Country Case Studies on Inclusive Business

Policymakers have expressed interest in learning from peers that have already begun to support inclusive business. To support this request for knowledge-sharing, the G20 Global Platform on Inclusive Business developed a series of short pieces that examine the motivations, institutional coordination mechanisms, priorities and challenges that countries face as they support inclusive business.[1]

Colombia

The alleviation of poverty and the promotion of social equity are important issues in Colombian public policy. What role the national government should play in boosting inclusive business is a relatively new question that the Colombian government is looking to answer.

Since the mid-twentieth century the private sector in Colombia has been working on initiatives oriented at sharing part of their revenues with their employees, their families, and society in general. This has usually occurred as part of their corporate philanthropy or corporate social responsibility policies.

While private companies have begun to pursuing approaches related to inclusive business, thus far the public sector has mostly been on the side-lines. With the current administration's goals to reduce poverty, the national government has identified inclusive business as an important tool.

Policy Development

The National Development Plan (Plan Nacional de Desarrollo) is the "roadmap" for the implementation of public policies in Colombia. One of the Plan's current pillars focuses on the eradication of extreme poverty and the promotion of social equity, another looks at social mobility. Both of these pillars are linked with the development of a Public Policy for Social and Productive Inclusion. This new policy will be the platform through which the national government aims to lay out the national strategy for inclusive business as one of the tools to promote social and productive inclusion of poor people.

Colombia sees its main challenge as establishing how the public sector can influence both private companies and poor families to get involved in inclusive business, always considering that it is neither philanthropy nor social responsibility.

Box 1: Advice welcome!
Colombia is just starting out on its journey to support inclusive business. While it may not yet be in a position to provide advice to others, Colombia welcomes advice and recommendations from others as to how it can best incorporate inclusive business into its poverty alleviation strategy.

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[1] This document has been prepared by the International Finance Corporation, a member of the World Bank Group, for the G20 Global Platform on Inclusive Business.

Institutional Set-up

Colombia's National Planning Department (DNP) promotes the implementation of a strategic vision for the country in the fields of social, economic and environmental development through the design, orientation and evaluation of public policies. It is the DNP that is currently working to incorporate inclusive business into Colombia's national strategy and establish a national inclusive business framework.

The DNP has worked hand-in-hand with Germany's implementing agency, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), which together with the World Business Council for Sustainable Development encouraged Colombia to focus on inclusive business. The main steps along the way have included:

1. *Understanding the Local Context*

The DNP first set out to establish Colombia's current position in terms of the implementation of inclusive business. It identified who was working in the field --- from both the public and the private sectors --- and what were they doing. It found that some public sector institutions had been implementing and promoting inclusive business independently --- sometimes even though they were unaware of the concept.

The DNP engaged with these actors to better understand what should be included in a national inclusive business strategy. Public sector entities consulted include: Ministry of Employment; Ministry of Trade, Industry and Tourism; National Agency for the Extreme Poverty Overcoming (now integrated with the Department for Social Prosperity); Special Unit for Solidarity Organizations; and Special Unit for the Assistance and Reparation of Victims.

2. *Engaging the Private Sector to Identify Gaps*

Even though the national government recognized that inclusive business is a strategic tool for productive inclusion, it was still not clear precisely what the public sector should do to promote the concept. Since inclusive business' main actors are private companies, DNP found it to be particularly important to seek the opinion and perspective of CECODES – the local chapter of World Business Council on Sustainable Development – as well as the National Association of Industrials (ANDI).

Thus far, areas of need identified by the private sector include the following:
 – Promotion and socialization of the topic of inclusive business.

> *Box 2: Timeline*
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> **April 2015:** GIZ introduces IB concept
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> **September 2015:** GIZ conducts course on IB and public policy to raise awareness
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> **December 2015:** Convening of national and international IB experts to discuss IB in Colombia, its challenges and opportunities
>
> **January 2016:** DNP begins discussions with national government entities who experience in IB to better understand their programs
>
> **September 2016:** Deadline for the completion of the Public Policy for Social and Productive Inclusion

- Training of vulnerable communities on topics related to the production of supplies needed by private companies.
- Development of a central information system whereby the needs of private companies can be matched with abilities and products of vulnerable communities.
- Creation of a regulatory framework (under consideration).

3.   *Coordinating with the main actors*

DNP recognizes that stakeholder coordination will be key moving forward, especially given the number of actors it has already identified. Many questions are still to be answered: Which entities should be in charge of implementation? Which entity should be in charge of promotion and socialization? Training? Managing an information system? The competencies is each stakeholder will also have to be taken into account to come up with the most effective coordination structure.

This case study is available at www.g2oinclusivebusiness.org.