

## PRESS RELEASE

### **Inaugural inclusive business forum in Cambodia develops strategy to strengthen policy environment**

*Phnom Penh, 7 August 2019* – High-level Government officials, executive managers from inclusive businesses, intermediary and international organizations and other public and private stakeholders gathered in Phnom Penh today for the First Inclusive Business Forum for Cambodia, organized by the Ministry of Industry and Handcraft, with the support of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and the Inclusive Business Action Network (iBAN).

“Inclusive business is the deliberate approach of the private sector to promote – through a commercial business approach - the poverty reduction and social agenda of the Sustainable Development Goals (SDGs). Inclusive business makes growth in Cambodia more inclusive, dynamic, and it is instrumental for structural transformation to become an upper middle-income country,” said H.E. Heng Sokkung, Secretary of State, Ministry of Industry and Handicraft, Kingdom of Cambodia at the Forum.

Discussions from the Forum will inform the preliminary results of a joint landscape study by ESCAP and iBAN on inclusive business recently conducted in Cambodia. The landscape study, which is expected to be published at the end of 2019, includes an analysis of firms with inclusive business models in Cambodia and of the environment in which firms operate.

The study finds that Cambodia has about 20 real and potential inclusive businesses, mostly in agribusiness, insurance, microfinance and energy services, and some of them have highly innovative models. It also estimates, with an enabling environment for inclusive business models, in the next three years firms in Cambodia could:

- Create around 100,000 new income-generation activities
- Serve around 70,000 low-income households through housing and municipal services
- Provide insurance to 600,000 low-income persons

Based on the study and discussions with key stakeholders, a strategy for an Inclusive Business Enabling Environment for Cambodia (IBeeC) was also proposed and presented today at the Forum. The strategy includes the establishment of a technical assistance facility to provide, among others, coaching for firms to develop inclusive business models. It also proposes the creation of an accreditation system for inclusive business, a risk reduction fund to facilitate impact investment in inclusive business, and a steering committee. The proposed strategy has been accepted by the Ministry of Industry and Handicraft, which will submit it for endorsement by the Supreme National Economic Council before the end of 2019.

Inclusive businesses provide goods, services, and livelihoods on a commercially viable basis to people living at the base of the economic pyramid. To serve the low-income market and make profit at the same time, inclusive companies must innovate by applying novel business models or providing new and better solutions. While many firms work with or sell to the base of the economic pyramid, only few provide them with relevant solutions to address poverty.

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In 2017, ASEAN countries adopted the ASEAN Inclusive Business Framework. Cambodia is the third country in ASEAN to develop a comprehensive strategic framework for promoting inclusive business.

ESCAP and iBAN support for Cambodia to develop strategies to promote inclusive business is part of a broader joint initiative to help governments enhance the policy environment for inclusive business in South-East Asia and will see the provision of analysis and policy advice to five countries (Cambodia, Indonesia, Malaysia, the Philippines and Viet Nam) as well as the organization of regional policy dialogues such as the Second ASEAN Inclusive Business Summit taking place on 1 November in Bangkok, Thailand.

## **NOTE TO EDITORS:**

### **About ESCAP**

The Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the United Nations' regional hub promoting cooperation among countries to achieve inclusive and sustainable development. The largest regional intergovernmental platform with 53 Member States and 9 associate members, ESCAP has emerged as a strong regional think-tank offering countries sound analytical products that shed insight into the evolving economic, social and environmental dynamics of the region. The Commission's strategic focus is to deliver on the 2030 Agenda for Sustainable Development, which is reinforced and deepened by promoting regional cooperation and integration to advance responses to shared vulnerabilities, connectivity, financial cooperation and market integration. ESCAP's research and analysis coupled with its policy advisory services, capacity building and technical assistance to governments aims to support countries' sustainable and inclusive development ambitions.

[www.unescap.org](http://www.unescap.org)

### **About iBAN**

The Inclusive Business Action Network (iBAN) is a global initiative supporting the scaling and replication of inclusive business models. Through its strategic pillars iBAN blue and iBAN weave, iBAN manages an innovative online knowledge platform ([www.inclusivebusiness.net](http://www.inclusivebusiness.net)) on inclusive business and offers a focused Capacity Development Programme for selected companies and policymakers in developing and emerging countries. iBAN creates a space where evidence-based knowledge transforms into learning and new partnerships. With its focus on promoting the upscale of inclusive business models and consequently improving the lives of the poor, iBAN is actively contributing to the achievement of the United Nations Sustainable Development Goals. iBAN is funded by the German Federal Ministry for Economic Cooperation and Development and the European Union. It is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

### **About GIZ**

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a federal enterprise with worldwide operations. It supports the German Government in achieving its objectives in the field of international cooperation for sustainable development and international education. Through its work, GIZ helps people and societies shape their own future and improve their living conditions.

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