



**ASEAN  
CAMBODIA 2022**  
ASEAN A.C.T.:  
Addressing Challenges Together



**IBeeC**  
អាជីវកម្មបរិយោជន៍កម្ពុជា  
INCLUSIVE BUSINESS CAMBODIA

## Outcome Report

# Fifth ASEAN Inclusive Business Summit

26-27 October 2022, Siem Reap, Cambodia (Hybrid)



## OVERVIEW

- **The Fifth ASEAN Inclusive Business Summit** was held in hybrid format on 26-27 October 2022 in Siem Reap, Cambodia. The Summit was participated by 160 in-person participants and 145 virtual participants from ASEAN and beyond. It was very well covered by the Cambodian and international press. The event is documented under this website: <https://www.aseanibsummit.com/>
- **Partners:** The event was organized by the Royal Government of Cambodia (through the Ministry of Industry, Science, Technology and Innovation - MISTI) as part of its ASEAN Chairmanship 2022 activities, in cooperation with the ASEAN Secretariat, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the Inclusive Business Action Network (iBAN, a global initiative funded by the German Federal Ministry for Economic Cooperation and Development and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Organization for Economic Co-operation and Development (OECD), and Oxfam (a global NGO). In addition, Inclusive Business (IB) focal points from governments, business associations, companies, impact investors, facilitators and development partners contributed to the event through speakers, moderators, and IB business line examples.
- **Strategic objectives and scope:** Referring to the 2017 call by the ASEAN Leaders for *greater emphasis on creating an enabling environment for Inclusive Business<sup>1</sup> in AMS*, and the endorsement of the [Guidelines for the Promotion of Inclusive Business in ASEAN<sup>2</sup>](#) during the 52<sup>nd</sup> Meeting by the ASEAN Economic Ministers in August 2020, various ASEAN countries have rolled out programmes to promoting better enabling environment for Inclusive Business (IB), for example, Cambodia implementing its Inclusive Business enabling environment in Cambodia (IBeeC). Aligned with the theme of Cambodia's chairmanship of ASEAN 2022, the motto of the Fifth ASEAN IB summit was "Together ASEAN IBee". To this end, the summit:
  - reviewed the progress made in promoting a better enabling environment for IB enabling environment (IBee) in the various ASEAN countries and globally;
  - discussed opportunities for collaborating on policy promotion instruments such as business coaching, accreditation, impact monitoring and joint reporting, as well as risk reduction financing;
  - exchanged on women economic empowerment and climate adaptation solutions through IB; and
  - discussed opportunities for collaborating on policy promotion instruments such as business coaching, accreditation, and as risk reduction financing; and
  - provided a general forum for exchanging and learning from innovative IB business cases in the region (esp. on agrobusiness and social and municipal sectors).
- **The agenda** was organised around three (3) thematic sessions (women empowerment, environmental solutions, encouraging value chains), two (2) sector discussions (income increase through agrobusiness, and service delivery in social and municipal sectors), three (3)

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<sup>1</sup> Inclusive Businesses (IB) are commercially viable private sector business lines that deliberate create scaled-up, innovative and systemic solutions for the relevant income and living standard problems of the poor and low-income people.

<sup>2</sup> The *Guidelines for the Promotion of Inclusive Business in ASEAN* emphasize 12 strategic recommendations, including (1) establishing a dedicated IBee strategy and program, (2) institutionalizing IB promotion under a multistakeholder implementation approach, (3) doing specific IB accreditation and registration, (4) IB awareness raising, (5) financing dedicated IB business coaching and mentoring for companies, (6) establishing investment incentives, (7) reducing investment risks of impact investors, (8) promoting IB in public procurement, (9) targeting IB in existing private sector and other development programs, (10) linking IB to the social enterprise and corporate social responsibility agenda, (11) monitoring and reporting on IB results, and (12) engaging in regional exchange on IB knowledge and innovation. See: <https://asean.org/wp-content/uploads/2021/09/6.-ASEAN-IB-Promotion-Guidelines-Endorsed-at-the-52nd-AEM.pdf>

discussions on IB promotion tools (IB accreditation, IB business coaching, IB risk reduction financing for impact investors), two (2) high-level policy panels, an overview presentation on IBee implementation in ASEAN, and a south-south exchange with Africa (Nigeria and Zambia) and India on setting up IB promotion policies. In addition, 10 companies from ASEAN countries were recognised at the ASEAN Inclusive Business Awards 2022, which was organised in collaboration with the ASEAN Business Advisory Council (ASEAN-BAC).

