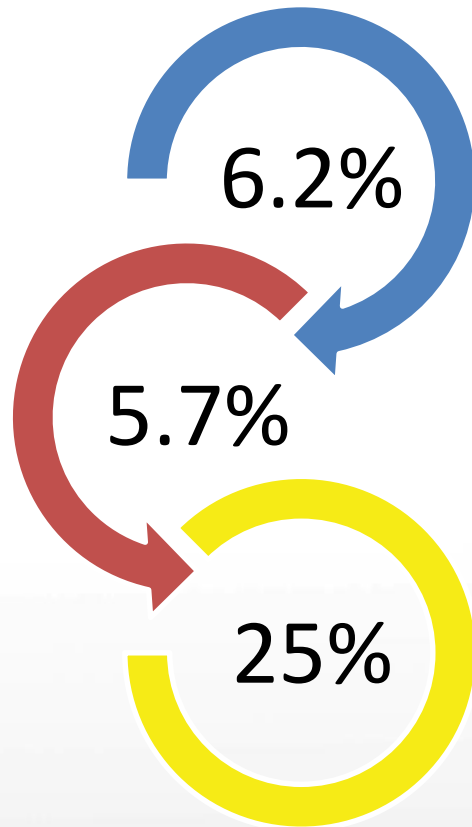




INCLUSIVE BUSINESS IN THE PHILIPPINES

A/SEC FELICITAS AGONCILLO-REYES
8 May 2016 | Arequipa, Peru

The Philippine Economy



- Fastest average GDP growth in the last five years with Investment Grade Ratings
- Lowest unemployment rate on record
- Lowest poverty incidence in the last few years

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]

Case Studies in the Philippines



Fast Food Giant
sourcing 25% of
onions from local
farmers



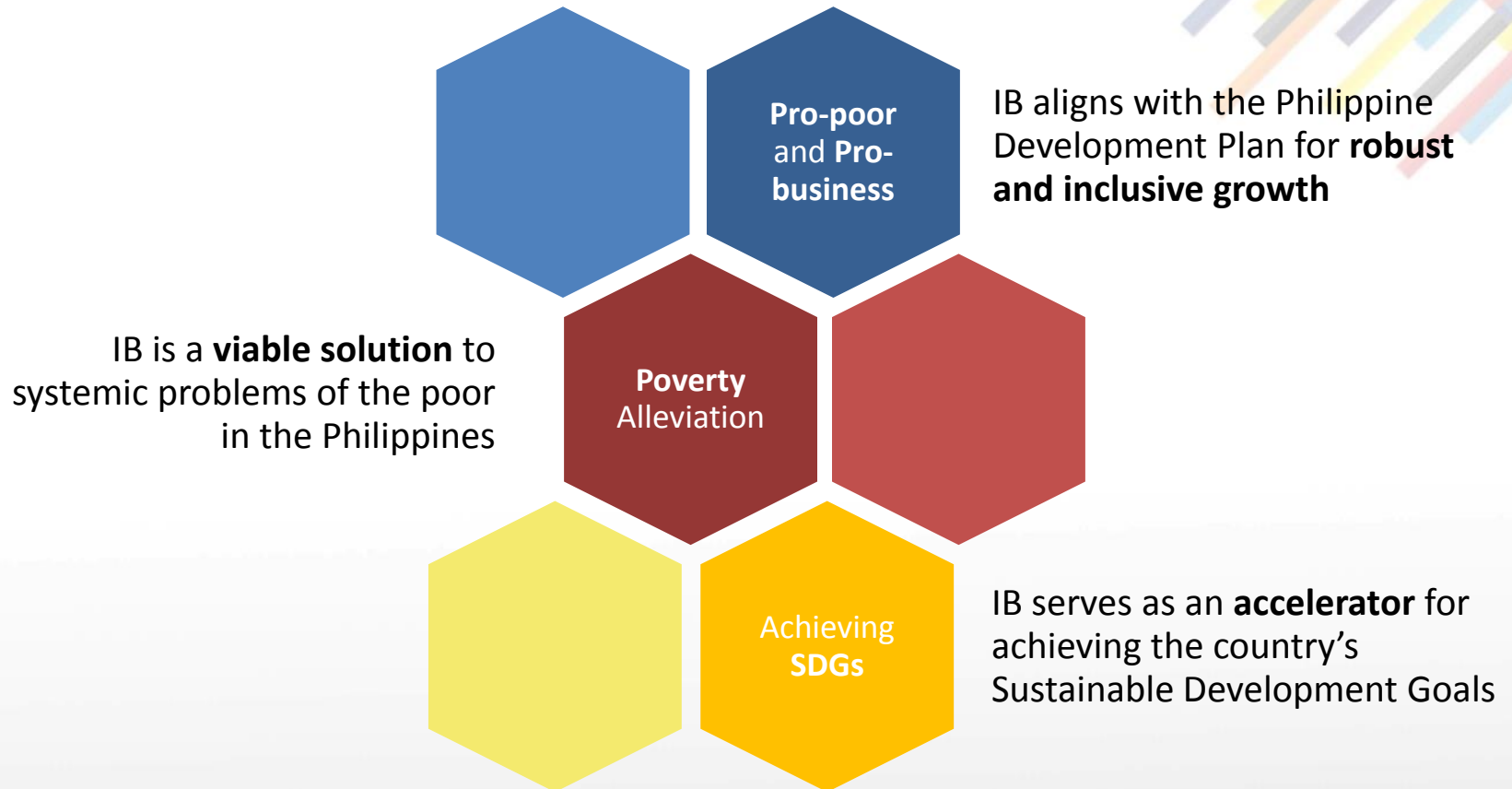
**High-Quality
Cacao producer
and marketer**
engaging local
coconut farmers



**Multinational
Company** sourcing
30% of Robusta
coffee beans from
local farmers

WORKED WITH PARTNERS FOR TECHNICAL, CAPITAL AND
FINANCIAL ASSISTANCE FOR SMALL HOLDER FARMERS

How IB fits in



The PH IB Initiative

2013-2014
Exploring the
Potentials of IB

Studied initial IB Models in the
PH and made policy
recommendations to support IB

Pilot Sectors: Agri, Housing, Tourism;
Technical assistance from ADB

2015
Introducing and
Advocating IB

Introduced IB as a means of
achieving inclusive growth

APEC 2015 IEG, WEF, HLD Fora;
IB APEC knowledge hub

2016
Mainstreaming
IB in policy

Discussions on how the PH
government can promote the
widespread adoption of IB

Gov't Consultations, APEC, G20;
IB Awards (Recognition of 18 models);
PH Business+ Study with UNDP

2017-2018
Operationalizing
IB Policies

Pilot support programs and
policies for IB

IPP 2017-2019;
IB Accreditation Unit;
IB integration in industry roadmaps

Challenges Encountered

1

Building the business case for IB and changing mindsets from philanthropy to viable IB models

2

Questions on specific policy instruments

3

Inclusivity of IB towards MSMEs

Recommendations for Governments

1

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

2

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

3

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