SEVENTH ASEAN INCLUSIVE BUSINESS FORUM

OUTCOME REPORT

OVERVIEW

The Seventh ASEAN Inclusive Business Forum (Forum), held on 23-24 September 2024 in Vientiane, Lao PDR, brought together policymakers, business leaders, entrepreneurs, and development partners to engage in constructive dialogue on advancing inclusive business practices across the ASEAN region. The Forum aimed to foster collaboration and innovation in creating sustainable business models that benefit marginalised and low-income communities.

During the two-day Forum, panel speakers exchanged insights on access to finance for inclusive business, the role of technology in scaling impact, creating employment opportunities for disadvantaged group, and the importance of partnership between the public and private sectors. High-level speakers shared success stories and case studies that illustrated how inclusive business can drive both economic growth and social impact, emphasising the importance of inclusivity in achieving the region's long-term development goals.

The Forum also provided a platform for networking and exchanging ideas, offering participants the chance to explore new opportunities for cooperation and gain practical insights into how inclusive business strategies can be implemented effectively. This year's event demonstrated the increasing recognition for the transformative role of inclusive businesses in promoting equitable economic growth and sustainable development across ASEAN Member States (AMS).

By the end of the Forum, it was evident that the discussions reaffirmed a shared commitment to advancing inclusive business that deliver commercial returns while generating social and environmental benefits. The outcomes will inspire and inform ongoing efforts to create and nurture more inclusive businesses across the region, ensuring that the benefits of economic growth are broadly shared.

HIGHLIGHTS OF DISCUSSION

High-level panel on promoting inclusive business in ASEAN

Moderator: **Mr. Jonathan Wong**, Chief of Innovation, Enterprise and Investment, Trade, Investment and Innovation Division, United Nations ESCAP

Speakers:

- **Dr. Koko Haryono**, Head of Bureau of Performance Management, Organization, and Human Resources of State Apparatus, Ministry of Cooperatives and SMEs, Indonesia
- **H.E. Mr. Soem Nara**, Under Secretary of State, Ministry of Industry, Science, Technology and Innovation (MISTI), and Head of the Cambodia IB Accreditation Committee, Cambodia
- **Ms. Phonesavanh Soulideth,** Deputy Director General, Institute for Enterprise Development Research, Lao Academy of Social and Economic Sciences, Lao PDR
- **Mr. Loc Phan**, Chief Executive Officer, Vietnam Food JSC. (VNF), Viet Nam
- **Mr. Inthy Deuansavanh,** Founder, Inthira Group, Lao PDR

Government officials discussed progress made regarding the implementation of the Plan of Action for the Promotion of Inclusive Business in ASEAN, and shared national IB initiatives that have been undertaken to-date.

Dr. Koko Haryono, shared efforts made to promote inclusive businesses and SMEs. H.E. Mr. Soem Nara, shared how Cambodia continues to promote inclusive businesses and has been supporting greater awareness about inclusive businesses through a programme on IB communication. Ms. Phonesavanh

Soulideth, noted that Lao PDR is conducting a Landscape study of Inclusive Businesses to take stock of examples of inclusive business models already existing in Lao PDR and of opportunities where the private sector can support low-income groups, and to provide recommendations for the promotion of IB in the country.

At the regional level, ASEAN Economic Ministers have endorsed the **Model Framework for an Inclusive Business Accreditation System in ASEAN**. Mr. Jonathan Wong noted that the model framework is a clear, transparent and credible accreditation system to assess whether a business qualifies as inclusive. It provides a comprehensive guide for governments in ASEAN seeking to establish a national accreditation system for inclusive businesses. It provides, among others, the accreditation criteria and benchmarks as well as the process and governance system to manage and oversee the accreditation.

The model framework establishes four sets of accreditation criteria:

1. The strategic intent of the company to create direct social impact or shared value with poor/low-income people.
2. The commercial viability of a company and its inclusive business lines
3. The social impact in terms of its reach and depth
4. Innovations introduced to address business risks and support low-income people

Each set of criteria contains concrete indicators and suggested benchmarks that can be adjusted to reflect the country context and national priorities. Governments can offer incentives to the companies assessed and recognised as inclusive businesses by extending support such as advisory services for inclusive business development, trade promotion, provision of tax exemptions, preferential treatment and access to finance.

