



Guidelines for the Promotion of Inclusive Business in ASEAN



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Guidelines for the Promotion of Inclusive Business in ASEAN

The ASEAN Secretariat
Jakarta

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The guidelines were developed with technical assistance provided by the Inclusive Business Action Network (iBAN) - a programme funded by the German Federal Ministry for Economic Cooperation and Development and the European Union and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, in collaboration with the United Nations Economic and Social Commission for Asia and Pacific (ESCAP) and the Organisation for Economic Co-operation and Development (OECD).

Foreword

The ASEAN Coordinating Committee on Micro, Small and Medium Enterprises, as expressed through the ASEAN Strategic Action Plan for SME Development 2016 – 2025 (SAP SMED 2025), is committed to create globally competitive, resilient and innovative MSMEs that are seamlessly integrated to the ASEAN Community and inclusive development in the region. MSMEs account for a large share of total establishments in ASEAN; with their wide-spread presence in virtually all sectors of the economy, as well as in the non-urban and rural areas, MSMEs and the MSME development agenda are good vehicles to achieve inclusive growth in the region.

The Inclusive Business (IB) agenda is a triple win for governments, businesses and people at the base of the economic pyramid, blending economic, commercial and social objectives and benefits. IB is a cross-cutting topic – its promotion and integration into national and regional policies require close collaboration with all relevant stakeholders from both the public and private sectors. It is thus pertinent that all stakeholders have the same understanding on the IB model, its potential avenues for applications as well as benefits to achieve a common objective in the promotion and integration of IB in national and regional policies.

As an overview, the *Guidelines for the Promotion of Inclusive Business in ASEAN* document provides an outline on how inclusive businesses can be supported at the national level, and what institutional setup is required to do so. The guidelines also provide recommendations on how ASEAN policy makers could collectively promote inclusive business at the regional level. We hope that this document would serve as a useful reference document for ASEAN policy makers in formulating national and regional strategies towards achieving a resilient, inclusive, people-oriented and people-centered ASEAN.

We wish to thank our development partners on the technical assistance and strong support provided through the Inclusive Business Action Network (iBAN) – a programme funded by the German Federal Ministry for Economic Cooperation and Development and the European Union and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, in collaboration with the Organisation for Economic Co-operation and Development (OECD) and the United Nations Economic and Social Commission for Asia and Pacific (ESCAP).



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The Guidelines document was endorsed by the ASEAN Economic Ministers at the 52nd ASEAN Economic Ministers' Meeting on 25 August 2020 for use as a non-binding reference framework. It was also shared to the relevant stakeholders, both from the public and private sectors during the Third ASEAN Inclusive Business Summit held on 29 September 2020.

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Guidelines for the Promotion of Inclusive Business in ASEAN

1. Introduction

1. **Purpose:** The Guidelines for the Promotion of Inclusive Business in ASEAN, to be referred to in the document as Inclusive Business (IB) Guidelines, serve as an outline on how IB can be supported at the national level, and what institutional setup is required to do so. The IB guidelines also provide recommendations on how to promote IB further at regional level. The guidelines are generic, whilst keeping in mind the large socio-economic differences of countries in ASEAN. It is meant as a menu of suggestions of best practices to promote IB. ASEAN countries may wish to choose those policy areas serving best their needs.

2. **Process for developing the guidelines:** The draft guidelines were developed with technical assistance provided by the Inclusive Business Action Network (iBAN), in collaboration with the United Nations Economic and Social Commission for Asia and Pacific (ESCAP) and the Organisation for Economic Co-operation and Development (OECD). They build upon three major reports on IB in the ASEAN¹ based on the experiences and insights derived from the work undertaken to-date in ASEAN Member States, and was finalised through inputs from the ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME), ASEAN Business Advisory Council (ASEAN-BAC) as the private sector representative, and participants of the 2018-2019 *IB Policy Maker Engagement Programme*.

2. The rationale for Inclusive Business (IB) promotion in ASEAN

2.1 IB definition, approaches and features

3. **The ASEAN Inclusive Business definition:** ASEAN defined Inclusive Business in the ASEAN IB Framework² referencing the global IB definition, developed by G20, which states that “Inclusive Businesses provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people at the Base of the economic Pyramid (BoP), making them part of the value chain of companies’ core business as suppliers, distributors, retailers, or customers”. More on the definition of IB and IB-related terminologies appear as [Annex 1](#).

4. **The IB approaches:** IB is implemented along three approaches – IB models, IB activities and Social Enterprise (SE) initiatives. The ASEAN IB Framework highlights the importance of the IB model approach and considers the other two approaches in the context of scaling them up into IB models. Nonetheless, national IB promotion policy instruments have also focused on other approaches, notably SE initiatives, given the particular development agenda, capacities and composition of the BoP in ASEAN.

5. **The Base of the economic Pyramid (BoP) in ASEAN:** The core distinguishing feature of IB is the focus on the BoP, therefore the definition of the BoP is crucial. The international income threshold for BoP is defined as 8.44 USD per capita a day (PPP 2010)³, encompassing

¹ Inclusive Business in the Association of Southeast Asian Nations, ADB Consultant Report by Markus Dietrich, 2018; Advancing Enabling Policy Environments for Inclusive Businesses in the Association of Southeast Asian Nations (ASEAN), UN ESCAP/iBAN, 2019; Outcome Report of the 2nd ASEAN Inclusive Business Summit, UN ESCAP, iBAN, ASEAN BAC

² The ASEAN Inclusive Business Framework: <https://asean.org/wp-content/uploads/2012/05/ASEAN-Inclusive-Business-Framework.pdf>

³ World Bank Global Consumption Database, <http://datatopics.worldbank.org/consumption/detail>

the poor (lowest – 2.97 USD) and low-income (2.98 – 8.44 USD) market segment. However, to take into account regionality and the economic heterogeneity of ASEAN Member States (AMS), the BoP could be better viewed as the population encompassing the base 40% (B40), 50% (B50) or up to 60% (B60) of the income pyramid in the respective AMS. This approach would lead to country specific BoP income thresholds and definitions of the target market for IB.

6. Features of IB – 1. Engagement of the BoP: In addition to the focus on **reaching** the BoP through its core operations along the value chain, the **depth** of impact is a key determining feature of IB. Providing capacity building, information, access to finance and enabling regulation are key functions to drive the depth of impact. While IB solutions do not necessarily aim exclusively at the BoP, they should create large and deep scale impact mainly for them. The positive social impact can be stated along the 17 Sustainable Development Goals (SDGs),⁴ having SDG – 1 No Poverty as its entry point, due to IBs' focus on the BoP.

7. Features of IB – 2. Financial Viability: Being a private sector approach, financial viability is a pre-requisite for IB as its profitability and sustainable social impact depend on it. The level of financial viability and its associated investment return depend on the IB approach, maturity, sector and other factors.

8. Features of IB – 3. Impact Management Practice: The management, measurement and reporting of social impact is crucial to advancing company value, scaling impact and targeting policy instruments. While business reporting has been standardized globally, the standardization of impact measurement and reporting is still developing.

9. Features of IB – 4. Environmental, Social and Governance (ESG): Due to its inherent focus on delivering positive social impact, IB scores highly on the “S” in ESG. In addition, environmental and governance aspects need also to be considered.

10. Features of IB – 5. Scale and Replicability: To be transformative, IB companies need to operate at scale and explore growth opportunities, including through replication. Although IB approaches can be found at all company sizes, it is the medium to large sized domestic companies, which are the main adopter of IB models as they have the commercial means and flexibility.

11. Features of IB – 6. Innovation: IB uses innovation as a key business and impact driver, ranging from incremental to disruptive innovations to be able to profitably engage with the BoP. Innovations may be technological (e.g. fintech applications) and non-technological applications (e.g. adapting the business model)

12. Context-specific considerations need to be taken into account for identifying IB: Not only is the country specific socio-economic development to be taken into account when identifying IB and developing IB strategies, but within the country also further context-specific considerations are important. These include the above-mentioned IB approaches, gender, the different stages of maturity of the business, geography, the sector and business model.

2.2 The rationale for IB promotion in ASEAN

13. IB creates triple win for companies, government and the poor and low-income populations: IB offers a unique opportunity to deliver benefits for the private and public sector, as well as society as a whole with the special emphasis on the poor and low income population.

The economic opportunities for companies in developing and scaling IB models in ASEAN are huge, as the BoP market is estimated to encompass 349 million people, or 56% of the

⁴ The 17 Sustainable Development Goals (SDGs) – (i) no poverty; (ii) zero hunger; (iii) good health and well-being; (iv) quality education; (v) gender equality; (vi) clean water and sanitation; (vii) affordable and clean energy; (viii) decent work and economic growth; (ix) industry, innovation and infrastructure; (x) reduced inequality; (xi) sustainable cities and communities; (xii) responsible consumption and production; (xiii) climate action; (xiv) life below water; (xv) life on land; (xvi) peace and justice strong institutions; and (xvii) partnership to achieve the goal.

population, representing an underserved market worth USD 220-330 billion per year⁵. Impact investors striving for financial returns and social impact represent a rapidly increasing new source of funding for companies in the region.

IB supports the inclusive growth agenda of governments of lifting people out of poverty at scale by offering income opportunities and access to basic goods and services such as education, health, energy, water and housing. For the poor and low-income population, IB represents a sustainable source for income opportunities and goods and services which are affordable, accessible and available.

14. The need for IB policy promotion: Globally, the Donor Committee on Enterprise Development (DCED)⁶ found that IB merits special support, on top of general business environment reforms, to enable market entry and scaling IB, i.e. supporting companies in developing IB models and growing them to increase financial viability and social impact. In ASEAN, pioneering companies have developed and matured IB models on their own without government support. However, to encourage the private sector at-large not only to aim for single bottom line profit, but also to produce positive social impact at scale for the benefit of the poor and low-income people, the government needs to actively support mainstream businesses, as well as smaller social enterprises and CSR activities to transform into or start IB models.

15. IB promotion – a public-private partnership approach: Encouraging transformation towards IB is not only a task for the government, but also other actors in the ecosystem are needed, such as

- a. **business associations** ... are the institutional representatives of the private sector and have a key role as champion to promote IB to their members encouraging transformation from mainstream to inclusive business models;
- b. **impact investors** ... seek to generate positive, measurable social or environmental benefits alongside financial returns. IBs, with their BoP facing business models, are often an opportunity for impact investors to realize social impact goals and financial returns simultaneously;
- c. **business facilitators** ... are consulting and advisory firms which can support companies through specific knowledge on inclusive business modelling and implementation;
- d. **business schools** ... provide academic thought leadership on IB and education, notably on social entrepreneurship to future business leaders;
- e. **media** ... provide a channel to raise awareness for IB among the business community and the general public;
- f. **development partners** ... assist private and public sector IB projects to support achieving development goals such as job generation and access to essential products and services; and
- g. **international organizations** ... promote IB as the private sector contribution to reaching global development such as SDGs.

While all these organizations may be engaged in a selective or strategic way, a successful national IB promotion strategy requires the government to lead and further encourage and steer partnerships, notably with business associations, as the representative of the private sector.

⁵ Inclusive Business in the Association of Southeast Asian Nations, ADB Consultant Report by Markus Dietrich, 2018

⁶ The DCED is an independent and respected inter-agency point of reference for knowledge, data and agreed standards on the role of the private sector in development consisting of 23 governmental, philanthropic and multilateral agencies.

3. Overview of IB in ASEAN

3.1 Developments at the ASEAN regional level

16. **The IB agenda in ASEAN:** Since 2017, when ASEAN leaders called for “greater emphasis on creating an enabling environment for Inclusive Businesses in ASEAN Member States”, and the endorsement of the ASEAN IB Framework, ACCMSME has taken the lead on promoting inclusive business, and agreed on a workplan for 2018-2019 during the 5th ACCMSME Meeting in April 2018.

17. **The IB Policy Maker Engagement Programme** was conducted from 2018 to 2019 in collaboration with iBAN, UN ESCAP and the OECD. The cooperation supported the ASEAN Member States (AMS) in:

- preparing market landscape studies for Cambodia, Malaysia, and Viet Nam; developing a draft roadmap for promoting IB and a draft IB Bill in the Philippines; and preparing a roadmap for promoting IB in wellness tourism in Indonesia.
- developing policy recommendations for better enabling environment for IB promotion and developing IB support strategies for Cambodia, Indonesia, Malaysia, Philippines, and Viet Nam;
- exploring the supporting framework for IB for Brunei Darussalam and Singapore through the development and promotion of social enterprises; and raising awareness through the appointment of IB focal points in Lao PDR and Thailand. As the Chair of ASEAN in 2019, Thailand hosted two major IB events, namely the third IB Policy Forum and the [Second ASEAN IB Summit](#).⁷
- conducting three regional capacity building forums (IB Policy Development, IB Ecosystem Development, and IB Policy Roadmaps) and training webinars.

