

# Inclusive Business

UN ESCAP Forum  
Policies for Inclusive Innovation and Social Entrepreneurship  
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# The Philippine Economy



## Fastest growing economy

- 6.7 GDP growth in 2017
- Stable investment outlook (Moody's Baa2; Fitch BBB; S&P BBB)



## Clear economic plans

- 0+10 point socio-economic agenda
- Poverty reduction from 21.6% to 14% by 2022

# IB Definition and Framework

*“IB is a private sector approach to providing goods, services and livelihoods on a commercially viable basis, either a scale or scalable, to people at the base of the pyramid by making them part of the value chain of companies’ core business as suppliers, distributors, retailers or customers.”*

	INCLUSIVE BUSINESS MODELS	INCLUSIVE BUSINESS ACTIVITIES	SOCIAL ENTERPRISE INITIATIVES
BOP’s Relationship to Business	Core Value Chain	Ancillary	Ancillary or Core Value Chain
Financial Return Expectations	Market Returns	Market Returns or Below Market Returns	Not Profit Maximizing
Primary Funding Type	Commercial	Commercial	Mixed

[G20 Framework on IB 2015]



# Inclusive Business

**Coffee For Peace** sources from **600 indigenous, and low-income people** from conflict areas in Mindanao, Philippines.

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**Ayala Ten Knots** employs **90%** of its people from the **locality** in Palawan, Philippines.

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**Olam International** increases farmer production of quality cocoa seedlings from **8,000** per cycle to **73,500** per cycle in South Sulawesi, Indonesia.



# The PH IB Initiative

## Introducing IB in various forums

- APEC 2015 Forums, IB APEC knowledge hub
- G20 Global Platform on IB

## Operationalizing IB Policy

- IB in the BOI 2017-2019 Investment Priorities Plan
- ASEAN IB Summit, and Awards
- Creation of Inclusive Business Unit

2013-2014

2015

2016

2017-2018

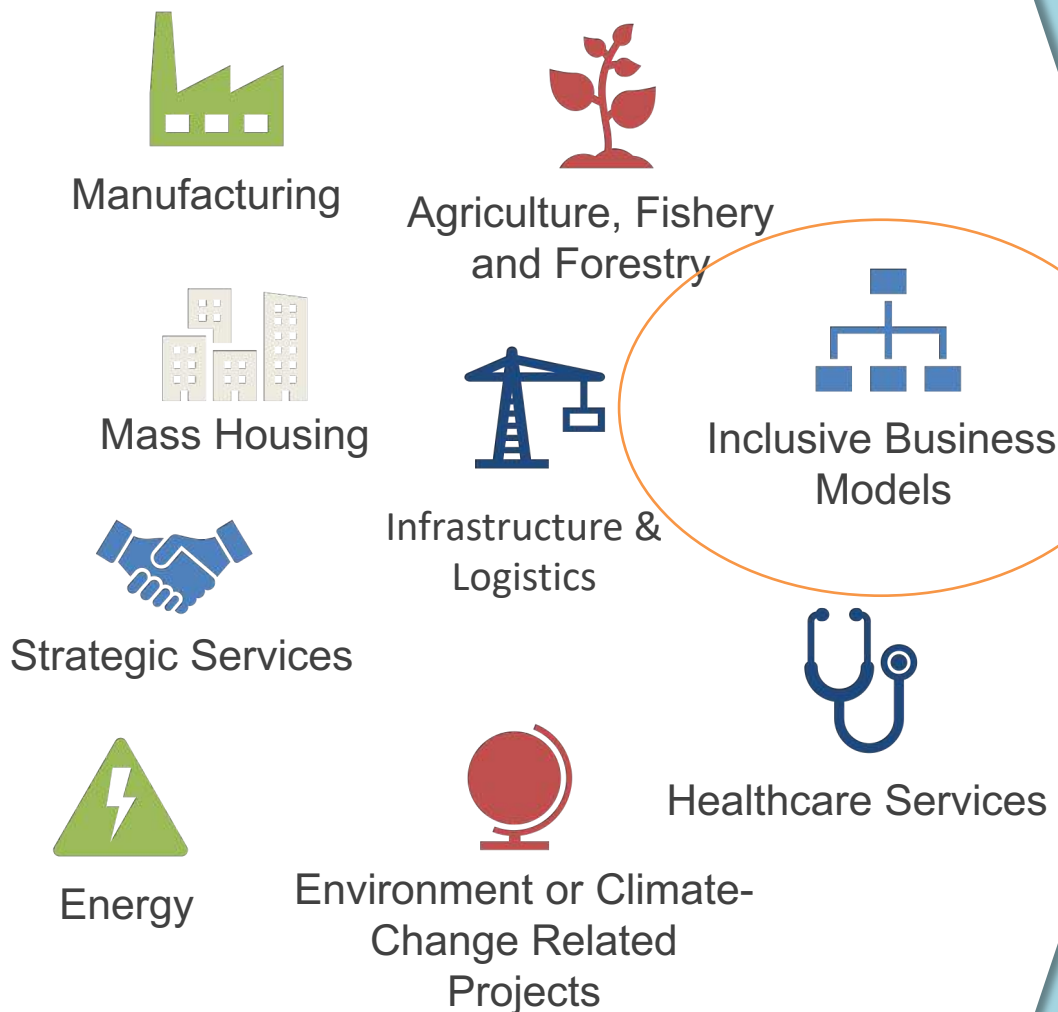
## Exploring potentials of IB

- IB Case Studies in the PH (Pilot sectors: Agribusiness, Housing and Tourism)
- Policy recommendations to support IB

## Mainstreaming IB in Policy

- Government Consultations to promote IB
- PH Business+ Study on IB with UNDP

# Policy Initiative: 2017-2019 Investments Priorities Plan (IPP)



## Inclusive Business Models in the IPP

- Provision of 5 years fiscal and non-fiscal incentives to agribusiness, and tourism companies that integrate MSEs in their value chain chains.

### Reach and Depth

- Engagement of low-income communities
- Income increase of engaged low-income communities

### Innovation

- Provision of capacity building
- Access to finance
- Provision of inputs and technology



# ASEAN Strategic Action Plan for SME Development 2016-2015



Promote  
Productivity,  
Technology and  
Innovation



Increase Access to  
Finance



Enhance Market  
Access and  
Internationalism



**Enhance Policy  
and Regulatory  
Environment**



Promote  
Entrepreneurship  
and Human  
Capital  
Development

**INCLUSIVE BUSINESS**

# Inclusive Business From A Government's Perspective



Identify and empower a champion\ in the government who will drive the agenda

Leverage an inter-agency coordinated and integrated approach in the IB ecosystem

Make the private sector part of the system and understand their needs and solution



# THANK YOU!

**ASSISTANT SECRETARY FELICITAS AGONCILLO-REYES**

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Investments Promotion Group

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