CEOs of inclusive businesses shared how they are building inclusive business. In Viet Nam, VNF is processing shrimp co-products to create value-added ingredients for various industries whilst alleviating environmental burden and creating income opportunities. In Lao PDR, Inthira Group, operates multiple initiatives in the hospitality and eco-tourism sectors, creating significant opportunities for low-income communities, actively sourcing from local farmers and artisans, and empowering communities to participate in and benefit from environmental conservation efforts across Lao PDR.

Session 1A. Accreditation of inclusive business models – good practices

Presentation: **Ms. Marta Pérez Cusó**, Economic Affairs Officer, ESCAP

Establishing a system to accredit inclusive business models - Cambodia

- **Mr. Chorn Vanthou**, Deputy Director, Department of Planning, Statistics, Cooperation and ASEAN Affairs, Ministry of Industry, Science, Technology & Innovation (MISTI), Cambodia

Establishing a system to accredit inclusive business models – Viet Nam

- **Ms. Huong Thi Trinh**, Deputy Director General, Agency of Enterprise Development (AED), Viet Nam

Undergoing an accreditation process

- **Ms. Nguyen Thi Tuyet Minh**, Founder and Chairwoman, Network of Trailblazing Women Leaders (WELEAD), Viet Nam

Supporting businesses in their accreditation

- **Ms. Hang Nguyen Thu,** Vice Director, Innovation and Incubation Space, Foreign Trade University, Viet Nam

Lessons in accreditation implementation

- **Ms. Pham Hong Ngan**, Policy Research Consultant, Viet Nam

Lessons in social enterprise recognition

- **Mdm. June Suhaila binti Saran**, Deputy Undersecretary (Inclusive Entrepreneurship), Ministry of Entrepreneur and Cooperatives Development, Malaysia

Identifying inclusive business models

- **Ms. Boonwara Sumano,** Senior Research Fellow, TDRI, Thailand

Identifying social enterprises

- **Ms. Subashini Balakrishnan**, Director, Strategic Partnerships, raiSE Ltd, Singapore

The session opened with Ms. Marta Pérez Cusó from ESCAP presenting the ASEAN Model Inclusive Business Accreditation System, initiating discussions on implementing IB accreditation across ASEAN countries. Speakers from Cambodia and Viet Nam shared national experiences, emphasizing collaboration among government agencies, the private sector, and international partners.

Key themes included challenges and opportunities in IB accreditation, such as the need for raising awareness among businesses, capacity building for officials and enterprises, and developing clear criteria and evidence-gathering processes. The potential of IB models in contributing to sustainable development and social impact, especially in sectors like agriculture and traditional crafts, was highlighted. Linking accreditation to financial and non-financial incentives was noted as crucial for promoting IB regionally. The role of social enterprises and tailoring accreditation systems to national contexts were also discussed.

Practical insights were provided on supporting businesses through the accreditation process. Representatives from Viet Nam's Foreign Trade University emphasized training and advising companies on meeting IB criteria and evidencing social impact. Private sector perspectives highlighted challenges businesses face in understanding and applying for IB accreditation, stressing the need for clear communication of benefits and support.

Lessons from Cambodia and Viet Nam included organizing workshops and training to educate IBs on accreditation processes and benefits and raising awareness on leveraging accreditation for financial gains. Challenges faced by companies included understanding criteria, providing sufficient evidence, and fostering innovation. In Viet Nam, accreditation is reassessed every three years to ensure compliance and improvement.

Malaysia's approach to social enterprise recognition was shared by Mdm. June Suhaila binti Saran. The country has established a social enterprise accreditation system with criteria focused on social impact, governance, and profit reinvestment. Initiatives like Social Enterprise Day and a one-stop portal aid in promoting understanding and engagement. Challenges include ensuring compliance and assisting social enterprises in meeting standards.