Aside from the cooperation under this IB Policy Maker Engagement Programme, there were other IB initiatives conducted in the region, for example with the support of the Directorate of Investment and Company Administration (DICA) and DaNa facility of the United Kingdom. Myanmar published the study “Inclusive Business in Myanmar: An Agenda to Catalyse Social Impact” proposing a framework for IB to guide reforms.

Overview of IB promotion status in ASEAN appears as [Annex 2](#).

18. **ASEAN continues its commitment to IB:** The 35th ASEAN Summit held on 2-4 November 2019, through the Chairman Statement had commended the public and private sector efforts on IB, and had called for more collaboration between medium and large enterprises with governments to promote inclusive business through conducive rules and regulations, enhanced access to financial resources and education, and to build capacity for entrepreneurs and underprivileged communities.

19. **The 2020 ACCMSME priority deliverable on IB promotion:** For 2020, ACCMSME has agreed to continue promoting IB in 2020 through the following activities:

- a. continue raising awareness among policy makers and businesses on the IB concept, its business models and activities, and the approaches taken in various ASEAN countries that could contribute towards the AEC 2025 vision of “a resilient, inclusive, people-oriented, and people-centered ASEAN”;
- b. to develop a set of ASEAN guidelines on IB promotion that will “... serve as reference to policy makers as well as businesses, so as to assist in putting in place an enabling environment as well as contribute to awareness raising efforts, including recognition of

⁷ Back to back to the 2nd IB summit in November 2019, a South-South learning exchange with selected AMS (Cambodia, Malaysia, Viet Nam) and Nigeria was held.

inclusive businesses, and close collaboration between the public and private sectors....”

3.2 Connecting IB promotion to MSME development in ASEAN

20. Connecting IB promotion to MSME development: Micro and small-sized enterprises (MSEs) have particular difficulties in accessing markets and financing. Also, a lack of capacity is limiting their competitiveness. Those barriers to growth are addressed by IB. Through the development of programmes linking larger companies to MSMEs, for instance by promoting peer-to-peer learning and developing capacity building programmes, it might be possible to help them become more competitive, grow and integrate into global value chains and internationalize. IB in ASEAN is mainly implemented by medium to large domestic companies. Therefore, the connection between IB and MSME promotion is direct, i.e. promoting the Medium in the MSME definition, and indirect on two levels:

- a. **Linkage:** The most important and impactful connection is the integration of micro and small enterprises in the value chain of the IB model. Access and linkages to market are important elements of MSME promotion policies. Driving those linkages from the micro/small level and the large company level in a coordinated fashion will greatly enhance their effectiveness⁸.
- b. **Support functions:** Four areas of support, which companies with IB models extend to micro and small enterprises in their value chain, are not only key drivers of impact but also represent opportunities to interface with MSME promotion policies:
 - i. Capacity building is a key building block of IB models and enables micro and small enterprises to participate in domestic and global value chains. This could include providing technical expertise as well as knowledge and technology transfer through training for MSEs to help them increase productivity, comply with standards and enable access to finance and information.
 - ii. Access to finance for micro and small enterprises is often facilitated in IB models to provide initial investment, working capital and input financing.
 - iii. Valuable information is delivered, often digitally, to the micro and small enterprises about pricing, good practice, and other success factors in IB models.
 - iv. Rules are developed within the private sector to promote the products and services delivered by and sourced through micro and small enterprise in the IB model, such as good agricultural practice regulation, organic certification or quality standards.

All four areas of support offer opportunities for integration with MSME promotion policies. Channelling MSME support through companies with IB models could unfold its impact indirectly and at scale as those offer a comprehensive and mutually reinforcing set of support functions to the micro and small enterprises in their respective value chain.

3.3 How can IB support the recovery from the COVID-19 health and economic crisis

21. IB as part of the post-COVID-19 re-building: In AMS, government COVID-19 support could be linked to social impact for the BoP and would so help the people most in need. Since early 2020, the COVID-19 pandemic has affected all countries in ASEAN and their people through losing of jobs and worsening living conditions of households, as well as massively affecting people’s health. Initial lockdowns and the loss of global markets is causing poverty to increase, and income opportunities to shrink. To mitigate the large number of business

⁸ The ASEAN Strategic Action Plan for SME Development 2016-2025 recognizes the importance of such linkages and includes Action C-1-2: Promote partnership with multi-national companies (MNCs)/large enterprises to increase market access and opportunities.

closures and production and sales challenges in national and global markets, some countries have put in place economic incentives. Against this background, IB can support efforts to rebound from the COVID-19 crisis and to build back better. Companies with IB models are innovative and their social impact is local. Many have established last-mile distribution and supplier outreach systems and understand the markets of the poor and low-income population. They are therefore uniquely positioned to reach the poor who are most severely affected by the closing of businesses and the changing economy. Governments providing financial support to the private sector in times of economic crisis are increasingly interested in linking their support to creating impact for the economy and building back a better future through encouraging changes towards inclusive business practices. Providing detailed information about the state of the IB sector generally would help lay the case for investors to re-engage with investments. Governments can also approach investors to discuss potential risk reduction strategies that could stimulate post-pandemic investments leveraging public sector spending.

3.4 The IB ecosystem

22. Holistic approach involving the IB ecosystem: Successful IB solutions are mainly implemented by medium and large enterprises covering all sectors. Examples of IB models in selected sectors can be seen in [Annex 3](#). Furthermore, IB require support on different aspects of business such as information, rules, financial resources and capacity. Hence, IB promotion policies need to be designed in a holistic way, involving various stakeholders such as government agencies, business associations, impact investors, business facilitators and development partners.

3.5 Challenges in developing and implementing IB policies and strategies in ASEAN Member States

23. Lack of understanding and awareness on IB: IB, being a comparatively new concept, is not well understood and key stakeholders lack awareness of its features and potential.

24. Confusion on terminology: In recent years various concepts, such as corporate social responsibility, creating shared value, social business and responsible business have gained ground globally including in ASEAN. All these concepts share a common objective to combine economic activities with achieving social impact. It should be noted that some of them intersect and can be mutually reinforcing. For example, it is possible for IB to also be responsible businesses. However, confusion sometimes exists as to how IB differs from and links to other concepts. That is why it is important that the policy instruments emphasize the needs to build clarity of what IB constitutes.

25. Lack of natural institutional anchor and capacity: As IB is sector agnostic and cross-cutting, it lacks a natural institutional anchor in government and other institutions, which are often organized according to sectors. While the ASEAN “IB Policy Maker Engagement Programme” has initiated capacity building on IB, more is required to drive IB policy development forward.

26. Lack of wider public sector support for IB: While IB policy instruments are being developed by the majority of AMS, the policy development is still mainly housed within the initiating agency and line ministries are not integrated yet to provide more holistic support.

4. Policy instruments to promote IB

27. Twelve policy instruments to promote IB: This chapter introduces eleven policy instruments for AMS, followed by one for ASEAN (covered in depth in Chapter 6), to encourage the widespread adoption of IB in the ASEAN region. The most important among them are a

committed IB champion, IB accreditation, IB information sharing, IB risk reduction, and IB business coaching. AMS can opt for a selective or a comprehensive approach. The success to IB promotion requires commitment and tangible programs. While the AMS are the key implementers of the policies, an ASEAN-wide regional support can help in promoting information exchange, rewarding, harmonizing and learning from different approaches and policy tools, and regional monitoring for more committed implementation at country level. Annex 4 summarises the twelve IB policy instruments and the potential roles of key stakeholders in promoting IB in ASEAN.

4.1 Strategy and action plan on IB enabling environment

28. Strategy for an IB enabling environment (IBee⁹). Inclusive Business as a new and cross-cutting topic is distinguished from sector or MSME policies. Therefore, a specific strategic framework is required which rationalizes policy options, draws in commitment of various stakeholders, and includes an action plan with budget and institutional structure for implementing IB promotion. While no AMS has an approved IB strategy so far, six countries have recently prepared either full-fledged IB strategy proposals (Cambodia, Malaysia, Myanmar, Philippines, Viet Nam), sector specific IB recommendations (Indonesia), or an IB bill and roadmap (Philippines). IBee strategies typically describe directions and cohesive programs to be implemented by government in partnership with other organizations to create a better enabling environment for IB. In some countries IB strategies are also referenced in broader medium-term socio-economic development plans or industrial or SME development strategies.¹⁰

29. IB strategies aligned with MSME development strategies. The ASEAN SME Policy Index 2018 identified that industrial clusters create an environment conducive to productivity gains, which are a factor of growth, and so form a structure that helps enterprises meet the challenges of international competition. Without SMEs as subcontractors and suppliers of intermediate inputs to multinational corporations (MNCs) and domestic large enterprises, industrial growth may not be able to sustain increasing domestic value, employment, productivity and industrial linkages.

The point of convergence between MSME and IB development objectives, and responsible agencies' success indicators, is the linkage. As MSME look for access to market through large companies (bottom-up approach), IB companies look to engage with MSMEs throughout their value chain (top-down approach). To foster alignment of IB and MSME promotion strategies the following steps can be undertaken by the IB and the SME focal agencies¹¹:

- a. A review of the current state of MSME development plans and programs relevant to IB promotion can reveal concrete opportunities of alignment, such as support programmes for SME financing and support services.
- b. Such review can further identify national, provincial and local agencies - and their objectives - involved in MSME development, which could incorporate and implement IB strategy elements connected to MSME development.

⁹ In Cambodia, the proposed strategy is named IBeeC (Inclusive Business enabling environment in Cambodia). This innovative naming refers to an active bee going around (enabling environment) collecting pollen (inputs) from different flowers (stakeholders) and transferring this into honey (IB support programs).

¹⁰ For example, in Malaysia IB is a strategy in the National Entrepreneurship Policy 2030 (NEP 2030) and being considered as a strategy under the 12th Malaysia Plan; in Cambodia in the National Development Plan 2019-2023; and in the Philippines in the National Socio-Economic Development Plan. In all three countries, IB is also a topic in the SME development strategies.

¹¹ The Philippines' Department of Trade and Industry together with the Board of Investment developed in 2019/20 the Inclusive Business Roadmap with representative from the private, public and civil sector, which outlines alignment strategies of IB and MSME development.

- c. The following key strategic objectives have emerged to further promote inclusive business through convergence with MSME development programmes:
- i. Encourage more provincial and local businesses to develop inclusive business models engaging with MSMEs
 - ii. Coordinate the provision of support to build financial and technical capacities of IBs and MSMEs, for example by collaborating on MSME capacity development programmes
 - iii. Build viable community partnerships that enable the emergence and growth of IB models and that provide access to markets for MSMEs.
 - iv. Facilitate the set-up of a central database/repository and a readily-accessible online portal for information and knowledge sharing as well as matching of IBs and MSME value chain partners.
 - v. Develop metrics or standards and a system to measure, monitor, and evaluate IB/MSME performance and impact.

30. Developing an IB strategy needs a committed champion: Because of the multi-sectoral character of IB, endorsing such strategies will require multi-agency support and engagement at high-level, both in the government's cabinet and in business associations. To this end, it is particularly important to find a strong and active champion in the government. At government level the development of an IB strategy could involve ministries of economy and finance, industry and trade, investment boards, and a key sector ministry being responsible for agrobusiness (as most IB models address income poverty and are related to agrobusiness and crafts).

31. IB strategies aim at encouraging the transformation of mainstream business models into inclusive business models: To this end, the recommended incentives focus first on creating a clear understanding of IB (information dissemination, awards, accreditation, systemic impact monitoring, etc.), enhancing business readiness, and reducing business investment risks. In addition, they may call for smart and targeted incentives and for mainstreaming IB promotion through existing SME development, sectoral and poverty reduction programs. The strategies also emphasize partnership between multiple implementation actors, especially in government (economic and finance as well as industry and trade ministries and their investment promotion bodies), business associations and impact investors.