- **IBee going forward in ASEAN:** The following actions are taking place across ASEAN to promote better enabling environment for IB in ASEAN:

1. The Royal Government of Cambodia, proposes the following regional initiatives for ASEAN to consider:
  - a. establishing an ASEAN Inclusive Business Transformation Center. The Center will serve as a knowledge and financing hub to support the ASEAN economies with funding and technical assistance for IB accreditation, IB business coaching, IB policy work, and IB awareness.
  - b. exploring with development partners and other ASEAN countries the possibility to establish a regional fund for investing in IB, with a specific focus of unleashing impact investment potentials.
  - c. providing trade preferential treatments to IB companies in ASEAN.
2. Cambodia has shown strong interest in hosting the ASEAN IB Transformation Center.
3. The Government of Indonesia confirmed the organisation of the Sixth ASEAN Inclusive Business Summit during its ASEAN Chairmanship in 2023.
4. With support from ESCAP (and Gates Foundation), Thailand and Viet Nam will establish IB accreditation and IB business coaching for agrobusiness.

## HIGHLIGHTS OF THE DISCUSSIONS

- **The Summit was opened** by H.E. Kitti Settha Pandita Cham Prasidh, Senior Minister, Minister of MISTI, who stressed the importance of moving forward with the IB agenda as a new dynamic for creating more inclusiveness of growth in ASEAN economies and in Cambodia. The Under-Secretary General of United Nations and Secretary General of ESCAP (Ms. Armida Salsiah Alisjahbana), the Head of South and Southeast Asia of OECD (Dr. Alexander Böhmer), and the Regional Director for Asia of Oxfam (Mr. John Samuel) echoed the need to accelerate progress in implementing the Guidelines for the Promotion of Inclusive Business in ASEAN and appreciated especially the work of Cambodia in organising the Fifth ASEAN Inclusive Business Summit and drafting its national IB strategy.

- In **Session 1a: presentation on progress in the implementation of the Guidelines for the Promotion of Inclusive Business in ASEAN and beyond**, Dr. Christian Jahn, Executive Director of iBAN, highlighted the substantive progress made in various ASEAN economies since the leaders and heads of state emphasised in 2017 the need for engaging in the IB discussion and endorsed in 2020 the Guidelines for the Promotion of Inclusive Business in ASEAN. Dr. Christian Jahn also emphasised that countries in Africa are meanwhile learning from ASEAN on how to promote and further regional exchange within ASEAN and with other world regions is very helpful to promote a good enabling environment for IB globally.

- **Session 1b: High-level Policy Panel: Addressing Challenges Together**

- H.E. Heng Sokkung, Secretary of State of MISTI and President of IB Steering Group, Cambodia, stressed on the importance of regional cooperation in promoting IB, which

all relevant stakeholders take part. He also summarised the key achievements of the IBeeC strategy in Cambodia and pointed that only 18 companies accredited so far achieved a revenue of 123 million USD in 2021 which will grow to 270 million USD and will engage 3.16 million people in 2025. Cambodia has done so much on IB and will continue its leading role in ASEAN. Meanwhile, Cambodia warmly welcomes all development partners who are interested in supporting the IB journey in Cambodia.

- Ms. Trinh Thi Huong, Deputy Director General of the Enterprise Development Agency under the Viet Nam Ministry of Planning and Investment, explained how IB is reflected in the government’s new private sector ecosystem development program 2022-2025 as one of the three pillars, with the others being circular economy and sustainable business. The government program emphasised awareness raising, the establishment of business coaching network, impact measurement and reporting, financial allocations, technology and innovation including sharing costs for new digital solutions, market expansion, information exchange on good IB examples and linkage to the credit and impact investing institutions as the key areas of support under the sustainable business ecosystem program.
  - Dr. Wimonkan Kosumas, Deputy Director General of the Thailand SME Promotion Office (OSMEP), informed about the new landscape study for IB in agrobusiness<sup>3</sup> and the inclusion of IB in Thailand’s 5<sup>th</sup> SME development plan (2022-2027). The government wishes to see IB as the third pillar of its new economic growth strategy (the others being digital and green) and emphasised more government and particularly corporate procurement to such enterprises. The OSMEP representative also explained the re-establishment of the social enterprise office in 2019, noting however that only few such firms would qualify as IB.
  - The session was moderated by Mr. Jonathan Wong, Chief of Technology and Innovation of ESCAP. Asking on key suggestions going forward with IB in ASEAN and in the respective countries, Cambodia mentioned the establishment of a regional ASEAN IB Center and a regional fund for investing in IB and for supporting policy work; Viet Nam emphasised the need to institutionalize IB accreditation and business coaching and link the IB agenda better to the impact investment agenda; and Thailand referred to better impact monitoring, the establishment of innovative IB financing mechanism (incl. IB bond), and the integration of IB in global value chains and trade incentives.
- **Session 1c: Delivering Impact through Women in IB**
    - The moderator (Mrs. Sophoan Phean National Director of Oxfam in Cambodia) referred to the iBAN study on IB solutions for women empowerment through women entrepreneurs, engaging women as distributors in IB businesses, targeting CSR programs to women beneficiaries, and particularly establishing dedicated IB business lines with women empowerment features<sup>4</sup>. She also introduced Oxfam’s Briefing Paper on Inclusive and Responsible Business in the ASEAN. The paper offers recommendations to maximize potential of the ASEAN IB Guideline that it should not only provide jobs, income, and goods but also address gender inclusion and women’s economic empowerment (including meaningful and satisfying paid work, addressing unpaid care and domestic work, leisure time on an equal basis for women and men), environmental protection, and climate change resilience; promote human rights,

