodia called for continued support and assistance from development partners to continue spearheading IB promotion in both Cambodia and ASEAN. Meanwhile, ESCAP shared its partnership with the Bill and Melinda Gates Foundation to promote inclusive business models in agriculture and food systems in South and South-East Asia and confirmed its continued support to ASEAN's efforts on IB in 2022.