32. A multi-year IB action plan is developed from the IBee strategy: It describes the activities and inputs for implementing the objectives and targeted results of the IB strategy. The action plan includes a budget and explains the roles of the various stakeholders involved. It is linked to monitoring IB implementation and following up on commitments from government agencies, business associations, impact investors, business facilitators, development partners, and others.

4.2 Institutionalising IB promotion

33. Dedicated IB strategy implementation bodies: Alongside the strategy development and identifying the leading champion for IB promotion in the government, it is important to establish the right coordinating and initiating bodies for IB promotion. Three important bodies emerged in AMS to institutionalize IB:

- Most importantly a central IB coordinating unit under the IB champion in a ministry is needed to arrange the implementation of the strategy. This IB unit could be located in the respective strategy department of the ministry, and comprise 2-3 persons working part-time on IB. The IB unit could have a small budget for hosting

workshops, establishing and then populating a country wide IB website, conducting IB studies, and preparing and coordinating the implementation of the action plan.

- The IB coordination unit should work with officially nominated IB focal points in selected government agencies and business associations. The IB focal points (usually 6 to 12) should meet regularly to discuss IB implementation in their specific constituency.
- A broader IB steering group could be responsible for monitoring the implementation of the IB action plan. It could meet quarterly to guide the direction of IB implementation. Such steering group would comprise of the IB focal points plus other key stakeholders active in IB promotion. Representatives from impact investors, business facilitators and development partners could be selected on a rotating basis. To build wide ownership of IB promotion, the steering would be responsible for endorsing the IB action plan.

34. Keeping the momentum: As part of the IB policy formulation process, various AMS have already or are in the process of establishing a steering group (e.g. Myanmar), coordination unit (e.g. Cambodia, Malaysia, Philippines, Viet Nam) and a focal point (Cambodia, Myanmar). For those countries that are finalizing their policies, the next step would be to formally endorse and communicate the institutional structure, and to establish regular meetings and working realities. The IB coordinating unit could serve as the secretariat to the steering group.

4.3 IB accreditation and registration

35. IB accreditation as core policy instrument: IB is a thematic concept that emphasizes impact and not company size or sector priorities as in other industry promotion policies. To endorse financial support to the private sector, the government needs a good rationale and targeting system. IB accreditation allows both by emphasizing that companies need to be viable (and hence government support is limited), achieve large scale social impact, and provide systemic and innovative contributions to development. IB is a new concept and terminologies of combining economic activities with social impact are often confusing, therefore a transparent and independent accreditation system is required to clearly identify such companies. Some AMS (like Cambodia, Malaysia, Myanmar, and Viet Nam) are currently exploring an IB accreditation scheme. Some (like Malaysia, Thailand, Singapore, Viet Nam) also have a social enterprise accreditation or registration system, which could be broadened to include also IB or linked to a separate IB accreditation (discussion in Malaysia and Viet Nam).

36. Principles of IB accreditation: Eleven basic principles to IB accreditation are outlined below:

- 1) Companies can apply voluntarily and IB accreditation shall be different from eventual IB registration for incentives.
- 2) The IB accreditation system assesses IB lines (not the whole company) based on 40 more detailed criteria – see Annex 5 and Annex 6. - and against sector benchmarks for small (offering the opportunity to integrate Social Enterprise (SE), and medium and larger companies).
- 3) The assessment is based on both past performance and the realistic application of a forward looking (3 years) business plan.
- 4) Furthermore, the IB accreditation is not given once for all, but needs to be confirmed every 3 years.

- 5) A composite rating tool¹² with a set of transparent criteria, sector benchmarks reflecting different company sizes and country realities, and a common weighting¹³ and scoring¹⁴ principle is used to assess all business lines on their IB potential.
- 6) A company needs to pass some minimum score to be qualified as IB.¹⁵ Companies with environmental, social and governance (ESG) safeguard and responsible business standards below a certain threshold will be disqualified.
- 7) Companies with good IB strategic intent and ratings close to the minimum thresholds can be classified as potential IB, while others exceeding the minimum scores are classified as IB. Potential IB could have access to incentives (e.g. business coaching) but would qualify for financial incentives only, if the IB line's projected impact is achieved.
- 8) Small, medium and large companies are rated on the same criteria, but rating benchmarks consider the three company sizes.
- 9) The accreditation is based on a detailed assessment of the IB line through independent advisory firms. To enhance ownership among the business community, the final rating is jointly performed by representatives from government and business associations.
- 10) The results of IB accreditation are transparently publicized and IB awards being given to enhance branding of such companies.
- 11) IB rating is linked to receiving IB incentives. Recognition and awards are the minimum incentives a government can give. Other financial, technical, market, and input access incentives are further outlined below; AMS may decide which of these incentives they wish to open for IB.

37. Encouraging the transformation of potential IB: To this end, (a) applying a dynamic understanding and theory of change for reporting scale, depth and transformative character of the social impact, and (b) encouraging companies with potential IB models to make the transition towards IB are important. The accreditation system allows for identifying potential IB models, and such companies could receive specific support like business coaching. For the government and other actors in the ecosystem, transforming potential IB into fully matured IB models is the key for widespread adoption of IB.

38. IB registration as an enhanced policy instrument: In case a government decides to also provide financial incentives, companies with an inclusive business model need to undergo a registration process. Such a registration process can be a stand-alone process, or one that is integrated in registration processes for other investment promotion incentives (as in the Philippines).

4.4. IB awareness raising

39. Apart from an increasing number of IB thought leaders and public and private sector pioneers, IB is still not well known in most AMS among policy makers, businesses, or the public. Therefore, it is important to generate awareness at different levels, mostly among business leaders (so that they see the potential of IB markets) and among government

12 The advantage of a composite rating tool against principles of assessment by exclusion, is that companies can be eligible for IB even if they are weak in some criteria. Another advantage is that all company sizes can be assessed under the same methodology, with different benchmarks used for small, medium or large companies.

13 Commercial and social ratings have similar weights with social rating slightly higher, while BoP innovation has a much smaller weight. While criteria are uniform for all AMS, the weights can be adjusted to the specific country conditions.

14 The assessment would rate each of the 39 criteria in high-medium-and low results which are transferred into numbers 1-6. These rates are then multiplied by the weights for each criterion to achieve a specific score.

15 A company's business line would qualify as IB, if it achieves minimum overall and section scores. An indicative overall score for IB could be 3.2, a minimum financial score 1.2 (sum of commercial score, business innovation and technology innovations), a minimum social score 1.5 (sum of social impact and social innovation), an innovation score 0.4, and an IB strategic intent score could be a minimum of 3.

agencies (so that they understand the role IBs can play in achieving their mandates, and how they may promote IB). Knowledge sharing and advocacy is therefore a critical component of IB promotion. Business associations are best suited to undertake this towards the private sector. However, some government agencies are also well-placed to prepare and disseminate knowledge on IB through numerous activities, such as preparation and dissemination of information material— among others – multimedia, printed information and promotion materials, films and radio features as well as newspaper articles. Organisation and participation in workshops and seminars, capacity building programs, and international events could also be considered. Having a country-wide IB website, to which key stakeholders contribute and is linked to global IB platforms¹⁶ could be a simple and highly effective way of awareness raising. Finally, recognising the achievement and societal contribution of IB companies through national IB Awards may also increase the understanding and awareness among the public and private sectors on the IB model. Proposed nomination and selection criteria appear as [Annex 7](#).

4.5 IB coaching for companies

40. Rationale for IB coaching: Impact investors suggest that the lack of investment readiness is the main bottleneck for investing in companies with IB models. This readiness is related to both commercial viability as well as social impact. At the same time, there are companies without IB models or already with potential IB models which would like to transition into IB but have not yet fully develop such business lines. A program of IB coaching is a tool to support such companies making the transition to IB, while helping to improve investment readiness, commercial viability and enhance social impact. The government could set up a business coaching facility, which helps companies through focused and practical technical assistance improving the IB model.

41. Content of IB coaching: IB coaching would comprise an overall strategic business discussion resulting in a general orientation for an IB focused business plan of the company. The target audience would typically be high-level decision makers in a company. Other forms of business coaching can comprise matchmaking with impact investors. Yet another component of business coaching could be marketing to the BoP, managing environmental and social risks through supply chain due diligence¹⁷, or business processes advice, for which sector experts would be needed. These different coaching activities would require between 1 to 30 person-days of intermittent input with longer time support commitment. To meet the diverse requirements of expertise, a network of IB trained national and international experts could be established.

42. Delivering IB coaching and its costs: As one-on-one coaching is expensive, innovative cost-reducing approaches are required to make the coaching feasible. IBs coaching can be given to the company on a grant basis with a mechanism for the company to cost-share a certain percentage in case of successful IB business. That would create a revolving fund for making the IB coaching facility more sustainable. Given that business associations are very close to company clients, IB coaching could best be coordinated by one business association working in cooperation with other stakeholders, notably impact investors and development partners.

4.6 IB investment incentives

43. Include IB as a separate category in the existing investment incentives: Many countries have specific investment incentives for industries of high national priority. Such

¹⁶ such as www.inclusivebusiness.net

¹⁷ Such training could be based on internationally recognized instruments such as the [OECD Due Diligence Guidelines for Responsible Business Conduct](#) or relevant sectoral OECD due diligence instruments.

incentives typically include favorable tax regimes, import and export incentives, technology and foreign workers incentives, profit transfer regulations, benefits through industrial zones etc. Such financial incentives may be an important consideration for mainstream companies to begin the development of IB models. Including IB as a category in existing incentive packages is therefore a possible policy option if cost benefit or social benefit analysis confirms it. Eligibility schemes could be aligned with IB accreditation principles and adjusted to the specific incentives scheme in terms of context specific considerations. The Philippines' Board of Investment included the IB model as one of the preferred activities in its Investment Priority Plan 2017-2019, in which IB projects may qualify for income tax holiday. From its piloted IB assessment criteria, three impact targets and three innovation features were included in the registration requirements¹⁸.

44. IB can be used to rationalize incentives: In most AMS incentives are being given for investing in sectors identified by the government as priority for growth. IB is undertaken in many of those sectors but goes beyond the sector focus by being a societal priority for growth and development, and for creating greater inclusion. Including IB as a cross-cutting topic can so help AMS investment boards to further rationalize existing incentives and prioritize those companies that bring high social impact. IB accreditation would be a precondition for accessing such incentives.

4.7 Reducing impact investment risks

45. The rationale for investment support. MSMEs face challenges of obtaining financing due to the preference of the banks not to take the risk and the administrative preference to deal with larger companies. Most SME financing programmes address this challenge and establish separate credit lines for the SMEs. Companies with IB models, however, have potential access to financing for example from impact investors, provided they can present a strong business and social impact plan, and the potential investors finds ways of reducing its perceived investment risks. While IB support will address investment readiness through IB coaching, readiness of investors can be encouraged by establishing a risk reduction financing facility.

46. Investment risks of IB: There are two reasons, why financial institutions perceive the investment risks in IB companies as high: First, it is assumed that working with the BoP (having less capital and hence less purchasing power and less repayment capacity) may incline higher risks for doing business with or through them. Another reason is that risk mitigation measures IB companies put in place are not fully understood due to the unfamiliarity of IB among mainstream financial institutions. Hence, not a separate credit line for IB financing is recommended, but a facility that can help in reducing the risks of impact investors in IB. Such risk reduction facility would be welcomed by impact investor, development banks and even some commercial banks. Such facility would also reduce the costs for the government to stimulate IB financing while at the same time actively encourage investments in IB.

47. Design as a pay-for-success blended finance facility: An innovative blended finance facility is different from a traditional guarantee instrument as it creates a modality where the public sector can co-invest equity or debt in a business of societal value without subsidizing that investment. The government – through the risk reduction facility - would co-invest with the investor. The financing will be used to reduce the investment risk and unleash financing from impact investors in accredited IB companies. In case the investment achieves the planned social outcomes but does not meet the agreed financial returns, the government investment will be converted into a grant. If the investment is commercially and socially successful, it will be paid back. Such risk reducing financing tools based on payment for outcome are used for

¹⁸ The targets encompass relevancy (% value of total cost of goods sold sourced from MSEs), reach (number of BoP engaged, of which at least 30% are women) and depth (% increase in average income). The innovation features comprise the provision of technical assistance, facilitation or provision of access to finance and provision of inputs and/or technology.

example in Latin America by the Inter-American Development Bank in IB and are getting more common in Asia. Development partners and banks could be approached to initially finance the facility with long term (15-25 years) government repayment.¹⁹

4.8 Promoting IB in public procurement

48. Promoting procurement from companies with IB models and SE initiatives: Public procurement is internationally an often-used, but controversial, policy instruments to benefit those delivering social or environmental benefits and passing minimum quality criteria. Typically, procurement rules emphasize cost effectiveness, quality and adequacy of delivery, as well as good governance and adhering to social and environmental safeguard standards by the firms. In result, many of those goods are imported instead of sourced locally. Alternatively, the government could also develop mechanisms giving preference to inclusive business and social enterprises, through targets or impact related selection criteria, while ensuring business integrity²⁰ in the procurement process. Since procurement is often undertaken in a decentralized way, it would require a committed central agency to establish a general rule of IB targeting and then agree it with line agencies. So far, no AMS has such specific rules for IB or SE targeting in public procurement.