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<sup>3</sup> Thailand has more than 60,000 companies in agrobusiness and 407,000 in the food industry, generating 35% of the country’s GDP. However only very few of these company would qualify as IB, and there is need to transition firms into doing good while doing well.

<sup>4</sup> The Study “Women’s economic empowerment through Inclusive Business in ASEAN” can be downloaded here: <https://www.inclusivebusiness.net/node/5981>.

particularly of vulnerable groups like indigenous communities; encourage good governance; and realize corporate social responsibilities in host communities.

- Mr. Soe Lwin Tun, Senior Director of Myanmar Belle, Myanmar, explained that women involvement and more so women empowerment makes good business sense. The company has a clear preference for engaging women as contract farmers (75% of their value chain engagement) due to the higher reliability of producing quality seed inputs. Women working with Myanmar Belle have income substantially higher than the market rate and the company is so bringing poor women out of poverty. In addition, the company follows a social mission of children education and only engages women that maintain their children in schools and pays some scholarships to them.
- Mrs. Dinny Jusuf, Founder and Chairwoman of TORAJAMELO, Indonesia, explained how the company is providing training for self-employment in domestic works jobs, admitting that the business model is not fully commercially viable.
- Ms. Boots Garcia, Founding Chairperson and President of Philippines Women's Economic Network (PhilWEN), emphasised the need to encourage more women led enterprises; however, she did not establish the case for creating results in women empowerment for the poor.
- Ms. Ngo Thi Hoai, CEO of We Create Viet Nam and Viet Nam Women Entrepreneurs Council's partner, emphasised the need for social enterprises to scale up to IB, and explained that deliberate women empowerment designed business model would be the game changer for women and not the gender of the company ownership.
- Mrs. Phirum Dyphan, Founder of MUCH Mobile Healthcare, explained that in the health sector, while most impact goes to women and children, it is difficult to design commercially viable business solutions to create such impact.
- H.E. Mrs. CHEA Ratha, Under Secretary of State of MISTI and Vice President of the Cambodia Women Entrepreneurs Association, confirmed that women ownership of companies is not a guarantee for empowerment of poor women and that self-employment schemes seldom create much systemic impact for the poor. She welcomed the IB approach and indicated that women business associations need to do much more awareness raising of their members.
- **Session 2a: IB and Social Enterprise Accreditation Incentives:**
  - The moderator (Dr. Armin Bauer, IBeeC and iBAN consultant) explained the rationale for IB accreditation, its criteria and the implementation system in the highly interactive discussion with the panel discussant and the plenary.
  - Mr. Meng Nimol, Deputy Director General of the Cambodia Chamber of Commerce, argued that IB accreditation done in partnership between the private and the public sector is the right way to do for clearly distinguishing IB companies from mainstream businesses and generating ownership. He also cautioned that IB accreditation needs to be followed up by concrete incentives for companies, although the recognition and awarding of IB companies is a strong benefit for companies too. Going forward in ASEAN he suggested a regional IB accreditation financing to help all countries in ASEAN doing IB accreditation and then establishing trade and other incentives for such companies.
  - Mr. Jierong Tham, Deputy Director of raISE, Singapore, explained that raISE adopted a broad definition of social enterprises which include those with IB characteristics. He

explained that while raISE applies clear commercial and purpose related criteria for targeting financial support to the social businesses investing in Singapore and to Singaporean Inclusive Business achieving impact abroad, the IB accreditation criteria may be helpful for the Singapore context. Notwithstanding, Singapore's present approach was to develop sustainability capabilities in enterprises via the Environmental, Social & Governance (ESG) framework.