Session 1B. Becoming impact investment ready

Facilitators:

- **Mr. David Soukhasing,** Managing Director, Angel Investment Network Indonesia (ANGIN), Indonesia
- **Ms. Souphaphone Souannavong**, Executive Vice President, Lao ICT & Digital Association (LIDA), Lao PDR

Facilitated by Mr. David Soukhasing and Ms. Souphaphone Souannavong, this session focused on preparing businesses for impact investment by exploring key elements essential for pitching to investors and identifying suitable financing products. The facilitators presented the dimensions of investment readiness, emphasizing the importance of a stable company foundation and strong governance. Clear presentation of financials was highlighted as crucial for attracting investors.

In a fireside chat, unique challenges faced by businesses in Myanmar due to the political landscape were discussed. Participants explored options for seeking investors in a market with minimal impact investing, underscoring the need for companies to effectively explain their market practices to investors.

Strategies for investor outreach were examined, stressing that good investors should be patient and willing to understand regional market practices. Participants were advised to be cautious of impatient investors or those with unclear intentions.

Participants learned about the screening and due diligence processes from the investor's perspective, highlighting the importance of transparency and preparedness. Firms were encouraged to anticipate investor questions and be thorough in documentation. The discussion acknowledged that negotiating with investors can be overwhelming for small businesses. Participants debated whether government matchmaking services could help alleviate challenges, emphasizing the need for assistance in understanding legal terms and navigating investment agreements.

Session 2A. Providing IB coaching services

Moderator: **Mr. Hassan Hajam,** Executive Director, Platform Impact, Cambodia

- **Mr. Kyaw Myat Soe**, Director and Co-Founder, Impact Hub Yangon, Myanmar
- **Mr. Mohd Shahriza bin Sulaiman**, Deputy Director, Inclusive Development Division, SME Corp, Malaysia
- **Mr. Trần Trí Dũng**, Program Manager in Hanoi & Central Region, Swiss Entrepreneurship Program (Swiss EP), Viet Nam
- **Mr. Callum Mackenzie,** Co-Founder & Managing Director, Yunus Thailand
- **Ms. Sufinah Sulaiman**, Acting Assistant Managing Director, Social Development and Welfare Services, Yayasan Sultan Haji Hassanal Bolkiah, Brunei Darussalam

The session explored resources and strategies for coaching firms developing inclusive business models. Organizations promoting IB shared experiences, challenges, and collaboration opportunities.

Mr. Mohd Shahriza bin Sulaiman from SME Corp Malaysia discussed promoting IB by supporting pilot projects and emphasizing outreach to companies already showing inclusivity. Their programme focuses on the Bottom 40% income group, women, youth, and the unemployed, offering transition services to help companies become fully inclusive.

Mr. Callum Mackenzie of Yunus Thailand highlighted their philosophy that access to finance is a human right. They focus on responsible microfinance practices to prevent over-indebtedness, with employee training ensuring implementation. Effective microfinance serves as a platform for other IBs, and non-financial services support the ecosystem.

Ms. Sufinah Sulaiman from Brunei Darussalam discussed empowering individuals through initiatives like the Self-Reliance and Entrepreneur Programme, providing training and seed money. Government support is pivotal in nurturing inclusive businesses and promoting self-sufficiency.

Mr. Trần Trí Dũng of the Swiss Entrepreneurship Program in Viet Nam supports intermediaries assisting IBs, promoting free mentorship to strengthen support networks.

Mr. Kyaw Myat Soe from Impact Hub Yangon described their accelerator program tailored to local needs, focusing on the circular economy. The program includes training on social impact monitoring, coaching sessions, business plan development, and small grants for startups.

Panelists discussed intermediary business models and funding sources, including government funding, corporate services, international support, and social business models. Many offers services pro bono, with support durations ranging from 2 to 8 months depending on enterprise needs.

Session 2B. IB self-assessment

Facilitated by: **Ms. Marta Pérez Cusó**, Economic Affairs Officer, ESCAP

Presenters:

Supporting businesses in their accreditation

- **Ms. Hang Nguyen Thu,** FIIS, Viet Nam

Lessons in accreditation implementation

- **Ms. Pham Hong Ngan**, Policy Research Consultant, Viet Nam
- **Ms. Lisa Cheong**, Consultant, Cambodia

Venture-building and supporting businesses to pivot toward social impact

- **Mr. Jierong Tham,** Assistant CEO, raiSE Ltd, Singapore

Facilitated by Ms. Marta Pérez Cusó from ESCAP, the session introduced the model Inclusive Business Accreditation Framework endorsed by ASEAN Economic Ministers. The framework assesses businesses across strategic intent, commercial viability, social impact, and innovation.