49. Public procurement in COVID-19 recovery program: If implemented, IB targeting in public procurement could create a major demand for products produced by the BoP, and hence generate big impact on new income generation opportunities for the poor. Especially in post COVID-19 recovery times, such IB targeting could create quick effects for the poor most seriously affected by the pandemic.

4.9 Targeting IB in existing private sector and other development programs

50. SME development programs: Many AMS have active and well-funded MSME development programs and effective administration to implement. As ACCMSME is the focal point for IB in ASEAN, several countries decided to bring the IB agenda under this MSME administration (for example, Cambodia, Malaysia, Philippines, Viet Nam). They are conscious that promoting IB is an effective way to reach MSMEs indirectly. To fully capitalize on the potential of IB in terms of inclusive growth, IB promotion is a task that needs to go beyond SME promotion objectives and institutional structure. AMS where IB promotion is under SME agencies could immediately start with IB promotion if they would target IB in their own financed existing SME support programs.²¹

51. Poverty reduction programs: A similar assessment can be done for poverty reduction programs. As part of the landscape study for Malaysia, it was found that a 5-10% of the existing funding for SME and B40 inclusion programs could meaningfully be targeted for IB companies. Setting specific quota for IB in existing SME programs might also be an option, because the same agency would then promote IB and SME development. In general, AMS can review which SME development and poverty reduction programs may be best suited to promote IB and how IB could be best targeted in such programs.

¹⁹ In preliminary discussions in Cambodia, Myanmar and Viet Nam for example, multilateral development banks like ADB and development partners like Agence Française de Développement (Afd), Department for International Development (DFID), Japan International Cooperation Agency (JICA), and Korea International Cooperation Agency (KOICA) showed initial interest in engaging in such risk reduction facility. However, this would require more active initial involvement by the AMS governments.

²⁰ The Business Integrity Hub at the OECD provides specific guidance on integrity in procurement <https://www.oecd.org/corruption-integrity/Explore/Topics/business-integrity.html>

²¹ For example, Malaysia has discussed such approach, and some initial suggestions were made in the landscape study which programs would best suit including IB and how much funding (or companies) could be targeted.

4.10 Linking IB to the social enterprise and corporate social responsibility agenda

52. Linking IB, social enterprises (SE) and corporate social responsibility (CSR) agendas provides opportunities to scale up impact: Since early 2010s various AMS engaged in discussions on how to promote SE, CSR, and more responsible business action, notably the middle- and higher-income countries. These developments are reflected in several ASEAN documents such as the ASEAN SME Policy Index 2018²² and the ASEAN Socio-Cultural, Economic, and Political-Security Community Blueprints 2025²³. Some AMS have established specific SE regulations²⁴, such as Thailand and Malaysia. Several AMS have integrated CSR into their national policies, strategies or laws, as well as into economic instruments²⁵. Developing a clear linkage between IB, SE and CSR policy instruments can guide companies towards higher economic growth and scaled up impact. For example, the IB accreditation system could be adjusted for use also for SEs. SE and CSR promotion agencies could be made aware of IB and synergies be explored. They could actively engage in providing information on IB and guidance on opportunities of transformation from non-profit SE into SE initiatives and from traditional CSR into IB activities and subsequently IB models.

4.11 Monitoring and reporting on IB results

53. What gets measured will be achieved: While IB is a rapidly emerging agenda all over Asia and globally, there is very little reporting on systemic results of IB beyond case studies of companies. On the other side, the success of IB solutions can be measured, since such results are related to business revenue, beneficiary reach, and structural changes such companies make to the quality of life of the poor and low-income people.

54. Regular reporting on national and ASEAN level: To further monitor the economic and social impact of IB and encourage transition to IB, regular reporting can be instrumental. This could be done by the IB unit based on inputs from various government agencies and business associations. It can also be linked to the reporting on the private sector's contribution to achieve the Sustainable Development Goals (SDGs). The landscape studies could be used as a benchmark against which developments can be compared. Regional exchange at ASEAN level on the results of such studies would further enhance learning from each other.

5. Designing and implementing IB promotion policy instruments

5.1 The process of formulating an IB promotion strategy

55. The development of IB policy instruments, which has emerged in ASEAN, follows a three-step process consisting of

- a. Scoping, landscaping and strategy recommendation development in public-private engagement

²² [ASEAN SME Policy Index](#) 2018 includes a chapter on Social Enterprises and Inclusive Entrepreneurship, which tracks the progress made by all 10 AMS, OECD

²³ All ASEAN Socio-Cultural, Economic, and Political-Security Community Blueprints 2025 include references to CSR.

²⁴ More on regulation for SE in [Compendium of good practices for SE](#), OECD

²⁵ For example, Thailand has developed a National Action Plan on Business and Human Rights; Myanmar 2016 Investment Law includes explicit objectives to responsible investment; the EU-Vietnam Free Trade Agreement includes a sustainability chapter.

- b. Consultation, awareness-building and promotion through public-private dialogues
- c. Steering, technical assistance and strategy implementation

56. Scoping of IB potential in terms of economic growth and social impact in the country: A short mission of international consultants scopes the potential of IB in the country together with the policymaker promoting the development of IB strategies. During the mission, insights from key stakeholder representatives are gathered, notably from relevant government agencies, companies with potential IB models, business associations, impact investors and development partners. The scoping report assesses:

- a. Unmet social needs that could be addressed by IB
- b. Identifies key stakeholders and who could be an IB champion
- c. Suggests what could be next steps (e.g. conducting a national IB landscape) if the government is interested in promoting IB

57. National IB landscaping process provides the foundation of policy formulation: Since the Philippines conducted the first IB landscaping supported by ADB in 2012, many AMS undertook such comprehensive processes to start the preparation of IB promotion strategies. During the 6-9 months landscaping process, companies with potential IB models from all sectors and geographic regions are identified using an assessment tool corresponding to the IB accreditation tool. The companies and other IB eco-system actors are analyzed, mapped and engaged to provide insights towards the development of the initial promotion strategy recommendation. Potential IB champions and future focal points are sought in this process.

58. Public-private dialogues strengthen the initial IB strategy recommendations: Subsequent to the development of initial strategy recommendations, consultations in form of provincial and national workshops, briefing sessions and interviews take place to further identify the policy gaps for and the potential of IB within the regulatory framework of the country. Such public-private dialogues also lead to initial awareness building for IB among key stakeholders such as business associations, impact investor networks and development partners. Showcasing the aggregated potential for economic growth, social impact and investment opportunities of IB based on the IB and ecosystem mapping, further stimulates the ownership and committed support leading to the refinement of the IB strategy. The results of this 2-step policy development process are captured in an IB Landscape Report which includes

- a. Section A: Analysis of current situation
 - i. Analysis of poverty situation and market opportunities for IB
 - ii. Review of private sector development and the role of IB
 - iii. Market Study on IB
 - iv. IB Eco-System mapping and analysis
- b. Section B: IB promotion strategy recommendations
- c. Annex: Methodologies used for IB identification

59. From strategy recommendation to policy instrument: The aim of the collaborative and participatory multi-stakeholder approach is to build a convincing case for IB and to create ownership and commitment which supports the transformation of the strategy recommendations into official government and private sector approved policy instruments according to the country's specific processes.

5.2 Initial insights to implementing IB promotion policy instruments

60. Importance of public private collaboration: IB is a private sector activity therefore policymakers need to involve private sector representative in the development and implementation of IB strategies.

61. Coordination of IB strategy implementation is an important factor: Although there is so far only limited experience in the implementation of IB policies, coordination mechanisms for public and private sector focal points in form of, for example Steering Groups, have been initiated.

62. Institutionalization to ensure sustainability: The level of institutionalization, from establishing a government programme to promote IB to adopting specific legislation to promote IB, will be an indicator of the future sustainability and impact of the IB strategy.

63. Allocation of budget and resources: The promotion of IB requires a core government budget to support the IB unit and coordination efforts. Government funding can leverage private funding from companies and investors. In addition, development partners may be interested to fund some elements of the IB strategy. Some promotion activities could be part of existing programmes.

6. Creating synergies to promote IB in the ASEAN region and beyond

64. ASEAN's role to promoting IB to date: Since 2017, ASEAN and the ASEAN-BAC have been active in promoting knowledge exchange and IB examples through supporting ASEAN IB summits (2017 and 2019), and IB awards (2017). ASEAN has also supported work on the IB policy agenda by endorsing the ASEAN IB Framework (2017), conducting a capacity building initiative (2018-2019) and preparing the Guidelines for the Promotion of IB in ASEAN (2020). Some AMS actively used their role as chair of ASEAN to promote IB. Some countries also introduced the IB topic to the Asia-Pacific Economic Cooperation (APEC) body when they chaired APEC.²⁶ ASEAN is perhaps the most active regional body globally engaging in and promoting the IB agenda.

65. Connecting IB promotion to the ASEAN social development agenda: In ASEAN, IB is institutionally anchored under ACCMSME, the Coordinating Committee for Micro, Small, and Medium Enterprise, as part of the ASEAN Economic Community (AEC). So far, there is no link to the work of the ASEAN Socio-Cultural Community (ASCC), which is committed to "... lift the quality of life of the ASEAN people, ... reduce vulnerability and improve the opportunities and welfare of the socially less favorable and excluded...". The ASCC Blueprint 2025 makes specific reference to the inclusive growth agenda under the AEC and the promotion of "... more equitable access to opportunities for all ASEAN people, including the vulnerable and marginalized groups...". In addition to increasing income for the poor where most of the IB examples are active, IB also focus on delivering affordable and accessible goods and services with high relevance for the poor and low-income people. This second dimension is very much linked to the work of ASCC. There are many good examples, where the private sector supplements or even provides services for the poor and vulnerable people in an efficient, innovative, cost effective, valuable and inclusive ways. Programs implemented by AMS members of the ASCC especially for poverty reduction can make use of such innovations of the private sector delivered by IB companies. Hence there exists an opportunity to work closer with the various chapters under ASCC such as for sector policies (health, education, and social welfare and development) and for cross sectoral themes (rural development and poverty reduction, women empowerment, and labor). ACCMSME could reach out to ASCC institutions to start such dialogue.

66. Connecting IB promotion to the SDG agenda: IB is one of the contributions of the private sector to achieving the SDGs. Due to its core feature of engagement with the BoP, IB contribute in the first instance to SDG 1 – No poverty. In addition and depending on the sector and the business, one or several other SDGs are also supported.

²⁶ For example, a regional IB study on APEC was done in 2016 and discussed during the 2017 APEC meetings.

67. A new phase of ASEAN involvement: Going forward, at regional level, the following potential activities have been identified through which ASEAN could further support the promotion of IB:

- identifying a dedicated IB focal point in ACCMSME;
- continuing to host IB summits and IB awards. The nomination and selection criteria of ASEAN IB Award, which may be used to recognize IBs at both the national and regional level, appear as [Annex 7](#);
- bringing together national IB focal points beyond the IB summits to exchange more deeply on IB policy implementation;
- facilitating the exchange of knowledge and approaches on IB, including on IB accreditation and on monitoring IB impact;
- continuing the collaboration with the private sector through ASEAN-BAC and its Joint Business Councils;
- committing to report on a biannual basis on advances made on the promotion of IB and the impact generated;
- establishing an ASEAN-wide IB website, linked to the national IB websites of AMS and global digital platforms;
- highlighting ASEAN achievements of IB promotion at regional and global level and actively participating in international discussions, representing Southeast Asia;
- engaging with development partners to secure technical and financial commitment for supporting AMS to implement IB policy development and promotion; and
- Furthermore, ASEAN and the AMS could share their good progress in IB promotion and achieving socio-economic results for the BoP through private sector solutions, with other regions through establishing South-South dialogues.²⁷

7. Summary and conclusions

68. IB promotion has come a long way since 2012: Since the first regional activities on inclusive business, initiated by the Asian Development Bank in 2012, IB has gained continuously and with accelerated speed entry into the policy and business agendas. The 2nd IB Summit in 2019 concluded that:

- a. As a result of efforts to promote inclusive business at the ASEAN and national levels, the majority of AMS are engaging actively in inclusive business policy development.
- b. ASEAN leaders have commended and encouraged governments and private sector actors to continue promoting inclusive business, as stated in the ASEAN Chairman's Statement of the 35th ASEAN Summit, on 3 November 2019, following the Second ASEAN Inclusive Business Summit.
- c. A framework for the development of effective inclusive business policy instruments has emerged through the experience of frontrunner countries, highlighting eight strategic areas of inclusive business promotion.