- Ms. Tarlapraporn Punyoria, Executive Director, Social Enterprise Association, Thailand, confirmed that Thailand does not yet have a system for identifying IB beyond the general criteria in the current Social Enterprise Promotion Act. She explained that IB accreditation would be a good system to introduce in Thailand and will follow this up with the two government agencies, the Office of Small and Medium Enterprise Promotion (OSMEP) and the Office of Social Enterprise Promotion (OSEP), to create greater consistency between IB and SE support.
- In the discussion on the way forward for ASEAN, it was suggested the benefit of establishing similar IB accreditation systems in all ASEAN countries and come up with a regional funding to do IB identification and accreditation as well as ensuring consistencies and backstopping under a regional approach.
- **Session 2b: IB Business Coaching and Mentoring (IB-BCM)** was moderated by the IBeeC and iBAN consultant (Ms. Ek Sopheara) involved in the pilot testing of BCM toolkit.
  - Ms. Lisa J. Cheong, Senior Consultant, Emerging Markets Consulting (EMC), Cambodia, explained the 4 dimensions of the proposed IB-BCM tool, i.e. a) IB readiness assessment (self-assessment of companies and portfolio organisations), b) IB transformation (consultant support to potential IB companies to make substantial changes in the business plan towards going IB), c) financial support to companies to do deep dive in market development, value chain development, and business and BoP risk reduction, and d) business coaching through companies and associations.
  - Mr. Hassan Hajam, Executive Director of Platform Impact, emphasised that the transformation tool of BCM needs to also look at generating a) a clear understanding for the company where to go, b) building the right partnerships, c) presenting the growth model, d) transforming the growth strategy into an appropriate financial model, d) using impact measurement and monitoring to make the business eligible for incentives, and e) doing due diligence with impact investors.
  - Mr. Aung Thura, CEO of Thura Swiss and Deputy Chair of the Young Entrepreneurs Association, Myanmar, emphasised the need to find individual champions with institutional background in government and business for promoting IBee. He explained that while there are many SME companies, the actual commitment of going IB is very limited; IB-BCM should focus on those potential IB champions. Often it is easier to transform larger companies into IB models than focusing on start-ups and social enterprises. Furthermore, he stressed that acknowledgement (like Presidential medal) and recognition is often times more important for IB companies than tax incentives which are often not even necessary. He also explained that many business consultants will not be able to do IB business coaching and specific training would be needed to offer tangible advice for companies. Without screening and offering dedicated IB consultants, IB-BCM would not be successful and the reputation of any IB promotion program would be jeopardized. Finally, he emphasised the need to show good example and find mentors which could also come from other countries and establish a coherent program for providing BCM at a regional ASEAN level.
  - Mr. Barnev Theodore Soukotta, Project Coordinator of ASEAN Foundation, confirmed that often business coaching does not address the transformation needs of companies

towards achieving higher commercial returns through more social impact. Often such coaching is focusing only on commercial viability. He was interested in using the IB-BCM transformation in the business mentoring and training work of ASEAN foundation. He also suggested more regional exchange on IB-BCM and would explore funding from ASEAN Foundation to promote such exchange, eventually as a contribution to the proposed IB transformation hub/center mentioned elsewhere.

- In the consolidated discussion on going forward with IB-BCM, a) the sharing of the IB-BCM tool, b) the establishment of an ASEAN wide regional training center for BCM, c) a regional knowledge hub for sharing innovations in generating IB company results, and d) the generation of a regional funding mechanism for financing IB-BCM in ASEAN countries were suggested.

- **Session 2c: IB financing and reducing investment risk under a regional perspective** was moderated by Ms. Ratana Phurik Callebaut, IBeeC and iBAN consultant.

- All panel participants stressed the need to counter argue against the mis-perception investing in IB would mean scarifying financial returns. This is only the issue in early-stage companies.
- Mr. Bradley Kopstick, Country Manager, Insitor, Myanmar and Cambodia, explained the challenges in actually placing potential IB deals. Nevertheless, he explained that even in a small market like Cambodia, his impact investing fund is looking at 6 new deals for 2023. He confirmed the interest of the impact investing industry to access risk sharing financing from an IB risk reduction fund for impact investors as proposed as part of the IBeeC initiative in Cambodia. He finds that such scheme where the government would co-invest alongside impact investors and thus reduce investment risks and pilot innovations would unleash much more funding from impact investors. He also explained why having cash and risk sharing upfront is preferred over an investment guarantee. Finally, he confirmed that there is no lack of pipeline for such funding.
- Mr. Borann Kea, CEO of AMK Microfinance Cambodia, confirmed that the establishment of an IB Risk Reduction and Social Innovation Fund (IB-RRSIF) would also be beneficial for his and other banks that wish to increasingly transform their investment portfolio from microfinance into inclusive and green SME finance. Such transformation is preferred because IB financing creates much higher social impact and is also addressing much better the investment risks of companies. He expressed hope that the government still considers establishing such fund either at national or regional level.
- Ms. Hawili Dahlia, Project Manager, Agence Française de Développement (AFD,) explained why AFD engaged since 2018 in a major program for Social and Inclusive Business. The program has a target of investing € 1 billion of which by 2020 already 0.5 billion were placed. In ASEAN, the program is focusing on Cambodia, Indonesia and Myanmar. After a proposal to establish an IB-RRSIF for Cambodia was delayed by the Royal Government, AFD would be open to establish such also as a regional fund covering various countries in ASEAN.
- Mr. Jonathan Abeywickrana, Head of Impact Partners, IIX, stressed that IB investments are rapidly growing; for example, IIX is looking at closing 29 investment deals in 2023 in 4 sectors in ASEAN. He also gave the example of the women livelihood bond which generated \$25 million in funds committed by high net-worth individuals. He suggested that the creating a better enabling environment for IB should also include capacity building and awareness raising on company governance, transparent financial