Participants engaged in group exercises using the accreditation tool, to evaluate their strategic intent, impact measurement systems, commercial viability, and impact on low-income groups, including women and marginalized communities. Discussions highlighted complexities in measuring social impact, especially for early-stage companies, and the importance of customizing the framework to country contexts and sectors.

Experiences shared included:

- A Thai social enterprise using direct coffee sourcing, paying fair prices, and providing sustainable practice training. The business measured impact in terms of increased incomes and female farmer participation.
- An Indonesian coffee processor collaborating with low-income women farmers, focusing on zero-waste production and empowering women through income management education.
- A Cambodian water supply company providing affordable clean water to rural households, measuring impact in terms of improved health and time savings.

The session underscored that accreditation is about learning and enhancing social impact while maintaining commercial viability. Supporting potential IBs in the growth stage is important to help them expand their impact and meet accreditation standards.

Session 3A. Beyond ASEAN – Other experiences promoting inclusive businesses and the social economy

Moderator: **Ms. Marta Pérez Cusó**, Economic Affairs Officer, ESCAP

Speakers:

- **Mr. Jayesh Ranjan**, Special Chief Secretary, Industries & Commerce Department; IT, Electronics & Communications Department, Government of Telangana, India
- **Ms. Chamindry Saparamadu,** Director General /CEO, Sustainable Development Council, Sri Lanka
- **Ms. Windy Massabni**, Program Coordinator, Impact SME Development Program, Oxfam Novib
- **Mr. Abayomi Salami**, Deputy Director Policy Advocacy, National Investment Promotion Commission (NIPC), Nigeria

Mr. Jayesh Ranjan discussed Telangana's proactive approach to promote inclusive business, as it has just approved an MSME policy with a focus on inclusive business. Emphasizing government support for marginalized communities, Telangana plans to implement an accreditation system for inclusive businesses and to mobilize grassroots communities through self-help groups. Mr. Ranjan informed the audience that the Government of Telangana will be hosting a regional inclusive business forum in 2025, tentatively June.

Ms. Chamindry Saparamadu highlighted Sri Lanka's national strategy to promote inclusive and sustainable businesses as part of its economic recovery. The strategy integrates inclusivity and sustainability into development goals, aiming for positive social and environmental impacts beyond generic ESG practices.

Mr. Abayomi Salami shared Nigeria's motivation to adopt a national inclusive business policy aligned with its development plan to lift 100 million people out of poverty. The government seeks support in capacity building and knowledge sharing.

Ms. Windy Massabni presented Oxfam Novib's Impact SME Development Program, focusing on tailored business development services, access to finance, and ecosystem change through policy advocacy. She shared success stories from Africa and recalled the importance of developing context-specific approaches when supporting private sector development.

Panelists expressed interest in engaging with ASEAN to share knowledge and collaborate. Proposals included contributing to a compendium of success stories, seeking collaboration on capacity building, and organizing a global community of practice for peer learning.

Session 3B. Impact measurement and management

Moderator: **Ms. Anh Nguyen,** ImpactHub Phnom Penh, Cambodia

Speakers:

- **Ms. Melis Aslan**, Policy Analyst, OECD
- **Mr. Mahmudi Yusb**i, Head of Strategic planning and Business development, ASEAN Foundation, Indonesia
- **Mr. Bikram Chaudury,** Founder of GreenArc Capital, Singapore
- **Ms. Manothip Siripaphanh,** CEO and Founder, NAREE, Lao PDR

The session started with a presentation on the OECD's recent guide on "Social Impact Measurement and Management (IMM)", developed by the OECD's Centre for Entrepreneurship, SMEs, Regions, and Cities (CFE). Ms. Melis Aslan introduced the guide, explaining that it is designed to support social enterprises on their IMM journey. The guide outlines three levels of measurement and presents six specific steps for managing impact.

