



Plan of Action for the Promotion of Inclusive Business in ASEAN (2023-2027)

I. Introduction

1. In 2017, in line with the ASEAN Economic Community (AEC) 2025 Vision of a resilient, inclusive and people-oriented and people-centered community and the ASEAN Strategic Action Plan for SME Development 2016-2025 (SAP SMED 2025) to support globally competitive, resilient and innovative micro, small and medium enterprises (MSMEs) and to promote inclusive development, the ASEAN Economic Ministers (AEM) adopted the [ASEAN Inclusive Business Framework](#) (AIBF) to strengthen enabling policy environments for inclusive business and foster regional collaboration in this area.

2. Following this, in 2020, the AEM endorsed the [Guidelines for the Promotion of Inclusive Business in ASEAN](#) (Guidelines). The Guidelines document outlines on how inclusive businesses can be supported at the national level, and how ASEAN policy makers could collectively promote inclusive businesses at the regional level.

3. The promotion of inclusive business (IB) seeks to support the development of micro, small and medium-sized enterprises through promoting medium-scale inclusive businesses; smaller scale social enterprises; and micro and small enterprises as part of the value chain of larger IB models. The IB promotion also contributes towards the achievement of the Sustainable Development Goals (SDGs), including by supporting better incomes and providing access to more affordable goods and services.

4. IB models provide multiple opportunities for the private sector. They offer high-profit business and investment opportunities. Developing an inclusive business model is an opportunity for firms to develop new markets, access new funding sources and foster innovation. IB models, as they are often built around partnerships with shareholders along the value chain, help reduce business risks for the IB models and for the micro and small enterprises engaged in the value chain. Moreover, IB models also help boost the brand and visibility of companies.

5. Since the adoption of the AIBF and the Guidelines, ASEAN governments have or are in the process of adopting policies and strategies and implementing

programmes to promote inclusive businesses. Brunei Darussalam hosted the Fourth ASEAN Inclusive Business Summit; Cambodia has an Inclusive Business Enabling Environment Strategy and has accredited IB models; Indonesia conducted a study on IB in wellness tourism and has a strategy to promote supply chain partnerships and requirements to promote collaborative partnerships between incoming investors and local entrepreneurs; Lao PDR promoted capacity building for policy makers on upgrading policies to promote social and inclusive entrepreneurship; Malaysia has included IB promotion in its National Entrepreneurship Policy 2030 and has implemented the IB Value Chain Development Initiative to provide IB coaching to companies; Myanmar has developed a Strategic Framework to promote IB; Philippines had established an IB registration system and has proposed a bill for promoting IB; Singapore is building an ecosystem for social enterprises, alongside a larger corporate purpose framework that will articulate the “S” of Environmental, Social, and Governance (ESG) for companies; Thailand is conducting a landscape study on IB in the agriculture sector; and Viet Nam has promulgated Prime Minister’s Decision 167 / 2022 on support for private enterprises in sustainable business for 2022-2025 period. These encouraging development signals that ASEAN countries recognise IB model as an important strategy to ensure inclusive economic growth.

6. In their efforts to mainstream IB models, ASEAN Member States (AMS) are having to address multiple challenges, including:

- Limited awareness and understanding of IB resulting in a lack of support and investment for IB.
- Limited experience in the public sector to promote IB models (for instance, to evaluate opportunities for inclusive business) and to design policy instruments (for instance, to establish an accreditation system and link it to financial and non-financial incentives).
- Limited capabilities to provide comprehensive and customised coaching services to firms seeking to develop IB models and integrate micro and small enterprises in their value chains.
- Limited access to finance, especially for smaller ticket financing facilities.
- Limited expertise in impact measurement at the firm level and at the public sector level.
- Weak infrastructure (in terms of transportation networks and internet connectivity), that can make it difficult for inclusive businesses to reach customers and suppliers, and to operate efficiently.
- Lack of knowledge of policy makers on measuring the impact of the relevant instruments and inclusive business support initiatives.
- Limited opportunities to network for the stakeholders from across the region.
- Limited opportunities to share experience among the inclusive business stakeholders (policy makers, private sector organisations, enablers) from different AMS and across the region.