reporting and accounting solutions and the willingness to share information, as these are often weaknesses of companies in ASEAN.

- Ms. Geetali Kumar, Senior Investment Officer, IFC, explained that IB is a major investment line of the IFC. Since 2008, the IFC invested over 23 billion in 600 IB business deals world-wide. She gave the example of a recent project in the Philippines where IFC invested along with Temasek 130 million in small shops (sari-sari) in rural and semi-urban areas.
- In the consolidated discussion, the panel discussions confirmed that IB and green business finance can be complementary, and often IB solutions are also solutions for the environment and for climate, as well as for women empowerment.
- The panelists suggested 1) establishing the IB-RRSIF as a regional fund for ASEAN (IIX, Insitor), 2) enhancing awareness on IB and sharing good business modes through a regional platform (AFD, IFC, AMK, Insitor) and 3) facilitating more cross-border businesses and regional trade related incentives for IB (AMK).

- **Session 3a: IB Solutions for Climate Change and the Environment,**

- The moderator (Dr. Christian Jahn, Executive Director of iBAN) explained the initial results of the iBAN study on climate solutions through IB. The study features 20 companies in ASEAN and 5 in Africa with their innovations to provide solutions for the poor and for climate and the environment.
- Ms. Mai Pham Phung, IB manager of COVESTRO, Viet Nam, explained that the company produces a large volume of plastic products with one growing business line being produced for special use by the poor, such as solar panels, low-cost housing, solar dome dryers and toilets. The company has a corporate commitment to benefit 10 million Asian people, but there is little BoP targeting and the actual impact on people is not measured.
- Mr. Albert Teo, CEO of Borneo Eco Tours, Malaysia, clarified how his company helps solving problems of biodiversity by creating income opportunities for the poor. He stressed the need to become commercially viable instead of becoming a social enterprise, as this is the only way for the company to sustain not only its social but particularly its environmental commitments.
- Mr. Kunthy Kann is the Vice President of Amru Rice, an accredited IB company from Cambodia. Amru Rice has more than 20,000 farmers in its value chains for rice, cassava and cashew farmers, organized in more than 500 producer groups. The company invested in transparent traceability which helps exporting to Europe. It is using rice husk as fertilizers and produces baby milk and starch out of it. The company also invested in solar electricity and satellite techniques for weather forecast. It monitors its sustainable rice practices through the emission of greenhouse gases (methane).
- Ms. Smita Jacob, Director Policy, Asian Venture Philanthropy Network, Singapore, explained the trend for more climate finance among impact investors and philanthropists. She clarifies that sustainability financing is often independent from IB financing. This is particularly the case in climate mitigation where the overwhelming majority of impact financing is going to. However, networks like AVPN establish climate adaptation platforms, develop blended finance instruments for environment and inclusiveness, and measure environmental impact in terms of impact to poor people's health, poor people's access to energy, and poor people's livelihood.