Following this, the panel provided a concrete example of how a small company measures and manages impact. The discussion included regional perspectives and insights from impact investors. The role of technology in data collection was highlighted, particularly to develop cost-effective ways of assessing lending portfolios. The panel agreed that IMM is a learning process, and while measuring impact is essential, it was emphasized that the focus should remain on key elements relevant to the business model. The panel also acknowledged that although digitalization can facilitate the introduction of impact indicators and data collection, excessive resources should not be allocated to impact measurement.

It was noted that there are many models available for enterprises to measure impact, but no single framework fits all. This variety of frameworks can sometimes lead to confusion. One key takeaway was that companies are increasingly incorporating both quantitative and qualitative data to gain deeper insights, and all data should be validated by stakeholders. Lastly, the panel stressed that impact measurement can be resource-intensive, which may place a disproportionate burden on very small entities compared to medium-sized or larger companies.

Session 4A. Expanding access to finance for smaller impact businesses

Moderator: **Mr. Bradley Kopsick,** Cambodia/Myanmar Country Director, Insitor Partners

Speakers:

- **Ms. Benedikta Atika Prastyamita**, Investment Director, Angel Investment Network Indonesia (ANGIN), Indonesia

- **Ms. Nungning Detvongsa**, Secretary General, Lao ICT & Digital Association (LIDA), Lao PDR
- **Mr. Dondi Hananto**, Partner, Patamar, Indonesia
- **Mr. Souliyo Vongdala**, CEO, Loca, Lao PDR
- **Ms. Cherrys Abrigo**, Founder, Sierreza, The Philippines

The panel addressed financing opportunities for small impact businesses, including personal funds, angel investments, grants, convertible debt, and equity. They discussed the government's role in supporting inclusive businesses (IB), emphasizing that policy support needs backing from other stakeholders and a clear national definition of IB.

Mr. Dondi Hananto of Patamar Capital highlighted difficulties in investing amounts below USD 500,000 due to high transaction costs. Investors seek significant returns, making it harder for smaller enterprises to attract investment. He emphasized the opaque financing market for entrepreneurs and the need for capacity building to access capital.

Ms. Benedikta Atika Prastyamita from ANGIN discussed their role as investment advisors in Indonesia, focusing on investments from USD 100,000 to USD 500,000. They provide curated opportunities and assist impact investors but noted a mismatch between financial tools and company needs.

Ms. Nungning Detvongsa of LIDA described Lao PDR's investment climate as challenging yet full of opportunities, with aims to expand the digital economy. Obstacles include small market size and limited access to finance. She expressed a need for more venture capital to support startups and SMEs.

Mr. Souliyo Vongdala, CEO of Loca, shared his experience offering electric vehicle services in Lao PDR. With grant support and investment, Loca became investment-ready but faced challenges like banks' reluctance to finance EVs without substantial collateral.

Ms. Cherrys Abrigo, founder of Sierreza, discussed providing zero-interest microfinance loans to farmers and reinvesting profits into communities. She emphasized growth needs but hesitates to take on equity, finding it challenging to attract mission-aligned investors.

The panel suggested that inclusive businesses should be treated differently from traditional businesses, with specific incentives and supportive policies. Offering better incentives to inclusive businesses and recognizing larger/ more consolidated social enterprises as inclusive businesses could lower costs associated with becoming an IB.

Session 4B. Promoting gender equity in Inclusive Businesses

Moderator: **Heekyung (Stella) JUN**, Junior Policy Analyst, OECD

Speakers:

- **Ms. San Sar**, Project Manager, Oxfam in Cambodia
- **Ms. Ma HNIN WAI**, Vice-President, Myanmar Women Entrepreneurs' Network (MYANWEN)
- **Ms. Lieselotte Heederik**, Co-Founder & Director, Nazava Water Filetrs, Indonesia
- **Ms. Douangmany Heuangkhamsene (Tookta)**, Managing Director, Her Works, Lao PDR

The session mainly underscored the importance of women as entrepreneurs and value chain actors in inclusive business, emphasizing their critical role in creating more inclusive and resilient economies, while driving both economic and social progress in their countries.