²⁷ For example, back-to-back to the 2019 IB summit, such south-south dialogue was organized by iBAN together with Cambodia, Malaysia, Viet Nam and Nigeria. The government of Nigeria and its business associations very much welcomed that learning and are now in the process of doing a similar landscape studies with policy recommendations for IB promotion.

- d. The joint ASEAN, ESCAP and iBAN report on Advancing Enabling Policy Environments for Inclusive Businesses in ASEAN launched during the 2nd IB Summit presents the state of IB policy development in ASEAN.
- e. Working together, companies with inclusive business models and impact investors can scale-up their impact. There are already impact investors supporting inclusive business in ASEAN and new cases are emerging.
- f. Inclusive business support micro-, small- and medium-sized enterprises (MSMEs) development, and several countries are connecting inclusive business promotion to existing policy instruments for MSME promotion.
- g. Public-private partnerships at national and ASEAN level are important for inclusive business to emerge and develop. Examples of successful partnerships on inclusive business are emerging across ASEAN
- h. Viet Nam, the 2020 Chair of ASEAN, is committed to 'carry the torch' of promoting inclusive business and will further promote IB under the ASEAN umbrella in 2020.²⁸

69. Activities on IB policy development in AMS have led to ASEAN specific policy instruments: These Guidelines for the Promotion of Inclusive Business in ASEAN are based on the experiences and insights in AMS and provide an overview for policymakers on the processes and instruments which emerged. It is now the task of the policymakers to adapt those instruments and processes to their specific country contexts.

²⁸ [Outcome Report of the 2nd ASEAN IB Summit](#), UN ESCAP, iBAN, 2019

Appendices

Annex 1. Glossary of IB and related terminologies

AIBF	ASEAN Inclusive Business Framework	IB Framework endorsed in 2017 by ASEAN
B40	Bottom 40 Percent	The bottom 40% income groups, typically the poor and low-income people.
BoP	Base of the Pyramid	International definition: the base of the income pyramid with a global threshold of USD 8.44 per capita per day PPP 2010
CSR	Corporate Social Responsibility	A management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, known as the Triple-Bottom-Line-Approach, while at the same time addressing the expectations of shareholders and stakeholders. (UNIDO) ²⁹
CSV	Creating Shared Value	Creating shared value is the practice of creating economic value in a way that also creates value for society by addressing its needs and challenges. (FSG) ³⁰
ESG	Environmental Social Governance	ESG Investing incorporates environmental, social, and governance issues into the analysis, selection and management of investments (The World Bank). ESG criteria may be used primarily to identify financial risks posed by real or potential ESG impacts.
G20 IB Framework	G20 Inclusive Business Framework	IB Framework developed in 2015 by the Group of the 20 largest economies
IB	Inclusive Business	Inclusive businesses provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the economic pyramid (BoP) making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers. (G20 IB Framework)
IB activity		Includes people at the BOP into companies' value chains. However, these activities are not central to the commercial viability of the company nor do the BOP make up a significant part of the base of customers, suppliers or business partners. The activities are usually financed by companies' internal resources, often complemented by support from commercial funds, concessional funding, or grants. Strategic CSR can fall into this category. (G20 IB Framework)
SE initiative		Have the mission to improve individuals' and communities' economic and social well-being and institutionalize the pursuit of explicit social objectives. A distinct feature of social enterprises is that they are not structured to maximize their profits for redistribution. Generally, most profits are reinvested back into the enterprise in order to fulfil and strengthen its social mission. Not all social enterprises are financially

²⁹ UNIDO. What is CSR? <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr>).

³⁰ About FSG. <https://www.fsg.org/about>

		viable, especially those that are small, and they rely on a mix of external financial resources. (G20 IB Framework)
IB model		Integrate the BoP into their core business operations. Commercial viability of the business model is at the forefront for companies in this category as they rely primarily on commercial sources of financing for their business operations and look to realize market returns. (G20 IB Framework)
Impact investment		Are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return (Global Impact Investor Network)
Marginalized communities		Population groups that are socially not in the mainstream of society. People from marginalized communities do not have to be poor, but often these disadvantaged, and socially excluded people are among the poor and low-income people
NGO	Non-Governmental Organization	Engage in development work on a non-commercial basis and where financial sustainability is generated through grants and donations.
RBC	Responsible Business Conduct	RBC Principles and standards set out an expectation that all businesses avoid and address negative impacts of their operations, while contributing to the sustainable development of the countries in which they operate. RBC means integrating and considering environmental and social issues within core business activities, including throughout the company's supply chain and business relationships. RBC is sometimes used interchangeably with CSR, but it is generally more comprehensive, commercially orientated and integral to the company's core business, instead of being more focused on philanthropic efforts. (OECD) ³¹
Social Business		A business that is created for the sole purpose of solving a social or environmental problem. Investors may recoup their investments. All profits generated beyond this initial investment are reinvested into scaling the impact that it creates. (Yunus Social Business)
SE	Social enterprise	Any private activity conducted in the public interest, organised with an entrepreneurial strategy, but whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals, and which has the capacity for bringing innovative solutions to the problems of social exclusion and unemployment. (OECD)
Social economy organisations		Traditionally refer to the set of associations, cooperatives, mutual organisations, and foundations whose activity is driven by values of solidarity, the primacy of people over capital, and democratic and participative governance. Among social economy organisations, social enterprises, which emerged more recently, distinguish themselves by a more pronounced entrepreneurial approach - their source of income coming primarily from commercial activities, rather than grants and donations OECD, 2018

³¹ OECD Investment Policy Review: Southeast Asia 2018. <http://www.oecd.org/daf/inv/investment-policy/Southeast-Asia-Investment-Policy-Review-2018.pdf>

Annex 2. 2020 status of IB promotion in ASEAN Member States

Policy instruments		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
1	IB strategy and action plan		finalised	under consideration		in preparation	finalised	finalised			finalised	
	IB landscape study		finalised	finalised		finalised	finalised	finalised		under consideration	finalised	
2	Institutionalize IB promotion		in preparation	under consideration		in preparation	finalised	finalised				
3	IB accreditation		in preparation			in preparation	in preparation				in preparation	
4	IB awareness raising	under consideration	in preparation	under consideration	under consideration	in preparation	ongoing	ongoing	under consideration	under consideration	in preparation	finalised
5	IB coaching		in preparation			in preparation	ongoing			under consideration	in preparation	
6	IB investment incentives		in preparation			under consideration	in preparation	ongoing			under consideration	
7	Reducing impact investment risks		in preparation			under consideration					under consideration	
8	Promoting IB in public procurement		under consideration			under consideration	under consideration	under consideration			under consideration	
9	Target IB in sector and SME programs		in preparation	under consideration		in preparation					under consideration	
10	Linking to the SE and CSR agendas		under consideration			in preparation			under consideration	under consideration	in preparation	
11	Monitor and report on impact		in preparation			under consideration	in preparation	in preparation			in preparation	

Policy instruments		Brunei	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam	ASEAN
12	Create synergies at regional level	AMS support continuation and strengthening the regional IB agenda										ongoing

Annex 3. IB models by sector

To achieve large and deep social impact as well as commercial financial returns, companies must develop and implement inclusive business models that are innovative, scalable and adapted to the specific sector they operate in.

- IB models in the **agrobusiness sector**, aim at income increase. Most involve the BoP as suppliers, but some also sell to the BoP (BoP as consumer). IB companies introduce innovations such as a) achieving higher margins through direct trade, eliminating the middlemen and passing on part of it to the supplying farmers, b) reducing farmers' risks by guarantee of purchase or providing input financing for their supply chain, c) guaranteeing purchasing price stability³² and d) price information through various innovations, e) enhancing the farmers' income through providing better quality input goods and knowledge, or f) helping farmers or advising them on how to reduce their production costs. At the end, the two main questions to evaluate whether a company achieves large or small social impact, are
 - how much more farmers earn due to the IB company (before and after, with and without, with the IB company against other mainstream and other IB companies), and
 - how many such farmers actually are impacted.

For example, an app-based agrobusiness company may have large reach, but its real impact on income increase (depth) may be small or difficult to attribute to the business line. Agribusiness is the sector where most IB companies (50-80% of all IB companies) are prevalent in ASEAN. In many cases, there is potential to improve the depth of social impact, as earnings for the farmers are not much above the market rate or other firms with mainstream business models. There are, however, some interesting examples of innovative IB models in agrobusiness in AMS. In Cambodia for example, a company is guaranteeing the farmer's loan repayment thereby substantially bringing down the interest rates for small and microfinance as well as ensuring collateral-free debt capital. In Myanmar, a company engages the poor as shareholder in their business in order to be able to lease their land and use it in a more commercial way without expropriating farmers. In Malaysia a potential IB is producing healthy food in urban areas. And in Viet Nam there are various tea and herbs companies that concentrate on creating higher income for the BoP through substantial value addition in the food processing chain.

- **In industry and handicraft sector**, there are much less companies with IB models. In industrial companies involve the poor mostly as laborers and here the impact in terms of reach is relatively small. In handicrafts the impact can be larger as many such firms source from supplying households. Income increase (impact depth) however, is often small, because of productivity challenges resulting in low pay. Companies have developed IB models in sectors such as textile, but again productivity and payment are typically low, and only those companies which substantially increase the income for example through the production of high value products may qualify as IB.
- **Tourism** is a sector, which has big potential for IB but also many challenges, especially challenges of scale and paying better than the market rate. In mainstream businesses, the poor and low-income communities earn little in tourism and most companies are very small in size. Reach, depth and systemic change characters of social impact would be low, so that most tourism companies do not qualify for IB. IB lines in the sector are often in ecotourism, engage the BoP as suppliers of food and services, and invest

³² For example, some companies build storage facilities which help against price fluctuations. Others provide information on national prices to address overpricing by middlemen, others provide long term purchasing contracts and thus guarantee more stable income for their supplying farmers.

substantially in training and quality enhancement of their suppliers. To achieve scale, they often have different resorts and diversified businesses, often with handicrafts, travel agencies, tour guides, restaurants etc. IB firms in tourism mostly focus on high-income tourism markets, because only through high revenue from high paying tourists, are the companies able to pay higher rates. However, only selective tourism establishments would qualify as IB, as their business model mostly do not pay better than their competitors and while many of them have good CSR programs, most initiatives are not part of their core business.