- **Parallel Session 3b (i): IB in Agriculture and Food Systems**
  - This session was moderated by Ms. Marta Perez Cuso, Economic Affairs Officer, ESCAP.
  - Ms. Lisa Nguyen Thi Huyen, Director of VinaSamex, Viet Nam, explained the company's value addition in the spices sector of Viet Nam. VinaSamex works closely with local farmers by providing training and providing additional pay to organic products produced by farmers.
  - Dr. Vanessa Teo, CTO of AgroG8 and CEO of Agrome IQ International, Brunei Darussalam, explained the innovative approach of the company to establish a credit rating system for farmers and link it to banks thus unleashing viable financing for smallholders.
  - Mr. Hoang Long, Chief of Staff from Viet Nam Digital Agriculture Association (VIDA) explained how VIDA supports digitalization of agrobusinesses.
  - Ms. Srivalli Krishnan from the Bill and Melinda Gates Foundation explained the rationale for the foundation to promote IB in agrobusiness and spoke of its collaboration with ESCAP in India, Viet Nam and Thailand.
- **Parallel Session 3b (ii): IB for Social and Municipal Solutions** had 3 companies emphasizing training and job placements, 2 companies creating water solutions and 1 company providing insurance solutions.
  - The moderator (Mr. William Puyo, General Manager of Khmer Water Supply Holdings) explained the key result areas expected from IB in social and municipal sectors as providing goods and services that are relevant, affordable, accessible, well targeted, and creating direct impact on the living standards of the BoP. He also emphasised that most goods and services in nutrition, education, health, housing, water, sanitation, transport and energy are to enhance living standards of the BoP, technical education, entrepreneurship training and job placement aim at creating direct income for the poor.
  - Ms. Jeanette Fabul-Foulc is Chief of International Operations, PHINMA Education, a network of higher education institutions in the Philippines that own and operate 9 schools in the Philippines and manage one in Indonesia which currently serves over 120,000 students. The company started in 2004, is commercially viable, and 76% of its students are from the BoP community (with income less than \$300 per household per month). The business model is based on a high volume, low price with high quality using a “bare bone, no frills, and brass knuckles” strategy. Almost 60% of their students are recipients of scholarships that allow their students to pay as low as 200 USD annually. The education business is part of the CSR of the mother company but the scholarships are internal to the education business (socialized tuition) and not subsidized. Impact studies show that PHINMA Education graduates have high employability with about 82% of graduates able to find jobs within a year and recover their education costs between 9 to 13 months.
  - Ms. Nur Diyana Sulaiman, CEO of Projek FEED Management Services, a social enterprise from Brunei Darussalam providing training and capacity building (financial literacy, self-esteem and mindset, customer service) to poor women to start self-employment. As social enterprise, Projek FEED has a low reach and is commercially not viable. It receives 30% of its revenue from public sponsors (the government), 20% from home maintenance services of its clients, and 40% from renting digital spaces – which is not part of the core IB business. BoP members trained do not contribute to the

FEED's revenue. While Projek FEED reports a good social impact in the sense that 29% of its clients could increase their gross monthly income to \$100, 56% from \$100 to \$1,000 and 14% from \$100 to \$2000. However, the social reach is very low and the business model is financially not viable. Projek FEED would be classified as an NGO driven social enterprise that wishes to improve its for-profit and business sustainability. The CEO of the company admits that such NGO driven social enterprise would require good business coaching to transform into an IB initiative and then into an IB model

- Mr. Benjamin Chua, CEO of Speco, a cleaning business from Singapore with presence meanwhile in 3 other markets outside of Singapore (Malaysia, Indonesia, Viet Nam). The main business revenue is coming from selling cleaning products and in a second business line the company is placing people in the rapidly growing cleaning business for AirBNB, business and hotel customers. While having been initially supported by raiSE for establishing the business case and financial match making, the company is now fully commercially viable, well targeted in its BoP value chain (poor and disabled and disfavored persons only) achieves large and deep (income increase) social reach and has a strong environmental conscious. The company admits that for getting to the first million-dollar revenue, initial public support was necessary for piloting the business line and adjustments. The company has a highly inspiring business management. It welcomes the suggestions for a regional IB accreditation and for a regional fund to finance IB business coaching, and would welcome the opportunity to provide business mentorship for other companies. It is also supporting a regional knowledge exchange platform on IB innovation and sees Singapore as a good place to host this.
- Mr. Steven Ramsey is the Head of Global Partnerships of Nazava, a business producing and selling water filters in Indonesia. With 13 years in existence, the company has sold to date over 200,000 water filters in Indonesia, Kenya, Ethiopia, and over 32 countries worldwide. The filters cost \$30 and last for 7,000 liters of consumption (3 years). Replacement filters are just \$8. In 2022, the company expects a revenue of \$1 million. To expand its business and serve more BoP in Indonesia, the company suggests public procurement through schools, the reduction of value added taxes and the provision of certain subsidies for SMEs and accredited IB companies delivering essential social services. The company welcomes that Indonesia may engage in a dedicated IB promotion program starting 2023 and wishes this to be smart, concrete, innovative and comprehensively covering all relevant sectors (not focusing on tourism or agrobusiness only).
- Mr. Youk Chamroeunrith, Group CEO of Forte Insurance, Cambodia, sees the BoP market as a big opportunity for future business. The company is officially IB accredited in Cambodia. While the company makes 90% of its revenue in insurance products targeting the better off, about 90% of its total customers are coming from the BoP (currently 400,000 BoP customers). The company has developed specific insurance products for the poor and low-income people, including a well-established health insurance, as well as credit guarantees and crop insurance for the BoP, two product lines still in a pilot phase and not yet commercially viable. With a very affordable premium of \$8 per person per year, the health insurance covers hospital (surgery) expenses up to \$2,000 and hospitalization of \$10 per day for up to 90 days. The company is further innovating on climate related insurance products for the BoP and a new health protection package for senior citizens. Forte suggested that the government takes more ownership in private sector solutions for the poor by subsidizing private BoP insurance coverage expansion, piloting innovations in climate insurance, procuring from accredited IB companies under favorable rates, an especially by reducing costs for licensing and taxes.