Four panelists from NGOs (OXFAM Cambodia, MYWANWEN) and the private sector (Nazava Water Filters, HerWorks) shared best practices and real-life examples of strategies to increase women's participation in business. Future goals and innovative approaches to further this involvement were discussed, concluding with key recommendations for policymakers to support and strengthen inclusive business practices that actively engage women.

Key recommendations shared includes;

- **Market Access:**
  Facilitate connections for women-led businesses with buyers and large supply chains.
- **Public-Private Partnerships:**
  Encourage collaborations that integrate gender-inclusive practices across value chains.
- **Awareness Increase & Data Collection:**
  Promote awareness campaigns highlighting the benefits of gender equality in business.
  Strengthen data collection on women's participation to inform policies and measure progress.

Throughout the session, it was emphasized that gender in inclusive business is not merely a women's issue; it directly impacts national economic and social development. Failing to acknowledge women's roles in inclusive business hinders national growth. Thus, integrating women into this framework is essential for advancing comprehensive development.

Session 5. ASEAN Collaboration platform

Moderator: **Max Bulakovskiy**, Head of the Project Implementation Unit, OECD

The objective of the session was to refine the concept note for the ASEAN IB Knowledge Hub. Participants presented the draft concept and discussed key topics including the roles of policymakers, the Hub's function as a virtual platform, public-private sector collaboration, and the intersection of social enterprises and inclusive business.

After 40 minutes of discussions, four groups summarized their findings.

Group A (The responsibility of policymakers) focused on policymakers' responsibilities and needs to create an environment supportive of inclusive business. The IB Knowledge Hub could serve as a way to get feedback from the ground, but also to share good policy practices and instruments with the companies. It was suggested that in the initial phases of the IB Knowledge Hub financial support should not necessarily come from the government. The participants also discussed monitoring and incentivizing specific programs while supporting inclusive business initiatives.

Group B (Development of Digital Platform) looked at the necessary digital infrastructure to house the virtual Hub. It highlighted the importance of needs assessment, user-friendly language, and the establishment of a dedicated team for ongoing conversations and coaching features for inclusive business on an open-source platform.

Group C (Private-Public Sector Collaboration), looked at the possible collaboration mechanisms between the private and public sectors. It explored the interrelation of inclusive business with other frameworks like ESG, proposing the need for an accreditation system, data collection on a role-based basis, and the inclusion of market data and inspirational case studies showcasing access to finance. The group also discussed how large companies and inclusive businesses can collaborate through development of specific programmes.

Group D (inclusive ecosystem) discussed the importance of creating a nurturing environment to support the development and scaling of Inclusive Business (IB) and Social Enterprises (SE). They emphasized the need to guide ventures through various stages of growth by fostering early-stage ventures, establishing an inclusive ecosystem for all enterprises, and providing necessary tools and networks to align with inclusive principles. It was suggested to include social enterprises as well as some other enterprises into the ASEAN IB Knowledge Hub, as they could be developing their operations to become inclusive business models.

The session successfully refined the concept for the ASEAN IB Knowledge Hub, focusing on the roles of policymakers, private-public collaboration, and the integration of digital infrastructure and social enterprises. The next steps involve finalizing these concepts and establishing the Hub as a collaborative, inclusive platform for stakeholders across the region.

ASEAN INCLUSIVE BUSINESS AWARDS 2024

The following 10 companies, nominated by the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME) in collaboration with the ASEAN Business Advisory Council (ASEAN-BAC), were awarded during ASEAN Inclusive Business Awards 2024 held on 23 September 2024, during the Seventh ASEAN Inclusive Business Forum in Vientiane, Lao PDR.

1. Brunei Darussalam: Yayasan Sultan Haji Hassanal Bolkiah
2. Cambodia: Khmer Water Supply Holding Co., Ltd
3. Indonesia: Java Halu Coffee
4. Lao PDR: Her Works
5. Malaysia: GK Aqua Sdn. Bhd.
6. Myanmar: Light Craft Co., Ltd
7. The Philippines: Prince Retail Holdings, Inc.
8. Singapore: Inclus Pte. Ltd.
9. Thailand: Once Again Co., Ltd.
10. Viet Nam: Quang Vinh Ceramic Co., Ltd