

# INCLUSIVE BUSINESS POLICY DEVELOPMENT PROGRAMME

The **Inclusive Business Action Network (iBAN)** is a global initiative to improve the conditions for the upscaling and replication of inclusive business models. Its **Inclusive Business (IB) Policy Development Programme** supports policymakers leveraging the resources of the private sector to drive inclusive growth. This creates value and impact for **base of the pyramid (BoP) communities**. The programme has been successfully conducted with ten Southeast Asian countries and can be adapted to cater to the specific policy gaps and needs in other regions, such as sub-Saharan Africa. It links to iBAN's other offerings directly serving inclusive businesses, such as investment readiness and knowledge sharing through the global platform ► [inclusivebusiness.net](https://inclusivebusiness.net).

The **G20 Inclusive Business Framework 2015** highlights the important role of inclusive businesses:

*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 pyramid, making them part of the value chain of companies as suppliers, distributors, retailers, or customers.*

## POTENTIAL OF INCLUSIVE BUSINESS IN CAMBODIA

Our IB Policy Development Programme demonstrates how inclusive business can create **win-win-win situations**. In Cambodia, it resulted in the Inclusive Business Enabling Environment for Cambodia (IBeeC) strategy released by the Ministry of Industry, Science, Technology and Innovation (MISTI).

### **WIN FOR BOP COMMUNITIES:**

*In the next three years, there is potential for:*

- 600,000 more people at the BoP to get access to insurance services
- 20,000 more people at the BoP to get access to healthcare

### **WIN FOR POLICYMAKERS:**

*IB has been mainstreamed through two important national policies:*

- Small- and Medium-Sized Enterprise Development Strategy 2019–2024
- National Strategic Development Plan 2019–2023

### **WIN FOR COMPANIES:**

*In the next three years, there is potential for:*

- 70,000 more households to be served by housing and municipal services
- 100,000 new income opportunities
- 10,000 new skilled job positions to get matched with trained employees

## CRUNCHING THE DATA ON INCLUSIVE BUSINESS

The **accelerating global momentum for the promotion of inclusive business as part of #BuildingForwardBetter** among policymakers and business leaders demonstrates its potential for creating positive social impact at scale.

**Support for IB** has been strengthened through various national and international policies:

- 2015:** G20 establishes the Inclusive Business Framework
- 2017:** Association of Southeast Asian Nations (ASEAN) champions IB for MSME development
- 2018:** Philippines IB tax incentives facilitate \$55 million value-added to BoP communities
- 2019:** G7 & OECD Business for Inclusive Growth Platform commits to scaling IB
- 2020:** ASEAN Economic Ministers endorse the “Guidelines for the Promotion of IB in ASEAN”

### **The market potential for IB is enormous:**

*The BoP's market size encompasses 4.5 billion poor and low-income individuals with \$5 trillion available in consumer spending*

### **Financing for IB is increasingly available:**

*The global impact investment market has grown from \$60 billion in 2015 to \$715 billion in 2020*

# UNPACKING THE IB POLICY DEVELOPMENT PROGRAMME

iBAN's multi-stakeholder, structured approach enables policymakers to drive the development of national and regional IB strategies through engagement, dialogue and partnerships with the private sector.

GUIDING ENGAGEMENT	FACILITATING DIALOGUE	DESIGNING IB POLICY
<p><b>Public-Private Engagement</b></p> <p><b>Scoping</b></p> <ul style="list-style-type: none"> <li>Assessing potential and impact of inclusive business</li> <li>Identifying &amp; engaging IB champions in public and private sectors</li> </ul> <p><b>Landscaping</b></p> <ul style="list-style-type: none"> <li>Mapping the IB ecosystem and engaging IB actors</li> <li>Analysing IB market players and their key sectors to identify potential for economic and social impact</li> </ul> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>Developing strategic IB policy recommendations with policymakers</li> </ul>	<p><b>Public-Private Dialogue</b></p> <p><b>Consultations</b></p> <ul style="list-style-type: none"> <li>Identifying gaps and potential for IB within the regulatory environment</li> </ul> <p><b>Awareness Building</b></p> <ul style="list-style-type: none"> <li>Engaging business associations, impact investor networks and development partners to raise awareness for IB</li> </ul> <p><b>Promotion</b></p> <ul style="list-style-type: none"> <li>Showcasing adapted IB policy instruments to stimulate action</li> </ul>	<p><b>Public-Private Partnerships</b></p> <p><b>Steering</b></p> <ul style="list-style-type: none"> <li>Facilitating collaboration by supporting IB focal points and steering committees</li> </ul> <p><b>Technical Assistance</b></p> <ul style="list-style-type: none"> <li>Blended learning &amp; capacity building on IB policy, ecosystem-building, IB policy roadmapping &amp; impact management</li> <li>Peer learning and South-South exchange</li> </ul> <p><b>Interventions</b></p> <ul style="list-style-type: none"> <li>Enabling policymakers to generate strategic commitments and policy recommendations, through expert advisors</li> </ul>
<p><b>CAPACITY DEVELOPMENT</b></p> <p>Enabling policymakers to design and implement inclusive business policies</p>		

## INCLUSIVE BUSINESS POLICY INSTRUMENTS

Twelve policy instruments have emerged from the ASEAN IB Policy Development Programme. These include:

- Establishing a **network of IB champions** — committed policymakers and business leaders moving the IB agenda forward
- Setting up dedicated implementation bodies such as IB focal points, steering groups and coordinating units to **institutionalise IB promotion**
- Building awareness** of the potential of IB to advance government development objectives and strengthen the private sector
- Establishing an **IB accreditation and registration** scheme to enable formal public support and to enhance businesses' credibility and visibility
- Incentivising impactful IBs** through fiscal and non-financial benefits
- Prioritising IBs in **public procurement**
- Strengthening **policy implementation** by creating technical assistance facilities for companies to improve their IB models and make them investment ready
- De-risking investments** in IBs through blended finance instruments
- Aligning IBs' **impact management and measurement** to contribute to UN SDG reporting at the national level
- Targeting IB in existing national SME and private sector development programs and other poverty reduction programs
- Linking IB to the **corporate social responsibility and social enterprise agenda** to scale up impact
- Creating **synergies to promote IB** at the regional level and beyond

For more information, visit us at

▶ [inclusivebusiness.net](http://inclusivebusiness.net)

or contact:

▶ [christian.jahn@ib-an.net](mailto:christian.jahn@ib-an.net)