- **Trade** is a sector where multinational and domestic Fast-Moving Consumer Goods (FMCG) companies engage the BoP as distributors under a shared value approach which targets broad societal impact rather than specific social impact for the BoP. Such business models often do not qualify as IB models because the companies seldom address business risk of the poor beyond financing and supply of intermediate goods. There are some potential IB lines of larger mainstream companies in the trade sector, engaging the poor as suppliers (for example in Myanmar or multinational companies in Singapore), but they can only be considered inclusive business models if they are capable of raising earnings of those in the lower income group. Often such companies are also not sourcing directly from poor farmers but from small and medium enterprises and there is limited information on the social impact that these purchases have on the farmers in the value chain.
- **Water and sanitation:** Utility companies often provide water, energy etc. to an area but not necessarily to the poor households. For example, in many AMS the electrification rate is measured by villages connected and is not based on households connected. Mainstream businesses are reluctant to make that last mile connection because of perceived high costs. There are companies that specifically focus on last mile connection and poor households. In the water area, such companies also provide wastewater and sanitation services. They typically have innovative features to substantially reduce connection costs and price them into monthly usage fees.
- **In energy**, most IB models are related to the decentralized provision of renewable energy (mostly solar, sometimes also hydro) in remote areas not covered by the public grid. Such IB companies a) serve tens of thousands of households, b) have targeting instruments towards the BoP, c) use different innovation technologies for last-mile-connection, d) guarantee affordability through pay-as-you-go payment systems, e) ensure reliability of their product through leasing arrangements and monthly quality control, and f) often introduce smart payment systems (for example electronic payment). Some companies (for example in Cambodia) also introduce innovative technologies to establish solar grid systems using the different consumption behavior and affordability of poor and better off households in slum areas and villages. Cooking energy is vital for the BoP, but very few companies sell energy for cooking given the low opportunity for cost reduction while upscaling. Also, only some specific cooking energy technologies are commercially viable, most options (e.g. bioenergy for cooking) can only be provided on a non-commercial basis.
- **In transport** there are only few IB models. Typically, the BoP is engaged as suppliers, for example in taxi services. Just engaging the poor as taxi or motorcycle driver without reducing their business risks is not sufficient to qualify as IB. Different to traditional private taxi services organized by large chains like Grab or Uber, IB innovations are designed to increase the income of the taxi drivers by a) arranging leasing of vehicles, b) introducing app based customer pick-up, c) investing in training and insurance.
- **In social housing**, where the BoP are engaged as consumer, affordability is a major challenge. The largest share of the costs is related to the land price (often 40-60% of total costs) and the banking conditions for housing finance. Housing companies that

arrange the financing with low interest rates of about 5-8% are more relevant for the BoP. To this end, it is mostly cheaper for the BoP when IB companies arrange the financing by themselves compared to involving commercial banks. Important is also long-term financing modalities of minimum 20 years, better 30 years. The design of the house, such as ventilation and energy supply, and its surroundings also matter. Companies that develop the whole area in which the poor live and provide transport solutions are more relevant than companies that build to maximize available space.

- **In education**, IB models are barely found in basic education services given the prevalence of public schooling. While there are many private schools in AMS, only very few target the BoP market and have business models that would qualify as IB. IB companies have more opportunities in technical skill training, job placement as well as kindergarten and secondary education market. In skills training, an ideal IB model would prepare for the labor market but also take responsibility to place people in good jobs and undertake follow-up coaching after people are in the jobs. IB companies would also try to reduce the costs for the students by engaging other financiers such as the later employer, and by introducing staggered repayment features of the training fee after the students have been placed in well paid jobs
- **In health**, there is a huge need and innovative IB models have emerged. Key criteria for qualifying as IB are the relevance of the product or service, the BoP targeting, the costs, the delivery mechanism, and the commercial sustainability of the business. Some companies try to reduce health consultation costs by introducing app-based medical systems for consultation and prescription of medicine (Myanmar). Others engaged in reducing medicine costs (Philippines), although simply distributing cheaper medicines without introducing specific targeting and other health education tools is not sufficient to qualify as IB. Other companies introduce specific treatment or surgery modalities to reduce costs (e.g. Aravind eye hospital in India). Yet other companies selling health services for mother and child health, dental care (Myanmar), or for specifically excluded people (e.g. the gay community in Viet Nam), and introduce cross-subsidization to treat the BoP and the better off through the same high-quality service.
- Companies providing health, asset, or weather **insurance** to the BoP are good cases for IB. However, not all insurance companies qualify as IB. Important in this sector are especially the coverage, accessibility, prices and reliability of the services for the BoP.
- **In financial services**, companies with IB models mostly offer comprehensive products, such as insurance, leasing, housing, specific equipment financing of high relevance for the poor (e.g. solar home systems or cooking stove programs) and links to firms or traders supplying the BoP at favorable rates (e.g. Myanmar). They also apply longer-term financing tools with flexible payment and risk coverage (often collateral free). Some also have advisory services on financial literacy and risk reduction mechanisms like credit insurance. IBs in microfinance are also often targeting specific groups or women.
- **Fintech and IT solutions** are new and rapidly growing areas for IB. ICT solutions can be used in many sectors (e.g. health, agribusiness, education) to provide more information, better access, and more efficient service delivery. However, failing rates of such start-up companies are also very high and sometimes relevance of the product or service is low. For large telecommunication companies, creating - through phone connections - new access to underserved areas is not sufficient to qualify as IB, nor is adding CSR components in telecommunication services for specifically excluded groups like women (Myanmar). More importantly is, whether the fintech is designed as a scaled-up solution to relevant problems of the BoP. Good examples of relevant IB is an IB company in Cambodia that provides accounting services for thousands of mom and pop shops (all BoP clients) and thus reducing their banking costs, and a company

in Indonesia providing input information and financial services to clients through mom and pop shops and the informal sector trade businesses.

- Companies that provide food, nutrition, eye care and other essential **consumption products** could also qualify as IB. Key criteria whether a company is IB or not is the relevance of the product for the BoP, its affordability, the client targeting strategy of the firm, and the accessibility and delivery mode of the product. Important is also the scale of the social reach (often related to the scale of the business). Most companies sell goods that can also be bought by the BoP. But that does not make them automatically IB nor does establishing shops for consumer goods in remote areas. The key to be classified as IB is whether the product is relevant for the poor and low-income or the sale of the product provides income opportunities which lift them out of poverty.

**Table 1
Inclusive Business in ASEAN**

No.	AMS	Inclusive Business
1	Brunei Darussalam	Founded in 2009, An-Nur Harapan is a company dedicated to drive meaningful change in the community, families, individuals and nature, and be a catalyst for change by helping to minimise the community's social challenges with strategic solutions. The charity fund is currently focused on running an 11-months training program called Uniklearn to empower differently-abled young adults towards independent living. With Uniklearn, it aims to enhance their social skills towards employability and personal interactions. The charity fund also runs a vocational training programme (Unikkone) to provide trainees from UnikLearn an opportunity to experience on-site job training after their 6-month training program. It also aims to identify their respective line of work that is suitable to each trainee's capability.
2	Cambodia	Kamworks Solar Power is Cambodia's leading solar energy company which started as a Social Enterprise Initiative and has now reached the scale of an IB Model. It was founded in 2006 and has since provided solar power to well over 150,000 people, mostly from the BoP. Furthermore, Kamworks' products have been exported to Africa, Europe and the Americas
3	Indonesia	PT Peradaban Land, formerly Elang Group, developed a profitable business model selling standardized housing to the BoP in Indonesia. In seven years, Elang Group has grown from a start up with a vision to sell affordable homes, to a profitable company which has built and sold up to 2014 nearly 7,000 housing units and employs 300 workers. PT Indofoods, one of Indonesia's largest food companies, has several IB Models along its upstream and downstream value chain involving small hold farmers and over 50,000 microentrepreneurs.
4	Lao PDR	K.P. Company Limited offers fertilizers to smallholder farmers, supports them to diversify and improve production and provide export linkages to clients in Japan. Ironbark Lao, a subsidiary of Australiabased Ironbark Citrus, has set up an IB in Lao PDR to increase farmers' incomes six-fold and create entrepreneurship opportunities for local communities throughout the citrus supply chain. It exemplifies the potential of foreign investment in Inclusive Business in ASEAN.
5	Malaysia	Batik Boutique works with artisans from rural Malaysia to create textiles and natural fibres. The 150 artisans engaged earn 40% above the market rate. Nestlé Malaysia, through its Shared Value commitment, engages in rural development through the integration of small hold farmers in its value chain of chili, rice, red rice and sustainable oil palm initiative. Nestlé also operates IB in Viet Nam, Indonesia and the Philippines planning to reach close to 100,000 famers.

No.	AMS	Inclusive Business
6	Myanmar	Mandalay Snacks involves poor farmers in the production of solar dried organic spice. Mandalay Snacks is an agribusiness company exporting organic spices and involving poor farmers – mostly women – in high-value supply chains. The company has institutionalised various innovative business lines that help reduce company and farmer risks and improve farmer incomes. Unlike traditional contract farming, the company buys organic spices at the spot-market price in Yangon, which is 16% to 23% higher than the price a farmer traditionally gets from traders. It then dries the produce in its own solar-powered facilities, processes it and sells it through organic and conventional channels, especially in foreign markets.
7	the Philippines	Erikagen Inc., through its more than 750 Generika drugstores, offer access to affordable medicine and other medical services to millions of people at the BoP. Manila Water, part of the Ayala Group, is one of two water utilities in Metro Manila. Its award winning IB model, Water for Poor Communities, provides millions of low-income households in informal settlements with clean piped water at affordable rates. Kenninger Foods International has developed an IB model and grown into a major producer, buyer, processor of cacao beans in the Philippines providing high-quality planting materials, training, and agritechnologies to over 10,000 small hold farmers increasing their income fivefold.
8	Singapore	Bettr Barista is a B Corp certified social enterprise which empowers marginalized women and youth at risk via its coffee barista training program. Singapore also hosts regionally active impact investors financing IB such as LGT Impact Venture and Bamboo Capital Partners.
9	Thailand	The Premier Group sources all food and service requirements for its tourism resorts from social enterprises which in turn engage with small hold farms and other BoP communities. The Urmatt Group has engaged with over 3,000 small hold farmers to produce organic jasmine rice, chicken eggs and coconut water sharing the premium afforded to organic produce in domestic and export markets with the farmers. It recently ventured into Lao PDR exporting its IB model and providing an example of cross country IB activities.
10	Viet Nam	Topica EdTech Group is a leading online education provider in Viet Nam and expanding in Southeast Asia, offering affordable, high-quality online degrees and English speech tutoring. Viet Nam is also host to extensive IB Models in the coffee industry in a PPP model facilitated by Grow Asia reaching 20,000 farmers.

Source: Report on “Advancing Enabling Policy Environments for Inclusive Business in ASEAN”
<https://asean.org/storage/2012/05/Advancing-Enabling-Policy-Environments-for-Inclusive-Businesses-in-ASEAN....pdf>

Annex 4. Overview of IB policy instrument and the potential roles of key stakeholders

Policy Instruments		Implementors					Supporters		
		Companies	Government	Business associations	Impact investors	Inter-mediaries	Development partners	Academia, media	ASEAN
1	Formulate IB strategy and action plan	Lead		Finance landscaping and strategy process					
2	Institutionalizing IB promotion	IB unit and focal points	IB focal point	IB steering committee members			IB focal points ACCMSME, ASEAN-BAC, ASCC		
3	IB accreditation	Co-Lead	Co-lead	Conduct IB accreditation jointly					
4	IB awareness raising	Finance and lead website	Lead and co-finance, IB awards	Participate	Participate	Support and co-finance	Lead IB programs and information		
5	IB coaching	Finance	Coordinate	Contribute impact assessment	Implement	Co-finance			
6	IB investment incentives	Finance and Implement	disseminate information						
7	Reducing impact investment risks	Arrange and finance risk financing facility		Implement and access		Co-finance			
8	Promoting IB in public procurement	Arrange with line ministries							
9	Target IB in sector programs	Arrange with line ministries							
10	Link to the SE and CSR agenda	Adjust legal and institutional framework	Enhance CSR awards		Expand training to IB		Create consistency in IB and CSR/SE discussions		
11	Monitor and report on impact	Coordinate joint reporting	Provide inputs	Provide inputs	Provide inputs	Co-finance	rovide input	Consolidate regional reporting	
12	Create synergies at regional level	Regional IB awards				Encourage and cofinance		Lead	

Annex 5. Tool for assessing IB

Summary of the IB Accreditation System								
Company name	Company size (S-M-L) by revenue in country context		IB approach (IB-M, IB-A, SE-I)	BoP engagement (supplier, distributor, retailer, consumer, or other)		Impact channel (income, living standard)		IB strategic intent (H-M-L)
Sector	Weight	Sector benchmarks (different by country)	Company's actual achievement	Company's self-assessment (H-M-L)	Rating High-Medium-Low	1-6	Score Weight x Rate	Date of the assessment
Commercial viability	40%							Is the company really a business?
The company (ESG standards, bankability)	15%							
The IB line (revenue, growth, profitability, risk reduction features)	25%							
Social impact	46%							Does the company promote systemic social impact solutions in scale?
Reach (number, targeting, women empowerment)	16%							
Depth of social impact	18%							
choose one For income models (earnings before after, with and without, compared to other firms, sustainability of income)	18%							
For product and service models (relevance of goods and services, affordability, delivery mode)	18%							
Systemic change (geographic, sector, for poverty and inclusion, gender equality, impact management)	12%							
Innovation for the BoP	14%							Is the company innovative in applying sustainable business solutions for the BoP?
Business innovations	5%							
Technological innovation	3%							
Social innovation	3%							
Environmental innovation (if relevant)	3%							
Total								
Result of the IB assessment: Is the company's IB line an IB, a potential IB, a mainstream business, an NGO driven social enterprise, or a traditional CSR initiative Weights are indicative and sector benchmarks need to be contextualized to the country								