- In his function as CEO of a major Cambodian water company (Khmer Water Supply Holdings) and moderator of the session, Mr. Puyo, explained that one of the IB incentives could be to reduce bureaucratic hurdles in registration and compliance as well as costs of licensing. Often such regulation makes products and services for the poor unnecessarily expensive, and are unfair against IB companies as they are often designed for mainstream businesses, and block new investments of IB companies.
  - Going forward with IBee in ASEAN the panel made the following suggestions: 1) introducing IB accreditation in all ASEAN economies and establishing trade incentives for accredited IB firms; 2) establishing dedicated IB promotion programs and reducing sector specific business blockages for IB accredited companies; 3) establishing an IB center for exchange on knowledge about IB cases and for promoting business coaching; 4) facilitate more advocacy and information sharing on IB and encourage the youth to engage into IB solutions, and 5) establish incentives for accredited IB companies through public procurement and preferential VAT tax treatment.
- **Session 3c: IB in Global Value Chains**
    - The moderator (Mr. Max Bulakovskiy, Project Manager, OECD Southeast Asia Regional Programme) highlighted that the global value chains (GVC) has attracted much attention due to impacts of COVID-19 and the current geopolitical context in the world. He presented the new OECD publication: [ASEAN SMEs' Integration in Global Value Chains \(GVCs\): Opportunities and Challenges in Response to COVID-19](#), drafted in consultation with the ACCMSME under the Canada OECD Project for ASEAN SMEs (COPAS). The document showed that indirect importing and exporting play an important role as a first step towards global integration of small firms. Enterprise data shows that the number of firms that import and export directly increase rapidly with size and this is also relevant for inclusive businesses. The moderator also highlighted that IBs create an opportunity for the poor segment of population to benefit from the internationalisation. When IBs grow and internationalise, and enter into the global value chains, they have a great opportunity to increase not only their economic benefits, but also the social impact they create.
    - H.E. Bun Chanthy, Under Secretary of State, Ministry of Commerce, Cambodia, highlighted that the Government of Cambodia have put in place a large number of reforms to help local companies, including MSMEs to internationalise and highlighted new opportunities that digitalisation and e-commerce have brought. However, he has highlighted that still more horizontal and sector-specific instruments could be put in place to support the IB promotion.
    - Ms. Susie Martin, CEO of Laos Buffalo Dairy, Lao PDR, has highlighted the challenges she had to go to start the export to Japan and how much COVID-19 had impacted the work she had to go through. Ms. Martin also suggested that it might be very challenging for a smaller business to understand the processes and have products certified. She has also highlighted that the relationships with the enablers and distributors and the MNEs are key and how much they could help especially smaller organisations. The relationships between value chain actors and particularly between buyers and sellers define whether IB is indeed inclusive and whether development outcomes are achieved.
    - It further discussed how the enablers such as the Philippine Coffee Board represented by its President Ms. Pacita Juan can support many small organisations such as industry boards or associations and international labels could support them in reaching out to the multinational businesses involved into the global value chains.

- Ms. Leida Rijnhout, CEO of World Fair Trade Organization highlighted how her organisation helps small-scale producers reach out to international markets, as well as international companies across the world.
- The speakers highlighted that there is still a need to support inclusive businesses with:
  - Need to create access to inputs and technical assistance of the IBs: One of the biggest constraints is the lack of access to affordable and high-quality inputs, which includes seeds, but also technical knowledge and advisory services, storage facilities and access to transport/ logistics. This could also include specific skills upgrading programme or industrial linkage programmes.
  - Access to information and knowledge on the standards upgrading: there is a challenge to gather information and know where to certify the products for internationalisation. Provision of information on where to internationalise, and which countries could be beneficial could be helpful and could help organisations take better decisions.
  - Need to link to enablers who could link to multinational enterprises (MNEs). Generally, MNEs set the rules of the game in global value chains. Relationships are key and it is important to create more opportunities horizontally to create these links and common understanding. Soft strengths (integrity, tractability of products and inclusive approach and sound RBC principles) can create a competitive advantage for IB to act as supplier to MNE.
  - Access to finance: Smallholders lack access to capital and credit to invest in their activities and to decrease the risk of providing loans to them. This is where additional support of the government might be useful.
- The session on **IBee 2023-2025: A proposal for going forward together in ASEAN on IBee** was moderated by Mr. Jonathan Wong from ESCAP.
  - H.E. Soem Nara, Under Secretary of State, MISTI, Cambodia, suggested for a) a regional technical assistance facility in ASEAN to finance business coaching, accreditation, and knowledge exchange and institutionalize this through an ASEAN IB Transformation Center. He also b) suggested that governments improve access to finance for IB companies and he welcomed the suggested regional IB-RRSIF. Furthermore, he c) suggested IB incentives in trade not only for ASEAN economies, but also under bilateral trade arrangements.
  - Ms. Susan Olsen, Unit Head, Private Sector Financial Institutions Mekong Region, Asian Development Bank expressed the need for more clarity on what IB is and welcomed the setting up of an IB accreditation system in all ASEAN economies; she also highlighted the 4 IB principles as set up by a recent inter-agency working group comprised of ADB, IFC, UNDP-Business Call to Action (BCTA), iBAN and global IB experts, namely commercially sustainable business that scale deliberate social impact and design innovatively and measure social results. She explained that IB is a growing business and ADB's private sector department invested since 2012 about \$2.4 billion in 54 IB projects. But while capital to invest in IB is there it is often not unleashed due to insufficient project proposals and assumed investment risks. To address these, ADB welcomes well-targeted IB business coaching for enhancing impact that drives returns and a de-risking and innovation facility that unleashes investments without attempting to turn bad proposals into good investments.
  - Ms. Antonella Noya, Head of the Social Economy and Innovation of OECD, elaborated on the need for linking the social enterprise and the CSR agenda with the IB agenda. She committed OECD to do more awareness raising, integrating IBee policy principles in its entrepreneurship policy tool, and encouraging partnerships for peer-learning.