7. To address these common challenges, ASEAN governments, as highlighted in the Fifth ASEAN Inclusive Business Summit, seek to collaborate and join resources to build capacities, provide policy advice and training, facilitate access to financial resources for inclusive businesses, and expand efforts for impact management and measurement.

II. Objectives

8. The Plan of Action (POA) will outline priority actions for regional cooperation on inclusive businesses in the next few years and will be used as the main mandate in forging strategic partnerships and mobilising resources.

9. The POA will focus around four areas: (i) policy advisory support; (ii) inclusive and sustainable business development; (iii) access to finance; and (iv) ASEAN Inclusive Business Knowledge hub / centre, as described in [Section V](#).

III. Scope

10. The POA supports regional and national efforts to promote IB, and, the activities to be implemented will respond to demands from the AMS.

11. IB is intrinsically a private sector activity that often requires collaboration and partnerships with a wide range of actors and the development of public-private partnerships. In this context, the POA seeks to involve the private sector as well as other stakeholders critical to the building of IB models, including investors and financing institutions, organisations supporting business development and non-governmental organisations building the capabilities of producers.

12. The resources for the POA implementation will be identified from national resources, ASEAN funding sources and development partners. This will include statements by AMS and other stakeholders (including development partners, investors, and enterprises). AMS are encouraged to draft and present joint proposals for financial support to ASEAN and to development partners.

IV. Timeframe

13. The timeframe for the implementation of the POA is from its approval until 31 December 2027.

V. Regional Cooperation Activities

14. To promote inclusive business, the POA will seek to collaborate and build resources in four critical areas:

- i. **Policy advisory support:** Support the development and adoption of policies and strategies to promote IB, and the design of policy instruments. It will support the mainstreaming of IB promotion in national economic development policies and the design of specific policy instruments identified in the Guidelines for the Promotion of Inclusive Business in ASEAN, such as IB accreditation or prioritising IB models in public procurement. In particular, it will support the establishment of national IB accreditation systems and link IB accreditation to financial and non-financial incentives. Advice on the establishment of national IB accreditation systems will seek to promote, to the extent possible, a standardised ASEAN approach to IB accreditation. Advise on establishment of monitoring mechanisms in relation to the development and implementation of the IB support policy instruments.
- ii. **Inclusive and sustainable business development:** Support firms in the development of inclusive and sustainable business models, in particular by providing business coaching services to develop IB models, by supporting micro and small enterprises to link with larger companies, and by training firms in impact measurement and management.
- iii. **Access to finance:** Establishment of financial vehicles such as fund(s) to pilot innovative financing instruments to provide access to finance for inclusive and sustainable business models. This may include the development of an impact bond for impact SMEs, risk reduction facility(ies), grants to support IB innovations, etc.
- iv. **ASEAN Inclusive Business Knowledge hub / centre:** a platform (online / physical) to generate awareness about IB, share information on IB policies and initiatives, provide access to IB events and resources, and build a community of IB experts. This activity could benefit a variety of stakeholders such as policy makers, firms as well as IB enablers (business support organisations, financial institutions etc).

VI. Monitoring and communication Plan

15. Progress in the implementation of the POA, will be reported biannually during the ACCMSME meetings.

16. AMS will report progress in terms of policies put forward (e.g., IB promotion strategies or programmes adopted), implementation of policies (e.g., establishment of IB accreditation system and other IB promotion instruments) and impact achieved (e.g., number of firms supported, private sector investment catalysed, number of low-income people supported and additional social impact generated).

17. Information on progress made will be reported on a regional Inclusive Business website. As a starting point, the ASEAN Inclusive Business Summit website (<https://www.aseanibsummit.com/>) will be used.