Note:

S, M, L: Small – Medium – Large IB-M, IB-A, SE-I: IB Models, IB Activities, Social Enterprise Initiatives H, M, L: High, Medium, Low

Annex 6. Detailed criteria of IB assessment tool

Criteria	Weight	Rating			Score (weight x rate)
		Low 0-2	Medium 3-4	High 5-6	
Commercial viability	40%	See country-, sector- and company size - specific benchmarks			0.00
The company	10%				0.00
1 Size	4%	0.00			
2 Profitability	3%	0.00			
3 Bankability	3%	0.00			
The IB model	20%	0.00			
4 Revenue (today)	6%	0.00			
Growth (3 years)	4%	0.00			
last 3 years	2%	0.00			
coming 3 years	2%	0.00			
7 Addressing business risks	5%	0.00			
Profitability	5%	0.00			
8 Gross margin	3%	0.00			
9 Net margin	2%	0.00			
Good governance in company and IB model	5%	0.00			
10 Transparency	1%	0.00			
11 Management structure	1%	0.00			
12 Management practices	1%	0.00			
13 Proper tax payment etc.	2%	0.00			
ES safeguard standards (do no harm) in the IB model (65%) and the company (35%)	5%	0.00			
14 Adherence to the 5 labor standards	2%	0.00			
15 Other social standards	1%	0.00			
16 Adherence to environmental standards	2%	0.00			
Social impact of IB model	46%	0.00			
Reach	16%	0.00			
17 Number of BoP engaged	7%	0.00			
Targeting	7%	0.00			
income group - very poor	1%	0.00			
income group - poor	2%	0.00			
income group - low income	3%	0.00			
income group better off	0%	0.00			
special excluded groups	2%	0.00			
Women empowerment	2%	0.00			
23 percent of women	1%	0.00			

Criteria	Weight	Rating			Score (weight x rate)
		Low 0-2	Medium 3-4	High 5-6	
24	percent of poor/low income women	1%			0.00
Depth and relevance		18%			0.00
	(a) Supplier/distributor/retailer mode: income increase	18%			0.00
25	before - after	7%			0.00
26	compared to the market rate	3%			0.00
27	compared to the competitor	3%			0.00
28	sustainability, addressing risks	5%			0.00
	(b) Consumer mode	18%			0.00
29	Relevance of product/service for the BoP	7%			0.00
30	Affordability of product	4%			0.00
31	Delivery mode	3%			0.00
32	Sustainability, addressing risks	3%			0.00
Contribution to systemic change for poverty reduction and inclusion		12%			0.00
33	Sector impact	4%			0.00
34	Geographical impact	4%			0.00
35	Gender	4%			0.00
36	Relevance and transformation for poverty reduction	4%			0.00
Innovation		14%			0.00
37	Business innovations	5%			0.00
38	Technological	3%			0.00
39	Social (CSR, ...)	3%			0.00
40	Environmental innovations	3%			0.00
Total		100%			0.00
To qualify as an IB business lines, companies must achieve at the same, a) an overall rating > 3.2, a business rating > 1.4, a social impact rating > 1.5, and an innovation rating > 0.4. Their governance and safeguard ratings must be minimum 3 each					
Business rating = commercial return + business and technology innovations				0.00	
Social rating = social impact rating + social innovation rating				0.00	
Innovation rating = sum of the 4 innovations				0.00	
Governance rating				0.00	
ES safeguards rating				0.00	
Note: While the criteria are the same for all sectors, and countries, the weight may be slightly adjusted by country, and the benchmarks are different depending on the company size					

Annex 7. ASEAN IB Awards nomination and selection criteria

Overview

ASEAN Inclusive Business (IB) Awards highlights good practice examples of companies with business models designed to make profit while solving problems of the poor and low-income people. Various ASEAN Member States (AMS) are currently in the process of setting up IB support policies, and companies could get eligible for accessing such promotion programs, where available. Furthermore, being a winner of the ASEAN IB Awards may help businesses in accessing financing from impact investors. The current document provides guidance on the nomination and selection criteria and selection for the ASEAN IB Awards.

The ASEAN IB Awards could be of great benefit for the participating companies as it can increase their visibility, help develop international contacts, but also can serve as a way to benchmark their activities in relation to the peers.

The nomination and selection criteria is developed with the assistance of the Organisation for Economic Co-operation and Development (OECD) in collaboration with the inclusive Business Action Network (iBAN)³³. The criteria is finalised with inputs from the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME) and the ASEAN Secretariat. The document defines the eligibility criteria and provides concrete set of questions to be addressed to the potential companies for the nomination or for self-nominated companies. This document will also be used by the panel of judges in selecting the ASEAN IB awardees.

1. What is Inclusive Business (IB)?

IB provides goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people at the Base of the economic Pyramid (BoP), making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers.

If a company's customers are low-income individuals, or if it sources from people living at the base of the pyramid, or if low-income people distribute its products through their communities or sell them in local stores, that company is an inclusive business.

An inclusive business customises its business model by creating opportunities to work with people who live at the BoP. These persons who have a purchasing income of less than USD 8.44 per day may not have access to basic goods, services, and are unable to generate necessary income. Not only do people with low-incomes benefit when these businesses provide greater access to basic goods, services, and livelihoods - the businesses benefit as well.

Inclusive business models are helping businesses turn underserved populations into dynamic consumer markets and diverse new sources of supply. In the process, businesses are developing product, service, and business model innovations that have the potential to tip the scales of competitive advantage in more established markets.

2. To be eligible for the ASEAN IB award, the applicant must:

- a. Be headquartered in an ASEAN country, with commercial and/or operational presence in ASEAN;
- b. Be organised as a private for-profit enterprise;
- c. At least 55% of the applicant's equity should be owned by ASEAN nationals;

³³ This document further builds on the set of criteria already developed by Dalberg consultants in 2017 for the first ASEAN IB Award.

- d. Integrate the BoP in its core operations working with/or serving as suppliers, distributors/retailers, employees and/or customers;
- e. Demonstrate commercial viability;
- f. Comply with legal standards for labour and environment in its countries of operation; and
- g. Not fall in the following 'excluded businesses' list:
 - (i) Producing or trading in weapons and munitions, or gambling, casinos and equivalent businesses;
 - (ii) Conducting activities involving harmful or exploitative forms of forced labour or child labour;
 - (iii) Producing or trading in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, PCBs, wildlife or products regulated under the Convention on International Trade in Endangered Species (CITES);
 - (iv) Producing or trading in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is considered to be trivial and/or adequately shielded);
 - (v) Producing or trading in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%;
 - (vi) Undertaking drift net fishing in the marine environment using nets in excess of 2.5 km in length and battery shock fishing;
 - (vii) Undertaking commercial logging operations for use in primary tropical moist forest;
 - (viii) Producing or trading in wood or other forestry products other than from sustainably managed forests;
 - (ix) Involved in production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals;
 - (x) Engaged in production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples, as defined in respective national laws; and
 - (xi) Cigarette, narcotic drugs, alcoholic drinks.

3. Eligible applicants will be evaluated on their capacities of:

- a. **IB social impact reach:** the business' positive reach and impact on persons of low-income or with a focus on gender;
- b. **Depth of social impact:** demonstrating that the business has been working with the most relevant stakeholder group for this business and that social impact does not happen on occasional basis but is structurally integrated in the business operations;
- c. **Contribution to systemic change** for the business model to be expanded and replicated in existing as well as new sectors and geographies;
- d. **Innovation:** indicating that the company has developed a unique product, service, business or delivery model working with/or serving the BoP.

The selection criteria for the eligible companies and award winner is aligned with the Inclusive Business Accreditations System (see *Guidelines for the Promotion of Inclusive Business in ASEAN*) and is based on the following weights:

Table A
Weights of the Nomination and Selection Criteria for the ASEAN IB Awards

Selection criteria	Weights	Description	Relevant questions in the application form	Corresponding IB [accreditation] criteria
Social impact criteria:				
<i>IB social impact reach</i>	27%	Number, targeting, gender lens etc. Geographical spread	Questions from Part 2 # 12 and 13	<i>IB reach</i>
<i>Depth of social impact</i>	30%	Profile of BOP stakeholder, challenges addressed	Questions from Part 2 # 14, 15 and 16	<i>Depth of social impact</i>
<i>Contribution to systemic change</i>	20%	Scaling through geographies and impact	Questions from Part 2 # 17, 18, and 19	<i>Systemic change</i>
Innovation for the BOP:				
<i>Demonstration of innovation for the BOP</i>	23%	New models, services, products, operational models, ways of operation, social innovation etc.	Questions from Part 2 # 20, 21, 22, and 23	<i>Innovation in the BOP</i>
Total:	100%			

In order to encourage participation of the micro, small and medium enterprises, size of the company as well as level of its profitability will not be one of the selection criteria (although it is a part of the IB Accreditation System).

Table B
Criteria and Sub-criteria – ASEAN IB Awards

Criteria and sub-criteria	Weightage	Poor score	Below average score	Average score	Above average score	Excellent score
Criteria 1: IB social impact reach (27%)						
Breadth of impact – number of BoP served and growth over last 3 years.	15%	0	3.75	7.5	11.25	15
Geographical spread	12%	0	3	6	9	12
Criteria 2: Depth of social impact (30%)						
Relevance serving the BoP stakeholders (B40).	10%	0	2.5	5	7.5	10
Procedures in place to trace the social impact created.	10%	0	2.5	5	7.5	10
Overall score for nature and depth of impact (based on Question 16)	10%	0	2.5	5	7.5	10
Criteria 3: Contribution to systemic change (20%)						
Concrete impact on positive change for the BoP served.	10%	0	Below 5	5	7.5	10
Replication potential - extent to which the model can apply in different sectors and geographies	10%	0	Below 5	5	7.5	10
Criteria 4: Demonstration of innovation for the BOP (23%)						
Innovative product/service innovation with respect to the BoP (whether in the form of a product/service, business model, delivery model)	15%	0	3.75	7.5	11.25	15
Innovativeness compared to the sector peers.	8%	0	2	4	6	8

4. How this form has been organised

Part 1: Seeks basic information on the applicant for eligibility screening.

Part 2: Questions to understand, in depth, the applicant's inclusive business.

- Applicants must fill Parts 1 and 2.
- Instructions for filling the form are provided in Part 1.
- The declaration required from applicants and the checklist of documents to be submitted along with the form are provided at the end of Part 2.

Instructions (applies for Part 1 and Part 2 of the form)

1. The term Base of the economic Pyramid (BoP) refers to those who lack access to basic goods, services or livelihood opportunities, typically earning less than USD 8.44 per day in Purchasing Power Parity (PPP) terms (the threshold used in the World Bank's Global Consumption Database).

(Please refer to [Annex A](#) for the indicative BoP threshold in local currency terms for each ASEAN country since it could vary substantially.)