- Mr. Luhur Pradjarto, Senior Adviser to Minister for Inter-Institutional Relations, Ministry of Cooperatives and SMEs, Indonesia, emphasised the importance of business coaching and mentoring, significance of digital transformation for IB, and acknowledged inclusive entrepreneur is a good way to start IB. He also referred to interesting learnings that IB innovation focus on business processes and sustainability, and go beyond technology and digital transformation.

### **Closing session**

- Mr. Markus Dietrich, Director Policy of iBAN, during the wrap up session, observed that IB and IBee introduced in Asia through work from ADB in 2012 is now coming out its niche. Creating a better enabling environment for IB is a new function for government, business associations, IB facilitators and development partners. It redirects the emphasis of IB promotion from a pure private sector focus to a partnership commitment. He highlighted that good IB promotion tools (such as IB accreditation, IB coaching, IB incentives, IB risk reduction financing, IB recognition and awarding) have been developed and piloted. They now need to be deepened and sharpened for some ASEAN Member States and newly introduced for others. With IB as part of the social and solidarity economy contributing also to the sustainability and climate, women empowerment, digital economy and trade agenda; a regional initiative like the proposed IB innovation hub would become a game changer.
- Mr. Luhur Pradjarto from the Ministry of Cooperatives and SMEs, Indonesia, stated Indonesia's commitment to host the Sixth ASEAN IB Summit in 2023.
- In the closing remarks, H.E. Heng Sokkung, Secretary of State of MISTI and President of the IB Steering Group, Cambodia, emphasised the need for ASEAN to work together in creating an IB enabling environment in the region and the need to have financing mechanisms and trade preferential treatments for IB companies as incentives to foster the expansion of their IB business lines and operations as well as unleashing greater impact. The successful organisation of Fifth ASEAN Inclusive Business Summit is a major achievement for Cambodia. He thanked ASEAN Secretariat, ESCAP, iBAN, OECD, and OXFAM for supporting the organisation of this year's ASEAN Inclusive Business Summit. He also thanked the participants and panelists for their participation. Ending with the slogan of "love IB, buy IB products", he concluded his remarks by encouraging ASEAN to broaden the IB discussions also to trade and market expansion.

## **ASEAN INCLUSIVE BUSINESS AWARDS 2022**

The following 10 IB companies nominated by ACCMSME were awarded during ASEAN Inclusive Business Awards 2022, which was held by the Ministry of Industry, Science, Technology & Innovation of Cambodia in collaboration with the ASEAN Business Advisory Council (ASEAN-BAC) through the Cambodia Chamber of Commerce.

1. Brunei Darussalam - Agrome IQ International Sdn Bhd
2. Cambodia - Lyly Food Industry Co., Ltd.
3. Indonesia - PT Dari Timur Indonesia (Tenoon.id)
4. Lao PDR - Passa Paa
5. Malaysia - STAR MEDIK SDN. BHD.
6. Myanmar - Aung Nay Lin Htun Co., Ltd. (Genius Specialty Coffee)
7. Philippines - SIERREZA
8. Singapore – SPECO SINGAPORE PTE. LTD.
9. Thailand - Local Alike Co., Ltd.
10. Viet Nam - Vietnam Staraniseed Cassia Manufacturing and Exporting Joint Stock Company (VINASAMEX., JSC)