



DECLARATION ON PROMOTING INCLUSIVE BUSINESS MODELS: EMPOWERING MICRO, SMALL AND MEDIUM ENTERPRISES FOR EQUITABLE GROWTH

WE, the Ministers responsible for the development of micro, small and medium enterprises (MSMEs) in Member States of the Association of Southeast Asian Nations (hereinafter referred to as “ASEAN”), namely: Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People’s Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, during the High-Level Ministerial Meeting for MSME Ministers at the Sixth ASEAN Inclusive Business Summit:

UPHOLDING the commitment to fostering an ASEAN Economic Community that is resilient, inclusive, people-oriented, and people-centred community, integrated with the global economy as envisioned in the ASEAN Community Vision 2025, and to support globally competitive, resilient and innovative MSMEs as stipulated in the ASEAN Strategic Action Plan for SME Development 2016-2025 (SAP SMED 2025);

REAFFIRMING the complementarity between the ASEAN Community Vision 2025 and the United Nations 2030 Agenda for Sustainable Development to uplift the standards of living of our peoples;

RECOGNISING MSMEs as the backbone of the ASEAN economy, playing a crucial role in implementing the sustainable development goals, by driving economic growth, fostering innovation, generating employment, and reducing poverty. MSMEs and people at the base of the economic pyramid (BoP) are most vulnerable to natural disasters, economic crises and public health emergencies and thus, must be empowered to be resilient, through the provision of regulatory and policy support, capacity building activities, access to markets and participation in regional and global value chains, access to finance, as well as coaching and advisory services;

ACKNOWLEDGING that private business activities, investment and innovation driven by large and multinational corporations are major drivers of productivity and income-generation opportunities. Effective public-private partnerships are essential to achieving resilient, inclusive, people-oriented and people-centred ASEAN Community, and in the implementation of the sustainable development goals;

RECOGNISING the important role that the private sector, from MSMEs to larger businesses, can play in achieving inclusive and sustainable development, in addition to providing jobs and supporting economic growth, in particular the role that inclusive businesses offer to promote economic growth that generates productive jobs for low-income and marginalised groups, that provides access to affordable goods and services;

ACKNOWLEDGING that inclusive business model benefits governments, businesses and people at the BoP especially MSMEs, blending economic, commercial and social objectives;

COMMENDING the steadfast endeavour and remarkable progress of the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME) in harnessing inclusive businesses by promoting opportunities for learning, expanding networks, fostering business skills, boosting access to finance and other services for inclusive business, including through the annual ASEAN Inclusive Business Summit, regional and national reports on the status and opportunities of inclusive businesses, the ASEAN Inclusive Business Awards, the ASEAN Inclusive Business Policy Development Programme, and the inclusive business courses on the ASEAN SME Academy; and in collaboration with the ASEAN Business Advisory Council (ASEAN-BAC), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and the Organisation for Economic Co-Operation and Development (OECD), with support from the World Benchmarking Alliance (WBA) and OXFAM;

BUILDING on the ASEAN Inclusive Business Framework (2017) which seeks to strengthen enabling policy environments for inclusive businesses in ASEAN Member States (AMS) and foster regional collaboration encouraging cross country adoption of inclusive business strategies or practices, the Guidelines for the Promotion of Inclusive Business in ASEAN (2020) which outlines how inclusive businesses can be supported at the national level, and the Plan of Action for the Promotion of Inclusive Business in ASEAN (2023-2027) endorsed by the ASEAN Economic Ministers in August 2023, which outlines priority actions for regional cooperation on inclusive businesses;

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Encourage to undertake the following actions, considering the context, capacities and resources of the respective AMS:

1. Identify inclusive business opportunities by conducting landscape and market studies to uncover market opportunities where the private sector can bring value while being commercially-viable, and, which recognise real and potential inclusive business models worth expanding and replicating;
2. Strengthen national and regional policy and legislative frameworks to promote, recognise, facilitate and incentivise inclusive business models;
3. Generate awareness and facilitate knowledge exchange among the public and private sector on the opportunities of inclusive businesses, including through the organisation of regular public-private dialogues at the national and regional

level, such as the annual ASEAN Inclusive Business Summit, and the establishment of an ASEAN Inclusive Business Centre in providing access to inclusive business initiatives and resources, and building a community of inclusive business experts;

4. Explore opportunities in creating a regional fund to provide grants to inclusive business innovations to promote inclusive and sustainable socioeconomic development in AMS;
5. Work together to foster a conducive environment for inclusive business companies to engage in trade, to encourage expansion and foster innovation in inclusive business lines, unleashing greater socioeconomic impact on the region;
6. Provide policy advisory to support the establishment of accreditation systems that recognise businesses with inclusive business models that have the capacity and the potential to be commercially-viable while bringing social impact; and provide opportunities for businesses to identify opportunities for market and social impact growth. Such accreditation may be linked to possible government support (e.g. priority access to public support, enhanced facilitation and formal recognition through Inclusive Business Awards, etc.);
7. Endeavor to allocate resources to promote inclusive business including through building capacities in public and private organisations (including private sector associations, business advisory organisations, universities and accelerators) to provide inclusive business coaching; facilitating market access and linkages of micro and small entrepreneurs with larger companies; supporting inclusive and sustainable technology and innovation development and application, supporting impact start-ups and firms become investment ready; and building impact measurement and managing capabilities in firms;
8. Promote impact financing and investments and innovative financing mechanisms – including outcome-based funding, innovative funds, grants to support inclusive business innovations, risk-reduction mechanisms and gender-responsive investments – that leverage public financing and private sector investments in inclusive business models and help mobilise corporate accountability towards the creation of enhanced livelihoods opportunities and increase the offer of goods and services that improve the lives of low income and marginalised groups, and contributes to achieving the Sustainable Development Goals;
9. Promote the development of social impact measuring and managing capacities and in data collection for impact analysis and reporting, to enable firms to advance company value, scale impact and access impact investment and to enable governments to measure social impact and target policy instruments; and;
10. Promote cooperation and partnerships among multiple stakeholders, including across ASEAN pillars and ASEAN's external partners through various ASEAN-led mechanisms and closer engagement with the private sector, the academia,

non-profit organisations, multilateral bodies, and financial institutions to address the institutional barriers to MSMEs development.

CONGRATULATE Indonesia for hosting the Sixth ASEAN Inclusive Business Summit and appreciate Indonesia's reaffirmation of ASEAN's commitment in promoting inclusive business models as a key strategy to accelerate economic growth, grounded in the principles of inclusive, equitable, and sustainable development.

ADOPTED on this Twenty-Third Day of August in the Year Two Thousand and Twenty-Three in Bali, Indonesia.