2. Applicants must answer all questions in this form. If any question is not applicable or you do not have complete information, please specify so and state the reasons why in the field alongside the question.
3. For the purpose of this form, 'business' refers to the company, subsidiary or business unit that is applying for the award.
4. If the applicant is a company or subsidiary of a company, information should be provided for both the enterprise and the subsidiary unless otherwise stated. If the applicant is a business unit within a parent company, the applicant may need to provide information for the parent company where information on the unit is not available, or where it has been specifically asked.
5. Applicants should have the following information handy to answer questions in this form regarding:
 - Business overview
 - ownership structure
 - details of engagement with the BoP
 - data on BoP impact
 - financial information (financial return expectations and primary funding type), and
 - information on legal/regulatory compliance.
6. Information provided will be kept confidential and used only for evaluating the applicant for the ASEAN Inclusive Business Awards.
7. For any questions related to this form or the ASEAN Inclusive Business Awards, please contact *[to be completed later]*.
8. Please send your application and supporting materials to *[to be completed later]* by *[to be completed later]* in the format below.
 - **Email subject:** Last Name, First Name / Company / ABA2020IBApplication
 - **File name:** Company Name_ABA2020IBApplication

Example:

- **Email subject:** (Lopez, Miguel / ABCD / ABA2020IBApplication)
- **File name:** (ABCD_ABA2020IBApplication)

PART 1

Basic information			
Company Name		Date:	
If your business is a subsidiary or unit of a parent company, name of the parent company			
Business address (including name of the country)			
Year of establishment of your company <i>If your business is a unit of a parent company, year of establishment of the parent company</i>			
Website			
Contact person			
Job title			
Telephone number			
E-mail			
A. Presence in ASEAN			
1. Company headquarters	Choose an item.		
<i>If your business is a unit of a parent company, indicate in which country the headquarters are located</i>			

<p>2. Nature of operations in ASEAN (max. 50 words) <i>If your business is unit within a parent company, provide data for your unit.</i></p> <p><i>Examples of operations: sourcing raw materials from farmers in Philippines; manufacturing or assembly plants in Indonesia; sales in Malaysia and Indonesia</i></p>			
B. Business ownership			
<i>If your business is a unit within a company, provide data for the company. If the applicant is a subsidiary, provide data for the subsidiary.</i>			
<p>3a. Is your business registered as a for-profit entity?</p>	<p>Select Yes/No</p>		
<p>3b. If yes, specify the corporate form of the business <i>E.g., private limited company, limited liability partnership, partnership, sole proprietorship</i></p>	<p>Corporate form:</p>		
<p>4. Ownership structure:</p>	<p>Type of shareholder</p>	<p>Percentage shareholding in the business</p>	<p>Percentage shareholding in the parent enterprise (if applicant is a 'unit')</p>
	<p>ASEAN citizens</p>		
	<p>Non-ASEAN citizens</p>		

	Institutional investors based in ASEAN		
	Institutional investors based outside ASEAN		
	Government		
5. Are any management decisions of the business made or controlled by Governments or Governmental bodies? <i>Examples of Government control: Government nominees on the Board of Directors or senior management; voting and veto rights of the Government/Governmental body in decision-making.</i>	Select Yes/ No		
	If yes, explain		
C. Financial information			
<i>If the business is a unit within a company, provide data for the company if data at the unit level is not available. If the applicant is a subsidiary, provide data for the subsidiary.</i>			
6. Financial details of the business for the last two financial years. <u>Notes:</u> <u>Commercial revenue refers to revenue generated from sale of goods and services only. Please exclude not non-commercial or one-time sources such as interest income, sale of assets, etc.</u>	Financial year:		
	Reporting financial data for		
	Parameter	FY 2018 / FY 2018-2019	FY 2017 / FY 2017-2018

<p><i>Commercial financing includes commercial debt and equity. Total capital includes commercial financing and non-commercial forms of financing such as grants, subsidiaries and soft loans.</i></p> <p><i>Provide audited results. If audited data is not available for the latest financial year, provide provisional or forecast results.</i></p>	Commercial revenue	Local currency		
		USD (estimate)		
	Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) margin (%)			
	Commercial financing as a % of total capital			
D. Base of the economic Pyramid (BoP) involvement				
7. Did your business start working with people at the BoP on or before January 1, 2018?	Select Yes / No			
8. Which BoP stakeholders does your business engage with? (select all that are applicable)	Suppliers	Select Yes / No	Customers	Select Yes / No
	Distributors/ Retailers	Select Yes / No	Employees	Select Yes / No
9. Describe how the business works with the BoP. (max. 100 words)				

E. Social, environmental and legal compliance	
<i>If the applicant is a unit within an enterprise, provide information for the parent enterprise. If the applicant is a subsidiary, provide information for the subsidiary.</i>	
10. Is your business in compliance with applicable social and labour regulations and standards in the countries in which it operates? If 'No' or 'Not sure', please explain. (max. 50 words)	Select Yes / No / Not sure
	Explain if 'No' or 'Not sure':
11. Is your business in compliance with applicable environmental regulations and standards in the countries in which it operates? If 'No' or 'Not sure', please explain. (max. 50 words)	Select Yes / No / Not sure
	Explain if 'No' or 'Not sure':
12. Are there any previous or ongoing litigation/legal proceedings or serious	Select Yes / No
	Explain if 'Yes':

misdemeanours against your business? If 'Yes', describe. (max. 50 words)	
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PART 2

A. Business overview		
1. Primary sector in which the business operates		
2. Are you a business or an NGO?	Business	NGO
3. Business overview <i>If the business is a unit of an enterprise, also provide an overview of the enterprise. (max. 50 words)</i>		
4. How does your company identify itself (as defined by the country where headquarter is located)? Please circle the relevant answer. <ul style="list-style-type: none"> i. Medium scale enterprise ii. Small scale enterprise iii. Micro enterprise iv. Other 		
5. Number of employees as of 31 December 2019 (or previous financial year) <i>If the applicant is a unit within an enterprise, specify the number of employees engaged in the unit's operations. If this data is not available, provide data at the enterprise level.</i>		

<p>6. Is your company commercially viable, growth oriented, and profit generating?</p>	<p>yes</p>	<p>no</p>
<p>7. Do you aim to grow?</p>	<p>yes</p>	<p>no</p>
<p>8. Does your company promote Environmental, Social, Governance (ESG) standards?</p> <p><u>Examples:</u></p> <ul style="list-style-type: none"> • Environmental: energy use, waste, pollution, natural resource conservation, and treatment of animals • Social: Does you work with suppliers that hold the same values as yours? Does your company donate a percentage of its profits to the local community or encourage employees to perform volunteer work there? Does your company's working conditions show high regard for its employees' health and safety? Are other stakeholders' interests taken into account? • Governance: Do your company use accurate and transparent accounting methods? Are your stockholders are given an opportunity to vote on important issues? Do you avoid conflicts of interest in their choice of 	<p>yes</p>	<p>no</p>

<p>board members? Do you avoid political contributions to obtain unduly favourable treatment? Do you avoid engaging in illegal practices?</p>		
<p>9. Does your company strive to find solutions to social problems?</p>	<p>yes</p>	<p>no</p>
<p>10. Please describe your business and how you integrate those at the bottom of the pyramid (BoP) as employees or stakeholders? <u>Examples:</u></p> <ul style="list-style-type: none"> • How have your business model, processes, products and/or services become more affordable and/or better tailored to the needs of the poor? • What targeted measures have you undertaken to integrate the BoP, e.g. providing training, extending credit to customers, suppliers and sales agents, etc. 		
<p>B. Financial sustainability</p>		
<p><i>The extent to which the nominee has a proven, commercially viable model.</i></p>		
<p>11. Please indicate % growth in commercial revenue from FY2018 / to FY2019 / FY2019-2020</p>		
<p>If the business is reliant on non-commercial forms of financing (such as grants, subsidies or soft loans), please answer 11a and 11b)</p>	<p>11a. Is this primarily due to availing Government initiatives/schemes in your sector (E.g., soft loans for businesses working in priority sectors)? Describe the schemes and their importance to your inclusive business model. Is it standard industry practice to avail of these schemes? (max. 50 words)</p>	

		11b. By when do you expect the business to be wholly commercially financed? What is the basis for your estimate? If you do not expect the business to be wholly commercially financed in the long run, explain the rationale. (max. 50 words)			
C. IB social impact reach					
<i>The proof and potential of the business model to be expanded in existing markets and product lines, as well as replicated in new sectors and/or geographies</i>					
12. Explain market and organisational factors driving growth/reduction in BoP served over the last three financial years. Please provide numbers of BoP served, if available, or estimations. (max. 100 words)					
13. List the countries in which your business' BoP stakeholders are based and specify the extent of concentration of those stakeholders within the countries (E.g., spread across the country; concentrated in one district). (max. 50 words)					
D. Depth of social impact					
<i>Nominee's breadth and depth of impact on the BoP stakeholders that it works with/serves</i>					
14. Profile of the BoP stakeholders that your business works with/serves, including educational background, age, geographic location, livelihood, income levels, size of farm, lack of access to basic goods/services or economic opportunities, etc (max. 100 words)					
15. How do you know that these stakeholders are part of the BoP? <i>Select all that apply.</i>	Internal research/ interviews	Select Yes/No	General customer knowledge (anecdotes, frequent interactions)	Select Yes/No	Other (specify):

	Specialised market research by a third party	Select Yes/No	I believe that most/all individuals in my market are living at the BoP	Select Yes/No	
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16. How do you assess your company in terms of social impact? Please indicate as much as possible how deep does your IB business line affect the BoP people.

Please tick relevance. If multiple answers apply, please provide hierarchy from 1-6, 1 = low, 6 = high

	yes / no	1	2	3	4	5	6
a) What type of core problems does your business address?							
Income problems of the poor							
Social problems of the poor							
b) How does your business engage the BoP? Whom do you reach?							
poor							
low income							

middle class							
socially excluded							
women							
c) To what extent does your company engage with:							
suppliers							
labourers							
distributors							
shareholders							
consumers							
E. Contribution to systemic change							
<p>17. Please describe and indicate as much as possible how deep does your IB business line affect the BoP people by providing concrete examples or numbers if possible. Do you consider that your organisation contributes positively to the way things are done? (max. 150 words)</p>							
<p>18. Please describe if you believe your organisation contributes to systemic change (for example by addressing gender issue as well as issue of poverty) and please describe why giving one or several concrete examples. (max. 150 words)</p>							
<p>19. What potential do you see for replication of your business model vis-à-vis the BoP in other sectors or geographies? What aspects of the model are replicable? (max. 50 words)</p>							

F. Innovation in the value chain

The nominee's innovation across the value chain – whether in the form of product/service design, business model innovation and/or unique delivery models – to work with/serve the BoP

Please tick relevance. If multiple answers apply, please provide hierarchy from 1-6, 1 = low, 6 = high

	yes / no	1	2	3	4	5	6
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20. Has your business innovated?

in its model and technology to benefit the poor

corporate social responsibility

environmental innovation

21. Along which part(s) of the value chain is your business model innovative in how it engages with the BoP? *Select all applicable*

Procurement	Select Yes/No	Distribution	Select Yes/No	Customer service	Select Yes/No
Product or service development	Select Yes/No	Sales and marketing	Select Yes/No	Other (specify):	

22. Describe the innovation with respect to the BoP (whether in the form of a product/service, business model, delivery model, etc.) (max. 50 words)

23. Why do you believe the innovation is unique vis-a-vis other players in the sector? Provide examples, if applicable, of how others in the sector are following your example. (max. 50 words)

Annex A

The core distinguishing feature of Inclusive Business (IB) is the focus on the Base of the economic Pyramid (BoP), therefore the definition of the BoP is crucial. The international income threshold for BoP is defined as USD 8.44 per capita a day (PPP 2010)³⁴, encompassing the poor (lowest – USD 2.97) and low-income (USD 2.98 – USD 8.44) market segment. However, to take into account regionality and the economic heterogeneity of the ASEAN Member States (AMS), the BoP could be better viewed as the population encompassing the base 40% (B40), 50% (B50) or up to 60% (B60) of the income pyramid in the respective AMS. This approach would lead to country-specific BoP income thresholds and definitions of the target market for IB.

The table below provides estimates for the BOP threshold in local currency terms per capita daily income.

1. BoP threshold in local currency terms (per capita daily income)

AMS	Indicative BoP threshold in local currency (per capita per day)
Brunei Darussalam	BND 4
Cambodia	KHR 11,397
Indonesia	IDR 34,201
Lao PDR	LAK 21,973
Malaysia	MYR 12
Myanmar	MMK 2,171
Philippines	PHP 151
Singapore	SGD 8
Thailand	THB 103
Vietnam	VND 63,943

Source: Calculated basis World Bank data

2. Exchange Rates

	AMS				
	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia
Exchange Rate USD 1 =					
2019	1.364	4,061.149	14,147.671	8,579.409	4.142
2018	1.349	4,051.167	14,236.939	8,401.335	4.035
2017	1.381	4,050.58	13,380.834	8,244.843	4.3

	AMS				
	Myanmar	Philippines	Singapore	Thailand	Viet Nam
Exchange Rate USD 1 =					
2019	1,518.255	51.796	1.364	31.048	23,050.242
2018	1,429.808	52.661	1.349	32.31	22,602.05
2017	1,360.359	50.404	1.381	33.94	22,370.087

Source: World Bank data

³⁴ World Bank Global Consumption Database, <https://datatopics.worldbank.org/consumption/detail>

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